

Verso Corp  
Form 10-K/A  
April 30, 2018  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**

**FORM 10-K/A**

**(Amendment No. 1)**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**For the fiscal year ended December 31, 2017**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Verso Corporation**

**(Exact name of registrant as specified in its charter)**

**Delaware**  
**(State of Incorporation**  
  
**or Organization)**

**001-34056**  
**(Commission**  
  
**File Number)**

**75-3217389**  
**(IRS Employer**  
  
**Identification Number)**

**8540 Gander Creek Drive**  
  
**Miamisburg, Ohio 45342**

**(Address, including zip code, of principal executive offices)**

**(877) 855-7243**

**(Registrant's telephone number, including area code)**

**Securities registered pursuant to section 12(b) of the Act:**

<b>Title of each class</b>	<b>Name of each exchange on which registered</b>
<b>Class A common stock, \$0.01 par value</b>	<b>New York Stock Exchange</b>
<b>Securities registered pursuant to Section 12(g) of the Act: Class B common stock, \$0.01 par value</b>	

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes    No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.    Yes    No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.    Yes    No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).    Yes    No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2017, the aggregate market value of the voting and non-voting common equity of Verso Corporation held by non-affiliates, computed by reference to the price at which the common equity was last sold on the last business day of the most recently completed second fiscal quarter, was approximately \$137,409,355. For purposes of this calculation, only those shares held by directors, executive officers and holders of 10% or more of the voting securities of Verso Corporation have been excluded as held by affiliates. Such exclusion should not be deemed a determination or an admission by Verso Corporation or any such person that such individuals or entities are or were, in fact, affiliates of Verso Corporation.

As of April 19, 2018, Verso Corporation had 34,308,438 shares of Class A common stock, par value \$0.01 per share, and 147,035 shares of Class B common stock, par value \$0.01 per share, outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE: None.**

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**EXPLANATORY NOTE**

This Amendment No. 1 to Form 10-K (this Amendment ) amends the Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the 2017 Form 10-K ) originally filed on March 8, 2018 (the Original Filing ) by Verso Corporation, a Delaware corporation ( Verso, the Company, we, or us ). We are filing this Amendment to present the information required by Part III of Form 10-K as we will not file our definitive proxy statement within 120 days of the end of our fiscal year ended December 31, 2017. Except as described above, no other changes have been made to the Original Filing. The Original Filing continues to speak as of the date of the Original Filing, and we have not updated the disclosures contained therein to reflect any events which occurred at a date subsequent to the filing of the Original Filing.

In this Amendment, Verso Corporation is referred to interchangeably as Verso, we, our and us.

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**Verso Corporation**

**Amendment No. 1 to Annual Report on Form 10-K**

**December 31, 2017**

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The following table and biographical descriptions provide information regarding our directors and executive officers as of the date of this Amendment.

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>
B. Christopher DiSantis	47	President, Chief Executive Officer and Director
Adam St. John	54	Senior Vice President of Manufacturing
Michael A. Weinhold	53	President of Graphic Papers
Allen J. Campbell	60	Senior Vice President and Chief Financial Officer
Kenneth D. Sawyer	62	Senior Vice President of Human Resources and Communications
Robert M. Amen*	68	Director
Alan J. Carr	48	Director and Co-Chairman of the Board
Eugene I. Davis	63	Director and Co-Chairman of the Board
Jerome L. Goldman	67	Director
Steven D. Scheiwe	57	Director
Jay Shuster	63	Director

\* Mr. Amen previously notified the board of directors that he will not stand for re-election at Verso's 2018 annual meeting of stockholders and will no longer serve on our board of directors following such annual meeting.

**Executive Officers*****B. Christopher DiSantis***

Mr. DiSantis has been our President and Chief Executive Officer and a director of Verso since February 2017. Additional information about Mr. DiSantis is set forth below in the Directors section of this Amendment.

***Adam St. John***

Mr. St. John has been our Senior Vice President of Manufacturing since August 2016. He previously served in various operations management positions with Verso, most recently as Regional Vice President of Operations from 2015 to July 2016, Mill Manager of our Quinnesec mill in Michigan from 2011 to 2015, and Operations Manager of our Androscoggin mill in Maine from 2009 to 2011. Before joining Verso, Mr. St. John worked at Georgia-Pacific Corporation, a subsidiary of Koch Industries, Inc., in operations management roles at its mill in Old Town, Maine, from 1992 to 2006.

***Michael A. Weinhold***

Mr. Weinhold has been our President of Graphic Papers since February 2017. He previously served as our Senior Vice President of Sales, Marketing and Product Development from 2011 to January 2017 and our Senior Vice President of Sales and Marketing from 2006 to 2011. Before joining Verso, Mr. Weinhold worked at International Paper Company from 2000 to 2006, where he held sales, marketing and management positions in the Coated and Supercalendered Papers Division, including Business Manager from 2004 to 2006, Business Manager of Sales and Marketing from 2003 to 2004, and Director of Marketing and Product Development from 2001 to 2003. Mr. Weinhold worked at Champion International Corporation in sales and marketing positions from 1994 until it was acquired by International Paper Company in 2000.

