

W&T OFFSHORE INC
Form PRE 14A
March 11, 2016
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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 under Rule 14a-12

W&T Offshore, Inc.

(Name of Registrant as Specified in its Charter)

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

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

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(4) Date Filed:

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March 24, 2016

Dear Shareholder:

It is my pleasure to invite you to the 2016 Annual Meeting of Shareholders of W&T Offshore, Inc. to be held on Wednesday, May 4, 2016 at 8:00 a.m., Central Daylight Time, at the offices of the Company, Nine Greenway Plaza, Suite 300, Houston, Texas 77046. I hope you will be able to attend.

Details of the business to be conducted at the Annual Meeting are provided in the attached Notice of Annual Meeting and Proxy Statement. Our Board of Directors has determined that owners of record of our common stock at the close of business on March 9, 2016 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.

We have elected to furnish proxy materials to our shareholders on the Internet pursuant to rules adopted by the Securities and Exchange Commission. We believe these rules enable us to provide you with the information you need, while making delivery more efficient, more cost effective and friendlier to the environment. In accordance with these rules, beginning on or about March 24, 2016, we sent a Notice of Internet Availability of Proxy Materials to our shareholders.

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 using the Internet or telephone voting procedures described on the Notice of Internet Availability of Proxy Materials or vote and submit your proxy by signing, dating and returning the enclosed proxy card in the enclosed envelope (if you have requested a paper copy of the proxy materials). If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy.

On behalf of the Board of Directors and our employees, I would like to express my appreciation for your continued interest in our affairs. I look forward to greeting as many of you as possible at the meeting.

Sincerely,
Tracy W. Krohn
Chairman of the Board and
Chief Executive Officer

Nine Greenway Plaza, Suite 300

Houston, Texas 77046

Phone (713) 626-8525

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NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 4, 2016

Notice is hereby given that the 2016 Annual Meeting of Shareholders of W&T Offshore, Inc., a Texas corporation, will be held at the offices of the Company, Nine Greenway Plaza, Suite 300, Houston, Texas 77046 on May 4, 2016 at 8: 00 a.m., Central Daylight Time, for the following purposes:

- (1) to elect five directors to hold office until the 2017 Annual Meeting of Shareholders and until their successors are duly elected and qualified;
 - (2) to approve an amendment to our Amended and Restated Incentive Compensation Plan, as amended, to increase the number of authorized shares of common stock and extend the term of the Amended and Restated Compensation Plan;
 - (3) to approve an amendment to, and all material terms of, our Amended and Restated Incentive Compensation Plan, as amended, for purposes of Section 162(m) of the Internal Revenue Code;
 - (4) to ratify the appointment of Ernst & Young LLP as our independent registered public accountants for the year ending December 31, 2016;
 - (5) to approve an amendment to our Amended and Restated Articles of Incorporation, as amended, in substantially the form attached to the proxy statement as Appendix A, to effect, at the discretion of our Board of Directors, (a) a reverse stock split with respect to the Company's issued and outstanding shares of common stock, par value \$0.00001 per share, that will reduce the number of shares of outstanding common stock in accordance with a ratio to be determined by the Board of Directors within a range of one share of common stock for every two (2) to fifteen (15) shares of common stock (or any number in between) currently outstanding; and (b) a reduction of the number of authorized shares of common stock by a corresponding proportion; and
 - (6) to transact such other business as may properly come before the meeting and any adjournment or postponement thereof.
- Only shareholders of record at the close of business on March 9, 2016 will be entitled to notice of, and to vote at, the Annual Meeting, or any adjournment or postponement thereof, notwithstanding the transfer of any shares after such date. A list of these shareholders will be open for examination by any shareholder for ten days prior to the Annual Meeting at our principal executive offices at Nine Greenway Plaza, Suite 300, Houston, Texas 77046.

