

TIDEWATER INC
Form 8-K
March 23, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 17, 2015

TIDEWATER INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction

of incorporation)

1-6311
(Commission

File Number)

72-0487776
(I.R.S. Employer

Identification No.)

601 Poydras Street, Suite 1500

New Orleans, Louisiana
(Address of principal executive offices)

70130
(Zip Code)

(504) 568-1010

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On March 17, 2015, the Compensation Committee (the Committee) of the Board of Directors (the Board) of Tidewater Inc. (Tidewater and, together with its subsidiaries, the Company) made long-term incentive awards to its Chief Executive Officer, its Chief Financial Officer, and each other executive officer for whom Tidewater reported compensation information in its most recent proxy statement (the Named Executive Officers), as follows:

| Named Executive Officer | Cash-Based | | |
|-------------------------|----------------------|-------------------------------------|----------------------------|
| | Stock Options (#) | Performance Award (Target Value) | Phantom Stock Units (#) |
| Jeffrey M. Platt | 87,068 | \$ 1,550,000 | 50,987 |
| Quinn P. Fanning | 56,184 | \$ 499,950 | 32,895 |
| Jeffrey A. Gorski | 56,184 | \$ 499,950 | 32,895 |
| Bruce D. Lundstrom | 48,693 | \$ 433,290 | 28,509 |
| Joseph M. Bennett | 33,710 | \$ 299,970 | 19,737 |

The material terms of each type of award are described below.

Stock Options. The stock options (the Options), which were granted under the Tidewater Inc. 2014 Stock Incentive Plan (the 2014 Plan), will vest one-third per year on March 17 of 2016, 2017, and 2018. The Options were granted at an exercise price of \$22.80 per share, which was equal to the closing price of a share of Tidewater common stock, par value of \$0.10 per share (the Common Stock) on the date of grant.

Cash-Based Performance Award. The dollar value of each Named Executive Officer's cash-based performance award (the CBP Award) represents the target award. Actual payout of each CBP Award may range between 0% and 200%, depending upon the Company's performance, measured over a three-year period (April 1, 2015 to March 31, 2018, the Performance Period), against two separate performance criteria, which are described in greater detail below.

For approximately two-thirds of each Named Executive Officer's CBP Award (the TSR Award), any amount earned will be determined by the Company's total stockholder return over the Performance Period ranked relative to a specified group of peer companies over the same period, according to the following schedule (with payout prorated for performance falling between two levels):

| Performance Level | Tidewater's Percentile Rank | Percentage of TSR Award Earned |
|-------------------|-------------------------------|--------------------------------|
| Maximum | 3 75 th percentile | 200% |
| Target | 50 th percentile | 100% |
| Threshold | 30 th percentile | 20% |
| Below Minimum | £ 25 th percentile | 0% |

For the remainder (approximately one-third) of each Named Executive Officer's CBP Award (the ROTC Award), any amount earned will be based upon the simple average of the Company's return on total capital for each of the three years in the Performance Period (SAROTC), according to the following schedule (with payout prorated for performance falling between two levels):

| Performance Level | SAROTC | Percentage of ROTC Award Earned |
|--------------------------|--------------------|--|
| Maximum | ³ 11.0% | 200% |
| Target | 6.0% | 100% |
| Threshold | 4.0% | 33% |
| Below Threshold | < 4.0% | 0% |

Following the end of the Performance Period but prior to May 31, 2018, the Committee will determine the extent to which the performance metrics were met and what, if any, payout is due to each Named Executive Officer under his CBP Award. Any amount earned will be paid in cash to the Named Executive Officer within 30 days of the Committee's determination. However, the Committee may elect to settle any amount due to a Named Executive Officer under his CBP Award, in whole or in part, in an equal value of shares of Common Stock (based on the closing price of a share of Common Stock on the day that the Committee makes that decision).

Phantom Stock Units. The phantom stock units (the Phantom Stock Units) were granted under the Second Amended and Restated Phantom Stock Plan (the Phantom Plan). Effective March 17, 2015, the Committee recommended to the Board, and the Board approved, the Phantom Plan. Although the Phantom Plan has been a compensatory plan of the Company for several years, executive officers were not eligible to participate in it prior to its March 17, 2015 amendment and restatement.

The Phantom Stock Units will vest one-third per year on March 17 of 2016, 2017, and 2018. Each Phantom Stock Unit is the economic equivalent of one share of Common Stock, and each Named Executive Officer will be paid cash dividend equivalents on his outstanding Phantom Stock Units at the same time dividends are paid on the Company's Common Stock. Within thirty days of the vesting date, each Named Executive Officer will receive a cash payment equal to the number of Phantom Stock Units vested multiplied by the closing price of a share of Common Stock on the vesting date.

The foregoing summary is qualified, in its entirety, by the full text of: (i) the 2014 Plan, (ii) the form of incentive agreement for the grant of Options and Performance Units, (iii) the Phantom Plan, and (iv) the form of officer agreement for the grant of Phantom Stock Units, each of which is included as an exhibit to, and incorporated by reference into, this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| Exhibit No. | Description |
|------------------------|---|
| 10.1 | Tidewater Inc. 2014 Stock Incentive Plan (incorporated by reference to a Current Report on Form 8-K filed by the Company on August 4, 2014) |
| 10.2 | Form of Incentive Agreement for the Grant of Stock Options and Performance Units under the Tidewater Inc. 2014 Stock Incentive Plan |
| 10.3 | Second Amended and Restated Phantom Stock Plan |
| 10.4 | Form of Officer Phantom Stock Unit Agreement under the Second Amended and Restated Phantom Stock Plan |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TIDEWATER INC.

March 23, 2015

/s/ Bruce D. Lundstrom
Bruce D. Lundstrom
Executive Vice President,
Secretary and General Counsel