***Allen J. Campbell***

Mr. Campbell has been our Senior Vice President and Chief Financial Officer since 2015. Before joining Verso, he worked at Cooper-Standard Holdings Inc., the parent company of Cooper-Standard Automotive Inc., a leading global supplier of systems and components for the automotive industry, from 1998 to 2015. At Cooper Standard, Mr. Campbell held

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accounting, finance and management positions, including Executive Vice President and Chief Infrastructure Officer in 2015 and Executive Vice President and Chief Financial Officer from 2005 to 2015. He worked at The Dow Chemical Company in accounting and finance positions from 1980 to 1998.

### ***Kenneth D. Sawyer***

Mr. Sawyer has been our Senior Vice President of Human Resources and Communications since 2015. He previously served as our Vice President of Human Resources from 2011 to 2015. Before joining Verso, Mr. Sawyer worked at AbitibiBowater, Inc. (now named Resolute Forest Products Inc.), a producer of pulp, paper and wood products, from 2007 to 2010, where he was Director of Human Resources for United States operations from 2009 to 2010 and Director of Human Resources for the Commercial Printing Papers Division in the United States, Canada and South Korea from 2007 to 2009. Mr. Sawyer worked at Bowater Incorporated, a manufacturer of pulp, paper and wood products, from 1999 to 2007, where he was Director of Process Improvement and Organization Effectiveness from 2006 to 2007 and Director of Human Resources of the Coated Papers Division from 1999 to 2006. Mr. Sawyer was Vice President of Human Resources of Dorsey Trailers, Inc., a transportation equipment manufacturer, from 1993 to 1999.

## **Directors**

Verso's board of directors currently consists of seven directors. Set forth below is a brief biographical description of each of our directors. The primary experience, qualifications, attributes and skills of each of our directors that led to the conclusion of the Corporate Governance and Nominating Committee and the board that such person should serve as a member of the board of directors are also described in the following paragraphs.

### ***Robert M. Amen***

Mr. Amen has been a director of Verso since 2015 and was our Chairman of the Board from September 2016 to October 2017. He was the Chairman of the Board and Chief Executive Officer of International Flavors & Fragrances Inc., a creator and manufacturer of flavors and fragrances used in consumer products and packaged goods, from 2006 to 2009. Mr. Amen worked at International Paper Company from 1980 to 2006 in management, sales and finance positions, including President from 2003 to 2006, Executive Vice President responsible for the paper business, technology and corporate marketing from 2000 to 2003, and Senior Vice President and President of International Paper Europe from 1996 to 2000. During the past five years, he has served as a director of the following public companies: Balfour Beatty plc and NewPage Holdings Inc. Mr. Amen is an executive-in-residence at the Columbia University Business School and a member and the former Chair of the Advisory Board of the W. Edwards Deming Center for Quality, Productivity and Competitiveness at the school.

Mr. Amen provides Verso's board of directors with broad and deep experience in the printing and writing papers industry, including four years as the principal executive officer of Verso's business when it was a division of International Paper Company. His substantial management experience provides him with an in-depth understanding of our industry, business and organization which is useful in providing guidance to our management. In addition, Mr. Amen's service as a director of other companies in a variety of industries, as well as his work with Columbia Business School, give him a range of experiences on which he can draw in serving as a Verso director and enhance his knowledge of effective corporate governance.

### ***Alan J. Carr***



Mr. Carr has been a director of Verso since July 2016 and our Co-Chairman since October 2017. He is the Chief Executive Officer of Drivetrain, LLC., a fiduciary services firm that he founded in 2013 and which supports the investment community in legally- and process-intensive investments as a representative, director or trustee. Mr. Carr was a Managing Director of Strategic Value Partners LLC, an investment manager for hedge and private equity funds, from 2003 to 2013, where he led financial restructurings for companies in North America and Europe. Mr. Carr was a corporate restructuring attorney with Skadden, Arps, Slate, Meagher & Flom LLP from 1997 to 2003. He is a director of the following public companies: Atlas Iron Limited, an iron ore exploration and mining company (which has entered into a definitive agreement to be acquired by Mineral Resources Limited); Midstates Petroleum Company, Inc., an oil and gas exploration and production company; and Tidewater Inc., an offshore vessel owner and manager. During the past five years, Mr. Carr has served as a director of Brookfield DTLA Fund Office Trust Investor Inc., Tanker Investments Ltd. and UCI Holdings Limited. In addition, he is and has been a director of several private companies in various industries.

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With his significant experience in representing companies and investors in complex financial situations, Mr. Carr has gained substantial knowledge about strategic and financial matters which can inform his contributions as a Verso director. In addition, Mr. Carr's service as a director of several public and private companies in diverse industries provides him with a range of experiences on which he can draw in serving as a Verso director and increases his knowledge of effective corporate governance.