Pursuant to rules adopted by the Securities and Exchange Commission, we have elected to provide access to our proxy solicitation materials primarily via the Internet, rather than mailing paper copies of these materials to each shareholder. On or about March 24, 2016, we will mail to each shareholder a Notice of Internet Availability of Proxy Materials with instructions on how to access the proxy materials, vote or request paper copies. **Your vote is important. We urge you to review the accompanying Proxy Statement carefully and to submit your proxy as soon as possible so that your shares will be represented at the meeting.**

By Order of the Board of Directors,
Thomas F. Getten
Corporate Secretary and General Counsel

Houston, Texas

March 24, 2016

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE SHAREHOLDERS MEETING TO BE HELD ON MAY 4, 2016**

This Notice of Annual Meeting and Proxy Statement and our Annual Report to Shareholders are available at www.proxyvote.com.

Nine Greenway Plaza, Suite 300

Houston, Texas 77046

Phone (713) 626-8525

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W&T OFFSHORE, INC.

Nine Greenway Plaza, Suite 300

Houston, Texas 77046

PROXY STATEMENT

2016 ANNUAL MEETING OF SHAREHOLDERS

THE ANNUAL MEETING

This proxy statement is solicited by and on behalf of the Board of Directors (the **Board**) of W&T Offshore, Inc. for use at the 2016 Annual Meeting of Shareholders (the **Annual Meeting**) to be held on May 4, 2016 at the offices of the Company, Nine Greenway Plaza, Suite 300, Houston, Texas 77046, at 8: 00 a.m., Central Daylight Time, or at any adjournments or postponements thereof. Unless the context requires otherwise, references in this proxy statement to **we**, **us**, **our** and the **Company** refer to W&T Offshore, Inc. The solicitation of proxies by the Board will be conducted primarily electronically, or by mail for those shareholders requesting paper copies of proxy materials. Officers, directors and employees of the Company may also solicit proxies personally or by telephone, e-mail or other forms of wire or facsimile communication. These officers, directors and employees will not receive any extra compensation for these services. The Company will reimburse brokers, custodians, nominees and fiduciaries for reasonable expenses incurred by them in forwarding proxy materials to beneficial owners of common stock of the Company (the **Common Stock**). The costs of the solicitation will be borne by the Company. On or about March 24, 2016, we will begin mailing a Notice of Internet Availability of Proxy Materials (the **Notice of Availability**) containing instructions on how to access the proxy materials and vote online. We will make these proxy materials available to you over the Internet or, upon your request, will deliver paper copies of these materials to you by mail, in connection with the solicitation of proxies by the Board for the Annual Meeting.

Purposes of the 2016 Annual Meeting

The purposes of the Annual Meeting are: (1) to elect five directors to hold office until the 2017 Annual Meeting of Shareholders and until their successors are duly elected and qualified; (2) to approve an amendment to our Amended and Restated Incentive Compensation Plan, as amended, to increase the number of authorized shares of Common Stock and extend the term of the Amended and Restated Compensation Plan; (3) to approve an amendment to, and all material terms of, our Amended and Restated Incentive Compensation Plan, as amended, for purposes of Section 162(m) of the Internal Revenue Code; (4) to ratify the appointment of Ernst & Young LLP as our independent registered public accountants for the year ending December 31, 2016; (5) to approve an amendment to our Amended and Restated Articles of Incorporation, as amended, in substantially the form attached to the proxy statement as **Appendix A**, to effect, at the discretion of our Board of Directors, (a) a reverse stock split with respect to the Company's issued and outstanding shares of Common Stock, par value \$0.00001 per share, that will reduce the number of shares of outstanding Common Stock in accordance with a ratio to be determined by the Board of Directors within a range of one share of Common Stock for every two (2) to fifteen (15) shares of Common Stock (or any number in between) currently outstanding; and (b) a reduction of the number of authorized shares of Common Stock by a corresponding proportion; and (6) to transact such other business as may properly come before the meeting and any adjournment or postponement thereof. Although the Board does not anticipate that any other matters will come before the 2016 Annual Meeting, your executed proxy gives the official proxies the right to vote your shares at their discretion on any other matter properly brought before the Annual Meeting.