***Eugene I. Davis***

Mr. Davis has been a director of Verso since July 2016 and our Co-Chairman since October 2017. He is the Chairman and Chief Executive Officer of PIRINATE Consulting Group, LLC, a privately held consulting firm specializing in turnaround management, merger and acquisition consulting, hostile and friendly takeovers, proxy contests and strategic planning advisory services for domestic and international public and private business entities. Since forming PIRINATE in 1997, Mr. Davis has advised, managed, sold, liquidated and served as a chief executive officer, chief restructuring officer, director, chairman or committee chairman of a number of businesses operating in diverse sectors. He was the President, Vice Chairman and a director of Emerson Radio Corporation, a consumer electronics company, from 1990 to 1997 and was the Chief Executive Officer and Vice Chairman of Sport Supply Group, Inc., a direct-mail marketer of sports equipment, from 1996 to 1997. Mr. Davis began his career in 1980 as an attorney and international negotiator with Exxon Corporation and Standard Oil Company (Indiana) and was in private practice from 1984 to 1998.

Mr. Davis is the Chairman of the Board of the following public companies – Atlas Iron Limited (Atlas Iron Limited has announced entry into a definitive agreement to be acquired by Mineral Resources Limited, and Mr. Davis has advised Atlas Iron Limited that he will not continue as its Chairman or remain on its board of directors after the acquisition is consummated); and U.S. Concrete, Inc., until its annual meeting of stockholders to be held on May 17, 2018 (Mr. Davis is not standing for reelection to its board of directors) – and a director of Titan Energy, LLC. During the past five years, Mr. Davis has been a director of the following public or formerly public companies: ALST Casino Holdco, LLC; Atlas Air Worldwide Holdings, Inc.; The Cash Store Financial Services, Inc.; Dex One Corp.; Genco Shipping & Trading Limited, Global Power Equipment Group, Inc.; Goodrich Petroleum Corp.; Great Elm Capital Corp.; GSI Group, Inc.; Hercules Offshore, Inc.; HRG Group, Inc.; Knology, Inc.; SeraCare Life Sciences, Inc.; Spansion, Inc.; Spectrum Brands Holdings, Inc.; Trump Entertainment Resorts, Inc. and WMIH Corp. In addition, Mr. Davis is and has been a director of several private companies in various industries.

As a result of his professional experiences, Mr. Davis possesses significant knowledge about strategic planning, mergers and acquisitions, finance, accounting, capital structure and board practices which enhances his effectiveness in providing oversight and direction as a Verso director. In addition, Mr. Davis's service as a director of numerous public and private companies in various industries provides him with a range of experiences on which he can draw in serving as a Verso director and augments his knowledge of effective corporate governance.

***B. Christopher DiSantis***

Mr. DiSantis has been the President and Chief Executive Officer and a director of Verso since February 2017. Before joining Verso, he was the Chief Executive Officer of H-D Advanced Manufacturing Company, a diversified manufacturer of motion control products, from 2012 to January 2017. Mr. DiSantis was the Chief Executive Officer of Latrobe Specialty Metals, Inc., a worldwide supplier of premium alloys, from 2011 to 2012. He worked at Hawk Corporation, a global designer and manufacturer of friction technology solutions, from 2000 to 2010 in various management positions, including President and Chief Operating Officer from 2006 to 2010. Mr. DiSantis is a director and Chairman of the Board of Hardinge Inc., a manufacturer of precision machine tools. In addition, Mr. DiSantis is and has been a director of private companies in a variety of industries.

From his experiences as a leader of manufacturing businesses, Mr. DiSantis has obtained a wealth of knowledge about the complex business challenges and opportunities that face Verso and on which he can draw in serving as a Verso director. In addition, as our President and Chief Executive Officer, Mr. DiSantis is uniquely positioned as a director to contribute his in-depth knowledge of Verso's industry, operations, financial condition, organization and other matters relating to our business during the course of discussions and decision-making by our board of directors. Finally, Mr. DiSantis' service as a director of other companies in diverse industries provides him with a range of experiences on which he can draw in serving as a Verso director and enhances his knowledge of effective corporate governance.

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***Jerome L. Goldman***

Mr. Goldman has been a director of Verso since July 2016. He was a corporate tax partner with Ernst & Young LLP, a global accounting and tax services firm, from 1984 to 2011, where he concentrated his practice on international tax, mergers and acquisitions, and accounting matters.

Mr. Goldman's background and experience in tax and accounting are valuable to Verso's board of directors, especially with respect to the financial reporting, internal audit and other oversight duties and responsibilities of the Audit Committee. In addition, Mr. Goldman's many years of advising clients in a wide array of industries, including those involved in manufacturing, provide him with valuable insights on the business and financial issues confronting Verso, on which he can draw in serving as a Verso director.

***Steven D. Scheiwe***

Mr. Scheiwe has been a director of Verso since October 2016. He has been the President of Ontrac Advisors, Inc., a consultancy providing business analysis and management services to private equity firms, companies and funds managing distressed debt issues, since 2001. Mr. Scheiwe worked at Teletrac, Inc., a wireless location and telecommunications services provider, from 1995 to 2001 in management and legal positions, including Chief Executive Officer from 1999 to 2001 and General Counsel and Secretary from 1995 to 1999. He was the General Counsel and Secretary of Premier Page, Inc., a paging services provider, from 1988 to 1995. Mr. Scheiwe is a director of the following public company: WMIH Corp., a reinsurer of mortgage insurance policies in runoff mode. During the past five years, he has served as a director of the following public or formerly public companies: FiberTower Corporation; and Hancock Fabrics, Inc. In addition, Mr. Scheiwe is and has been a director of several private companies in various industries.

Mr. Scheiwe, by virtue of his professional experiences, has gained substantial knowledge of business planning and execution, mergers and acquisitions, finance and other aspects of managing a business enterprise which contributes to his effectiveness in providing oversight and guidance as a Verso director. In addition, Mr. Scheiwe's service as a director of several public and private companies across a wide spectrum of industries provides him with diverse experiences on which he can draw in serving as a Verso director and increases his knowledge of effective corporate governance.

***Jay Shuster***

Mr. Shuster has been a director of Verso since July 2016. He has been the Managing Member of Shuster Group, LLC, a privately held business consulting firm, since 2011, through which he has continued a consulting practice begun in 2000 in which he has advised industrial and high-tech companies on strategic and operational planning, mergers and acquisitions, turnaround management, financial performance, management evaluation and other business needs. Mr. Shuster worked at Rock-Tenn Company, a paperboard and specialty packaging manufacturer, from 1979 to 2000 in management, finance and accounting positions, including President and Chief Operating Officer from 1996 to 2000, Executive Vice President and Chief Operating Officer from 1991 to 1995, Executive Vice President and General Manager of the Consumer Packaging Group from 1989 to 1991, Executive Vice President and General Manager of the Folding Carton Division from 1987 to 1989, Chief Financial Officer from 1981 to 1986, and Treasurer from 1981 to 1984. He began his career in 1975 as a certified public accountant with Arthur Andersen & Company. In addition, Mr. Shuster is and has been a director of several private companies in various industries.

Mr. Shuster's lengthy career with Rock-Tenn Company provides him with an in-depth understanding of our industry and business which informs his service as a Verso director. Mr. Shuster's substantial operational and financial

management experience in the paper products industry affords him insights into the complex challenges and opportunities faced by Verso on which he can draw in providing oversight and guidance to our management. In addition, Mr. Shuster's service as a director of several companies in various industries provides him with broad experiences on which he can draw in serving as a Verso director and increases his knowledge of effective corporate governance.

#### **Other Matters Concerning Executive Officers and Directors**

On January 26, 2016, Verso and substantially all of our direct and indirect subsidiaries ( Debtors ) filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code ( Bankruptcy Code ) in the United States Bankruptcy Court for the District of Delaware ( Bankruptcy Court ). The chapter 11 cases ( Chapter 11 Cases ) were consolidated for procedural purposes only and administered jointly under the caption In re: Verso Corporation, et al., Case

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No. 16-10163. On June 23, 2016, the Bankruptcy Court entered an order confirming the Debtors' First Modified Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code dated as of June 20, 2016 ( "Plan" ). On July 15, 2016, the Plan became effective pursuant to its terms and the Debtors emerged from their Chapter 11 reorganization.

All of our executive officers, other than Messrs. DiSantis and St. John, were executive officers of Verso before and during the Chapter 11 Cases. Mr. St. John was serving as our Regional Vice President of Operations during the Chapter 11 Cases, but he did not become an executive officer of Verso until he was elected our Senior Vice President of Manufacturing in August 2016. Mr. Amen has been a director of Verso since January 2015 and served on our board of directors during and since the Chapter 11 Cases. No other director served in such capacity or as an executive officer of Verso prior to our emergence from Chapter 11 reorganization.

In addition, Mr. Campbell was serving as Chief Financial Officer of Cooper-Standard Holdings, Inc. when it voluntarily filed for protection under Chapter 11 of Title 11 of the Bankruptcy Code on August 3, 2009.

## **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended ( "Exchange Act" ), and the rules of the Securities and Exchange Commission ( "SEC" ) thereunder require that our directors and executive officers and the beneficial owners of more than 10% of Verso's common stock file with the SEC initial reports of, and subsequent reports of changes in, their beneficial ownership of our common stock. Based solely on our review of such Section 16(a) reports and written representations that our directors and executive officers have furnished to us, we believe that all reporting persons complied with all applicable Section 16(a) filing requirements during 2017, except for one inadvertently late Form 4 for Mr. St. John related to tax withholding obligations in connection with the vesting of stock units held by Mr. St. John's spouse.

## **Code of Ethics**

Our board of directors has adopted a Code of Conduct that applies to all of our directors, employees and officers, including our Chief Executive Officer and Chief Financial Officer. The current version of the Code of Conduct is available on our website under the Corporate Governance section at [www.versoco.com](http://www.versoco.com). To the extent required by rules adopted by the SEC and the New York Stock Exchange, we intend to promptly disclose future amendments to certain provisions of the Code of Conduct, or waivers of such provisions granted to executive officers and directors, on our website under the Corporate Governance section at [www.versoco.com](http://www.versoco.com).