Voting Rights and Solicitation

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Only shareholders of record at the close of business on March 9, 2016 (the Record Date) will be entitled to notice of and to vote at the Annual Meeting. As of the Record Date, there were 76,506,489 shares of Common

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Stock outstanding, each of which is entitled to one vote on any matter to come before the meeting. Common Stock is the only class of outstanding equity securities of the Company. The holders of issued and outstanding shares representing at least a majority of the outstanding shares of Common Stock, present in person or represented by proxy at the Annual Meeting, will constitute a quorum necessary to hold a valid meeting. Tracy W. Krohn currently controls approximately 52.35% of the voting power entitled to vote at the Annual Meeting. Mr. Krohn has the requisite voting power to constitute a quorum at the Annual Meeting and to ensure the approval of Proposal 1, Proposal 2, Proposal 3 and Proposal 4 described below. The person who is appointed by the chairman of the meeting to be the inspector of election will treat the holders of all shares of Common Stock represented by a returned, properly executed proxy, including shares that abstain from voting, as present for purposes of determining the existence of a quorum at the Annual Meeting. Each share of Common Stock present or represented at the Annual Meeting will be entitled to one vote on any matter to come before the shareholders. If you hold your shares in street name, you will receive instructions from your brokers or other nominees describing how to vote your shares. If you do not instruct your brokers or nominees how to vote your shares, they may vote your shares as they decide as to each matter for which they have discretionary authority under the rules of the New York Stock Exchange (NYSE). For Proposal 4 (*Ratification of the Appointment of Ernst & Young LLP*) and Proposal 5 (*Approval of the Amendment to the Company's Charter to Effect the Reverse Stock Split and Proportionally Reduce the Number of Authorized Shares of Common Stock*) to be voted on at the Annual Meeting, brokers and other nominees will have discretionary authority in the absence of timely instructions from you.

There are also non-discretionary matters for which brokers and other nominees do not have discretionary authority to vote unless they receive timely instructions from you. For Proposal 1 (*Election of Directors*), Proposal 2 (*Third Amendment to the W&T Offshore, Inc. Amended and Restated Incentive Compensation Plan*) and Proposal 3 (*Re-Approval of all Material Terms of the W&T Offshore, Inc. Amended and Restated Incentive Compensation Plan*) to be voted on at the Annual Meeting, you must provide timely instructions on how the broker or other nominee should vote your shares. When a broker or other nominee does not have discretion to vote on a particular matter, you have not given timely instructions on how the broker or other nominee should vote your shares and the broker or other nominee indicates it does not have authority to vote such shares on its proxy, a broker non-vote results. Although any broker non-vote would be counted as present at the meeting for purposes of determining a quorum, it would be treated as not entitled to vote with respect to non-discretionary matters.

Abstentions occur when shareholders are present at the Annual Meeting but fail to vote or voluntarily withhold their vote for any of the matters upon which the shareholders are voting.

The following is a summary of the vote required to approve each proposal, as well as the effect of broker non-votes and abstentions.

Item 1 (*Election of Directors*): To be elected, each nominee for election as a director must receive the affirmative vote of a plurality of all votes cast. This means that director nominees with the most votes are elected. Votes may be cast in favor of or withheld from the election of each nominee. Votes that are withheld from a director's election will be counted toward a quorum, but will not affect the outcome of the vote on the election of a director. Broker non-votes will not be taken into account in determining the outcome of the election.

Item 2 (*Third Amendment to the W&T Offshore, Inc. Amended and Restated Incentive Compensation Plan*): The NYSE rules require that the total votes cast on this proposal must represent greater than 50% of all the shares entitled to vote on this proposal. That is, the total number of votes cast for and against the proposal must exceed 50% of the outstanding shares. A majority of the votes must be cast FOR the amendment to the W&T Offshore, Inc. Amended and Restated Incentive Compensation Plan in order for the amendment to be approved at the Annual Meeting. An abstention has the same effect as voting AGAINST the proposal and broker non-votes are not counted for purposes of determining whether a majority has been achieved.