## **Audit and Finance Committee**

We have a standing Audit Committee of the board. The Audit Committee currently consists of three directors – Messrs. Goldman, Scheiwe and Shuster – appointed by the board of directors. The board of directors has determined that each director serving on the Audit Committee is independent under the applicable rules of the New York Stock Exchange ( "NYSE" ) and Exchange Act, satisfies the NYSE's requirements of being financially literate and possessing accounting or related financial management expertise, and qualifies as an audit committee financial expert under the SEC's rules.

## **Item 11. Executive Compensation**

### **Executive Compensation**

This section of the Amendment sets forth certain information regarding the compensation of Verso's named executive officers in accordance with the SEC's rules, including those applicable to smaller reporting companies. For 2017, our named executive officers are B. Christopher DiSantis, Allen J. Campbell and Michael A. Weinhold.

### **Compensation of Named Executive Officers**

The compensation provided to Verso's named executive officers for their services in 2017 and 2016 is quantified in the Summary Compensation Table. For 2017, our executive compensation consisted principally of a base salary and an annual, performance-based cash incentive award. In addition, in 2017 our named executive officers received an award of service-based and performance-based RSUs. Our named executive officers also received other compensation as set forth in the "All Other Compensation" column of the Summary Compensation Table. The Summary Compensation Table should be read in conjunction with the additional information about our executive compensation provided in the narratives and tables that follow the Summary Compensation Table.

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The following table presents information regarding the compensation that Verso provided to our named executive officers for their services in 2017 and 2016.

Name and Principal Position	Year	Base Salary (\$) <sup>(1)</sup>	Bonus (\$) <sup>(2)</sup>	Stock Awards (\$) <sup>(3)</sup>	Non-Equity Incentive Plan	All Other	Total (\$)
					Compensation (\$) <sup>(4)</sup>	Compensation (\$) <sup>(5)</sup>	
B. Christopher DiSantis <sup>(6)</sup>	2017	756,250		1,999,999	1,087,103	168,684	4,012,036
<i>President and Chief Executive Officer</i>							
Allen J. Campbell	2017	433,500	37,931	549,999	499,392	167,716	1,688,538
	2016						
<i>Senior Vice President and Chief Financial Officer</i>							
Michael A. Weinhold <sup>(7)</sup>	2017	433,500	37,931	549,999	468,180	197,118	1,686,728
	2016						
<i>President of Graphic Papers</i>							
		427,125	37,931	108,376	325,125	132,037	1,030,594

- (1) Mr. DiSantis joined Verso on February 1, 2017 and his annual base salary was set at \$825,000. The amount in the table reflects his actual base salary earned for the portion of the fiscal year he was employed by Verso.
- (2) The 2017 bonus consists of a cash retention award made under the 2016 Retention Plan to certain of our named executive officers that was subject to the executive officer's continued employment with Verso through June 30, 2017.
- (3) On February 7, 2017, Verso awarded Mr. DiSantis 251,889 restricted stock units (RSUs) subject to time-based and performance-based vesting requirements under the Performance Incentive Plan in connection with his employment with us. The fair value of such RSUs on the grant date, computed in accordance with FASB ASC Topic 718, was \$7.94 per RSU, which was the closing sale price per share of our Class A common stock on the NYSE on such date. On October 12, 2017, Verso awarded each of Messrs. Campbell and Weinhold 93,220 RSUs subject to time-based and performance-based vesting requirements under the Performance Incentive Plan as part of their annual equity compensation grants. The fair value of such RSUs on the grant date, computed in accordance with FASB ASC Topic 718, was \$5.90 per RSU, which was the closing sale price per share of our Class A common stock on the NYSE on such date. On July 28, 2016, Verso awarded each of Messrs. Campbell and Weinhold 9,424 RSUs under the 2016 Retention Plan and the Performance Incentive Plan. The fair values of such RSUs on the grant date, computed in accordance with FASB ASC Topic 718, was \$11.50 per RSU, which was the closing sale price per share of our Class A common stock on the NYSE on such date.
- (4) The 2017 non-equity incentive plan compensation consists of cash payments to our named executive officers under the 2017 Verso Incentive Plan.
- (5) The all other compensation paid to or for the benefit of our named executive officers for 2017 consists of the following:



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- (a) matching contributions under the Retirement Savings Plan as follows: Mr. DiSantis \$12,225; Mr. Campbell \$16,363; and Mr. Weinhold \$16,038;
  - (b) discretionary contributions under the Supplemental Salary Retirement Program as follows: Mr. DiSantis \$8,100; Mr. Campbell \$8,100; and Mr. Weinhold \$8,100;
  - (c) discretionary contributions under the Deferred Compensation Plan as follows: Mr. DiSantis \$14,588; Mr. Campbell \$18,024; and Mr. Weinhold \$17,597;
  - (d) matching contributions under the Deferred Compensation Plan as follows: Mr. DiSantis \$21,656; and Mr. Weinhold \$17,250;
  - (e) contributions under the Executive Retirement Program as follows: Mr. Campbell \$78,030; and Mr. Weinhold \$60,690;
  - (f) payments under our executive financial counseling policy as follows: Mr. DiSantis \$9,500; Mr. Campbell \$6,500; and Mr. Weinhold \$6,500;
  - (g) company paid life and disability insurance premiums as follows: Mr. DiSantis \$2,615; Mr. Campbell \$2,091; and Mr. Weinhold \$2,091;
  - (h) payments under our employee relocation policy in connection with the Company's move of its headquarters to Miamisburg, Ohio in 2017, as follows: Mr. Campbell \$23,965; and Mr. Weinhold \$46,778; and
  - (i) one-time cost of living adjustment cash payment in connection with the Company's move of its headquarters to Miamisburg, Ohio in 2017, as follows: Mr. Campbell \$14,643; and Mr. Weinhold \$22,074.
- (6) Mr. DiSantis became our President and Chief Executive Officer and a member of our board of directors on February 1, 2017.
  - (7) Mr. Weinhold became our President of Graphic Papers on February 1, 2017. He previously was our Senior Vice President of Sales, Marketing and Product Development.

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The compensation of Verso's executive officers begins with a base salary. In determining the initial annual base salaries or the amounts by which to increase the base salaries of our executive officers, we typically evaluate each executive officer's position and functional responsibilities, consider the executive officer's performance and contributions in the prior year, review the executive officer's base salary in comparison to the base salaries of similar positions with similar functional responsibilities at comparable companies, compare the executive officer's base salary to those of our other executive officers for internal equity purposes, and consider Verso's financial position and our resources available for compensation purposes. Mr. DiSantis's base salary was set by the Compensation Committee when he joined the Company in 2017. None of Verso's named executive officers received increases in their base salaries in 2017.

**Non-Equity Incentive Plan: 2017 Verso Incentive Plan**

In July 2017, Verso, with the approval of the Compensation Committee, established and implemented the 2017 Verso Incentive Plan (2017 VIP), an annual, performance-based cash incentive plan for the benefit of our executive officers and other key employees. The 2017 VIP provided the participants with an opportunity to receive a cash incentive award based on Verso's, their departments' and their individual performances in 2017. The 2017 VIP involved the quantitative measurement of Verso's actual performance against a series of operational and financial performance objectives for 2017. It also entailed a qualitative assessment of the contributions of each participant and his or her department to the achievement of our performance objectives.

The 2017 VIP was designed to provide the participants with an incentive for superior work and to motivate them toward even higher achievements and business results, to tie their goals and interests to those of Verso and our other stockholders, and to enable us to attract and retain highly qualified executive officers and other employees. The 2017 VIP was administered by the Compensation Committee. Generally, unless otherwise provided by an agreement with Verso, a participant must remain employed by Verso until the time bonuses are actually paid for the performance year in order to be eligible to receive a bonus under the plan, although the Compensation Committee had the discretion to pay a prorated portion of a participant's incentive award in the event that the participant's employment with us was terminated after establishment of the 2017 VIP because of his or her death, disability or retirement or the elimination of his or her position.

The 2017 VIP set forth Verso's performance objectives for 2017 to be used to establish the 2017 annual cash incentives for participants in the plan, the relative weighting of the performance objectives against each other, the threshold, target and maximum achievement levels of our performance objectives, and the funding associated with achieving the performance objectives at the various achievement levels. In establishing the performance objectives, their relative weighting, and their achievement levels, the Compensation Committee considered information provided by management concerning our operational and financial goals for 2017, with the purpose of reflecting those goals in the 2017 VIP. In establishing the funding levels, the Compensation Committee considered the other compensation provided to our executive officers and senior managers, with the aim of establishing total incentive compensation that was competitive. Taking these matters into consideration, the Compensation Committee approved the elements of the 2017 VIP as shown in the following table.

2017 Performance Objectives	Relative Achievement Levels and Funding Levels			
	Weighting	Threshold	Target	Maximum
SG&A Reductions <sup>(1)</sup>	20%	\$ 19M	\$ 23M	\$ 27M

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R-Gap Improvement <sup>(2)</sup>	20%	\$ 40M	\$ 52M	\$ 64M
Safety <sup>(3)</sup>	10%	1.30	1.15	1.00
Working Capital <sup>(4)</sup>				
AP Dollars Increase Year End	15%	\$ 15M	\$ 20M	\$ 25M
Inventory Dollars Decrease Year End	20%	\$ 27M	\$ 42M	\$ 57M
Adjusted EBITDA <sup>(5)</sup>	15%	\$ 110M	\$ 135M	\$ 160M
Funding percentage		50%	100%	200%
Funding amount		\$ 5.1M	\$ 10.3M	\$ 20.5M

- (1) SG&A Reduction refers to realized savings in SG&A achieved by us by 2017 year end (SG&A expenses for 2017 compared to SG&A expenses for 2016).
- (2) R-Gap Improvement means the net year-over-year change, measured in dollars, of improvements in various areas of operations.
- (3) Safety refers to our number of OSHA recordable safety incidents during 2017 per 100 full-time employees.