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Item 3 (*Re-Approval of all Material Terms of the W&T Offshore, Inc. Amended and Restated Incentive Compensation Plan*): The NYSE rules require that the total votes cast on this proposal must represent greater than 50% of all the shares entitled to vote on this proposal. That is, the total number of votes cast for and against the proposal must exceed 50% of the outstanding shares. A majority of the votes must be cast FOR the amendment to the W&T Offshore, Inc. Amended and Restated Incentive Compensation Plan in order for the amendment to be approved at the Annual Meeting. An abstention has the same effect as voting AGAINST the proposal and broker non-votes are not counted for purposes of determining whether a majority has been achieved.

Item 4 (*Ratification of the Appointment of Independent Accountants*): The affirmative vote of a majority of the shares present at the meeting in person or by proxy is required to ratify the appointment of our independent registered public accounting firm. An abstention is not treated as a vote entitled to be cast and therefore is not counted for purposes of determining whether a majority has been achieved.

Item 5 (*Approval of the Amendment to the Company's Charter to Effect the Reverse Stock Split and Proportionally Reduce the Number of Authorized Shares of Common Stock*): The affirmative vote of at least two-thirds of the outstanding shares of Common Stock entitled to vote at the Annual Meeting is required to approve an amendment to our Amended and Restated Articles of Incorporation, as amended, in substantially the form attached to the proxy statement as Appendix A, to effect, at the discretion of our Board of Directors, (a) a reverse stock split with respect to the Company's issued and outstanding shares of Common Stock, par value \$0.00001 per share, that will reduce the number of shares of outstanding Common Stock in accordance with a ratio to be determined by the Board of Directors within a range of one share of Common Stock for every two (2) to fifteen (15) shares of Common Stock (or any number in between) currently outstanding; and (b) a reduction of the number of authorized shares of Common Stock by a corresponding proportion (the Reverse Stock Split Proposal). The approval of the Reverse Stock Split Proposal is a matter on which a broker or other nominee is generally empowered to vote, and therefore, broker non-votes are not expected to exist with respect to this proposal. Abstentions will be counted toward the vote total and will have the same effect as a vote Against.

Voting Procedures

If you are a registered shareholder, you may vote your shares or submit a proxy to have your shares voted by one of the following methods:

By Internet. You may submit a proxy electronically via the Internet, using the website listed on the Notice of Availability. Please have your Notice of Availability, which includes your personal control number, in hand when you log onto the website. Internet voting facilities will close and no longer be available on the date and time specified on the Notice of Availability.

By Telephone. If you request paper copies of the proxy materials by mail, you may submit a proxy by telephone using the toll-free number listed on the proxy card. Please have your proxy card in hand when you call. Telephone voting facilities will close and no longer be available on the date and time specified on the proxy card.

By Mail. If you request paper copies of the proxy materials by mail, you may submit a proxy by signing, dating and returning your proxy card in the pre-addressed envelope provided.

In Person. You may vote in person at the 2016 Annual Meeting of Shareholders by completing a ballot; however, attending the meeting without completing a ballot will not count as a vote.

Revoking Your Proxy

You may revoke your proxy in writing at any time before it is exercised at the Annual Meeting by: (i) delivering to the Secretary of the Company a written notice of the revocation; (ii) signing, dating and delivering to the Secretary of the Company a proxy with a later date; or (iii) attending the Annual Meeting and

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voting your shares in person. Your attendance at the Annual Meeting will not revoke your proxy unless you give written notice of revocation to the Secretary of the Company before your proxy is exercised or unless you vote your shares in person at the Annual Meeting before your proxy is exercised.

Copies of the Annual Report

Upon written request, we will provide any shareholder, without charge, a copy of our annual report on Form 10-K for the year ended December 31, 2015 (the Form 10-K), but without exhibits. Shareholders should direct requests to W&T Offshore, Inc., Attn: General Counsel, Nine Greenway Plaza, Suite 300, Houston, Texas 77046. The Form 10-K and the exhibits filed with it are available on our website, www.wtoffshore.com in the SEC Filings subsection of the Investor Relations section. These materials do not constitute a part of the proxy solicitation material.

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PROPOSAL 1

ELECTION OF DIRECTORS

Currently, the Company's Board is composed of the following six directors: Ms. Virginia Boulet and Messrs. Robert I. Israel, Stuart B. Katz, Tracy W. Krohn, S. James Nelson, Jr. and B. Frank Stanley. Mr. Israel will not stand for re-election at the 2016 Annual Meeting. Accordingly, Mr. Israel's term as a member of the Board will expire immediately prior to the 2016 Annual Meeting, at which time the size of the Board will be reduced from six to five directors. The Board expresses its gratitude to Mr. Israel for his contributions during his nine years of service on the Board. At the Annual Meeting, five directors are to be elected, each of whom will serve until the 2017 Annual Meeting and until his or her successor is duly elected and qualified. Each nominee has consented to be nominated and to serve if elected. If any nominee is unable to serve as a director, the shares represented by the proxies will be voted, in the absence of contrary indication, for any substitute nominee that the Board may designate or the size of the Board may be reduced. We know of no reason why any nominee would be unable to serve.

Information about the Nominees

Virginia Boulet, age 62, has served on the Board since March 2005. She is currently Chair of the Nominating and Corporate Governance Committee and a member of the Compensation Committee. Ms. Boulet is an adjunct professor of law at Loyola University Law School. Since April 2014, she has been employed as Managing Director of Legacy Capital, LLC. From 2002 to March 2014, Ms. Boulet was employed as Special Counsel to Adams and Reese, LLP, a law firm. Prior to 2002, Ms. Boulet was a partner at the law firm Phelps Dunbar, LLP. Ms. Boulet has over 20 years of experience in mergers and acquisitions, equity securities offerings, general business matters and counseling clients regarding compliance with federal securities laws and regulations. Ms. Boulet currently serves on the board of directors of CenturyLink, Inc., a telecommunications company. She also serves as chair of the nominating and corporate governance committee of CenturyLink, as well as a member of the board's compensation committee. Service on this board and its committees has provided her the background and experience of board processes, function, exercise of diligence and oversight of management. In the past, she served as President and Chief Operating Officer of IMDiversity, Inc., an on-line recruiting company. Ms. Boulet received a B.A. in Medieval History from Yale University, and a J.D., cum laude, from Tulane University Law School. With her public company board experience and recruiting experience as president of a recruiting company, Ms. Boulet is well suited as a member of our Board and to the Nominating and Corporate Governance Committee functions of identifying and evaluating individuals qualified to become board members and evaluating our corporate governance policies. Her legal background also provides her with a high level of technical expertise in reviewing transactions and agreements and addressing the myriad of legal issues presented to the Board.

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Stuart B. Katz, age 61, previously served on the Board from 2002 to 2008 and was reappointed to serve on the Board in April 2011. Mr. Katz serves on our Audit Committee, is Chairman of our Compensation Committee and also serves as Presiding Director. Since 2007, Mr. Katz has served as Chief Executive Officer and member of the board of directors of Alconox, Inc., a private company engaged in the manufacturing and marketing of specialty chemicals. From 2001 to 2010, Mr. Katz was a Managing Director of Jefferies Capital Partners (JCP), a private equity investment fund. In 2002, Mr. Katz joined the Board in connection with JCP 's investment in the Company. In May 2008, Mr. Katz declined to stand for reelection to the Board in connection with JCP 's divestment of its remaining equity interest in the Company. Prior to joining JCP in 2001, Mr. Katz had been an investment banker with Furman Selz LLC and its successors for over 16 years. Mr. Katz received a B.S. in engineering from Cornell University and a J.D. from Fordham Law School. Mr. Katz is a member of the bar of the State of New York. Mr. Katz brings valuable leadership and management skills as a result of his role as Chief Executive Officer of Alconox, as well as a result of his service as a member of the board of directors of a number of other companies, including other public companies. We believe that this experience, as well as the investment management experience he has gained through the ownership of controlling equity positions in connection with his activities with JCP, make him a valuable part of our Board and member of our Audit Committee and Compensation Committee.