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- (4) Working Capital includes two components (a) AP (Accounts Payable) Dollars Increase Year End, a measure of the improvements we made in extending the time for payment of accounts payable year-over-year, increasing AP DPO (Days Payable Outstanding) at year-end (year-end 2017 compared to year-end 2016), and (b) Inventory Dollars Decrease Year End, a measure of the improvements we made in reducing inventory year-over-year (year-end 2017 compared to year-end 2016).
- (5) Adjusted EBITDA is our earnings before interest, taxes, depreciation and amortization, adjusted to exclude certain unusual items and to reflect changes in accounting principles, policies, practices and procedures adopted or implemented during the term of the 2017 VIP.

Under the 2017 VIP, the incentive pool, representing the total amount of incentive awards for all participants, was determined initially by adding together all the participants' target-level incentive awards. A participant's target-level incentive award is a specified percentage of the participant's base salary. This initial pool represents the amount of the incentive pool at the target achievement level of performance, which also is referred to as the target-level incentive pool. If the incentive pool were to be funded at the threshold achievement level, the amount of the incentive pool would be equal to 50% of the target-level incentive pool. If, on the other hand, the incentive pool were to be funded at the maximum achievement level, the amount of the incentive pool would be equal to 200% of the target-level incentive pool. Under the 2017 VIP, the threshold, target and maximum funding levels of the incentive pool were approximately \$5.1 million, \$10.3 million and \$20.5 million, respectively.

After determining the target-level incentive pool, the next step in determining the funding of the incentive pool was to consider the levels of achievement of Verso's performance objectives. After year-end, we calculated the achievement level and factored in the relative weighting of each of our performance objectives. By way of illustration only, if we had achieved the Adjusted EBITDA performance objective at the threshold level of achievement, then 50% of 20%, or a net of 10%, of the target-level incentive pool would have been funded. For any performance objective that was achieved at a level between the threshold and target achievement levels or between the target and maximum achievement levels, we used linear interpolation to determine the appropriate incentive pool funding percentage attributable to such performance objective. This methodology was used to determine the incentive pool funding percentage attributable to the achievement of each of our performance objectives, and the results were added together. Next, the actual amount of the incentive pool was determined by multiplying the total incentive pool funding percentage by the amount of the target-level incentive pool.

The Compensation Committee, applying the methodology set forth in the 2017 VIP, funded the incentive pool at approximately \$14.83 million, representing a funding percentage of 144% of the target-level incentive pool. The Compensation Committee determined the funding of the incentive pool based on the following actual levels of achievement of Verso's performance objectives as set forth in the 2017 VIP:

<b>2017 Performance Objectives</b>	<b>Relative Weighting</b>	<b>Actual Achievement Levels</b>	<b>Funding Levels</b>
SG&A Reduction	20%	\$ 31.4M	40.0%
R-Gap Improvement	20%	\$ 42.1M	11.8%
Safety	10%	1.11	12.7%
Working Capital			
AP Dollars Increase Year-End	15%	\$ 69.8M	30.0%
Inventory Dollars Decrease Year-End	15%	\$ 76.0M	30.0%

Adjusted EBITDA	20%	\$ 134.4M	19.8%
Funding percentage			144% <sup>(1)</sup>
Funding amount (144% of the target level of \$10.3 million)			\$ 14.83M

(1) Rounded to the nearest whole number

The amount of a participant's incentive award under the 2017 VIP was determined by reference to his or her target-level incentive award percentage. A participant's target-level incentive award percentage is the percentage of his or her base salary that the participant would receive as an incentive award under the 2017 VIP in the event that the incentive pool were to be funded at the target level of 100%. The target-level incentive award percentage reflects our assessment of a participant's ability, considering his or her position with us, to affect our operational and financial performance. They also take into account the other compensation to which a participant is entitled, the target-level incentive award percentages for positions with similar functional responsibilities at comparable companies, and, in the case of Mr. DiSantis, the applicable provisions of his employment agreement with us. The target-level incentive award percentages range from 5% to 100% of a participant's base salary at the end of the year, depending on the participant's employment grade level with us. The target-level incentive award percentages of our named executive officers were 100% of base salary for Mr. DiSantis, 80% of base salary for Mr. Campbell, and 75% of base salary for Mr. Weinhold. In each case, a participant's incentive award is capped at 200% of his or her target-level incentive award.

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The amount of a participant's incentive award under the 2017 VIP could be affected by the level of achievement of his or her group/individual performance objectives. A participant's group/individual performance objectives, which were established at the beginning of the year in consultation with his or her supervisor, are intended to be linked to and supportive of the achievement of our performance objectives. The requirement to develop group/individual performance objectives applied to all participants in the 2017 VIP other than Mr. DiSantis, our Chief Executive Officer. Our named executive officers other than Mr. DiSantis developed their group/individual performance objectives in early 2017. While the Compensation Committee had the discretion to make adjustments to a participant's incentive award to take into account extraordinary or unforeseen events and circumstances, the Compensation Committee did not make any adjustments for individual performance in the 2017 VIP incentive awards payable to our named executive officers. With respect to Mr. DiSantis, his 2017 VIP incentive award was based solely on the level of achievement of Verso's performance objectives.

In summary, the incentive pool for the 2017 VIP was funded at approximately \$14.83 million, representing a funding percentage of 144% of the target-level incentive pool, and the 2017 VIP incentive awards for our executive officers were equal to 144% of their target-level incentive awards. Additional information about the 2017 VIP incentive awards paid to our named executive officers is set forth in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

**Equity Incentive Plan: Performance Incentive Plan**

The Performance Incentive Plan (PIP), which we established upon emerging from our Chapter 11 reorganization, allows Verso to grant equity and cash incentive awards to our officers, employees, directors and consultants. The purpose of the PIP is to promote our success by providing a means, through the grant of incentive awards, to attract, motivate, retain and reward the participants, and with respect to equity awards, to align their interests with those of our stockholders. The types of awards that may be granted under the PIP, whether alone or in tandem, include stock options, stock appreciation rights, stock bonuses, restricted stock, performance stock, restricted stock units (RSUs), phantom stock and similar rights to purchase or acquire shares of our Class A common stock, as well as cash. The maximum number of shares of Class A common stock that may be delivered pursuant to awards granted under the PIP is 3,620,067 shares. The awards granted under the PIP may vest upon the passage of time and/or upon the achievement of performance objectives based on criteria chosen from among those set forth in the PIP. The PIP is administered by the Compensation Committee or, in the case of awards granted to our non-employee directors, the board of directors. The awards granted under the PIP are subject to the provisions of any claw-back policy implemented by Verso and any similar provision of any applicable law.

In 2017, Verso granted a total of 897,517 RSUs subject to time-based and performance-based vesting requirements under the PIP to our executive officers and certain key senior managers as part of their annual compensation or, with respect to Mr. DiSantis, in connection with his employment with us. Additional information about these RSU grants is set forth in the Outstanding Equity Incentive Awards at 2017 Fiscal Year-end section of this Amendment and the Stock Awards column of the Summary Compensation Table. In 2017, Verso also granted a total of 79,080 RSUs under the PIP to our non-employee directors as part of their compensation for serving as directors. Additional information about these RSU grants is set forth in the Director Compensation section of this Amendment.

**Bonus: 2016 Retention Plan**

In July 2016, upon emerging from its Chapter 11 reorganization, Verso established and implemented the 2016 Retention Plan, a service-based retention award plan for the benefit of our executive officers and certain key senior managers. The purpose of the 2016 Retention Plan is to provide the participants with financial incentives to continue their employment with Verso as we develop and implement our long-range strategic initiatives following our

reorganization. The 2016 Retention Plan provides for three levels of retention awards based on the participants positions within Verso's management. The values of the retention award are varying percentages of the participants base salaries, with our executive officers receiving retention awards at the 85% level. For the executive officers, the retention awards consist of cash and RSUs granted under the PIP comprising 70% and 30%, respectively, of the award values (based on the grant date fair value of the RSUs awarded). The cash retention awards vest in three installments of 15%, 15% and 70% on December 31, 2016, June 30, 2017, and June 30, 2018, respectively. The RSU retention awards vest in three equal installments on each of the first, second and third anniversaries of the grant date of July 28, 2016. In order to receive or vest in an installment of a cash or RSU retention award, the participant must remain continuously employed by Verso or one of our subsidiaries through the applicable vesting date of

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the installment. Except in certain circumstances specified in the award documents as described below, if a participant's employment with us terminates before any portion of a cash or RSU retention award becomes vested, the unvested portion of the award will expire, regardless of the reason for the termination of employment. If, in connection with the termination of a participant's employment, the participant is entitled to acceleration of the unvested portion of his or her cash retention award, such accelerated award will be reduced by the amount of any termination allowance that the participant receives under our severance policy. Additional information about the cash retention awards paid to our named executive officers in 2017 under the 2016 Retention Plan is set forth in the "Bonus" column of the Summary Compensation Table. Mr. DiSantis does not participate in the 2016 Retention Plan as he was not employed by Verso when we emerged from the Chapter 11 reorganization.

**Retirement Benefits**

Verso provides benefits to our executive officers and other eligible employees under the following retirement plans and programs as a means of attracting and retaining qualified employees:

Retirement Savings Plan, a tax-qualified, 401(k) defined contribution plan;

Supplemental Salary Retirement Program, a tax-qualified defined contribution program implemented under the Retirement Savings Plan;

Deferred Compensation Plan, a non-qualified defined contribution plan; and

Executive Retirement Program, a non-qualified defined contribution program implemented under the Deferred Compensation Plan.