Tracy W. Krohn, age 61, has served as Chief Executive Officer since he founded the Company in 1983, as President from 1983 until 2008, as Chairman of the Board since 2004 and as Treasurer from 1997 until 2006. He is also a member of the Nominating and Corporate Governance Committee. Mr. Krohn has been actively involved in the oil and gas business since graduating with a B.S. in Petroleum Engineering from Louisiana State University in 1978. He began his career as a petroleum engineer and offshore drilling supervisor with Mobil Oil Corporation. Prior to founding the Company, from 1981 to 1983, Mr. Krohn was senior engineer with Taylor Energy. From 1996 to 1997, Mr. Krohn was also Chairman and Chief Executive Officer of Aviara Energy Corporation in Houston, Texas. In 2013, Mr. Krohn was appointed to serve on the board of directors of the American Petroleum Institute. He also serves on the board of directors of a privately owned company. As founder of the Company, Mr. Krohn is one of the driving forces behind the Company and its success to date. Over the course of the Company 's history, Mr. Krohn has successfully grown the Company through his exceptional leadership skills and keen business judgment.

S. James Nelson, Jr., age 73, has served on the Board since January 2006. He is currently Chair of the Audit Committee. In 2004, Mr. Nelson retired after 15 years of service from Cal Dive International, Inc. (now named Helix Energy Solutions Group, Inc.), a marine contractor and operator of offshore oil and natural gas properties and production facilities, where he was a founding shareholder, Chief Financial Officer from 1990 to 2000, Vice Chairman from 2000 to 2004 and a director from 1990 to 2004. From 1985 to 1988, Mr. Nelson was the Senior Vice President and Chief Financial Officer of Diversified Energies, Inc. and from 1980 to 1985 was the Chief Financial Officer of Apache Corporation, an oil and gas exploration and production company. From 1966 to 1980, Mr. Nelson was employed with Arthur Andersen & Co., where he became a partner in 1976. Mr. Nelson received a B.S. in Accounting from Holy Cross College and holds a M.B.A. from Harvard University. He is also a certified public accountant. Additionally, since 2004 Mr. Nelson has served on the boards of directors and audit committees of Oil States International, Inc., a diversified oilfield service company, and ION Geophysical, a seismic services provider. From 2005 until the company 's sale in 2008, he was also a member of the board of directors and compensation and audit committees of Quintana Maritime LTD, a provider of dry bulk shipping services based in Athens, Greece, and from 2010 to 2012 he served as a member of the board of directors and audit and compensation committees of Genesis Energy, LP, a midstream master limited partnership. Mr. Nelson has an extensive background in public accounting both from his time as a partner at Arthur Andersen & Co. and his time as Chief Financial Officer at various companies. Mr. Nelson 's service on audit committees of other companies enables him to remain current on audit committee best practices and current financial reporting developments within the energy industry. We believe these experiences and skills qualify him to serve as the Chair of our Audit Committee.

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B. Frank Stanley, age 61, has served on the Board since 2009. Mr. Stanley serves as a member of our Audit, Compensation and Nominating and Corporate Governance Committees. He is currently Co-Chief Executive Officer and Chief Financial Officer of Retail Concepts, Inc., a privately-held retail chain of 33 stores in 13 states with over seven hundred employees. Prior to joining Retail Concepts, Inc. in 1988, he was Chief Financial Officer of Southpoint Porsche Audi WGW Ltd. from 1987 to 1988. From 1985 to 1987, he was employed by KPMG Peat Marwick, holding the position of Manager, Audit in 1987. From 1983 to 1984, he was Chief Financial Officer of Design Research, Inc., a manufacturer of housing for offshore drilling platforms. From 1980 to 1982, he was Chief Financial Officer of Tiger Oilfield Rental Co., Inc. and, from 1977 to 1979, he was an accountant with Trunkline Gas Co. Mr. Stanley holds a B.B.A. in Accounting from Texas A&M University and is a certified public accountant. Mr. Stanley has an extensive background in accounting and financial matters, which qualify him for service as a member of our Board and Audit, Compensation, and Nominating and Corporate Governance Committees.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE FIVE NOMINEES LISTED ABOVE.

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PROPOSAL 2

THIRD AMENDMENT TO THE W&T OFFSHORE, INC. AMENDED AND RESTATED INCENTIVE

COMPENSATION PLAN

Introduction

The Board of Directors, subject to the approval of our shareholders as required under the NYSE's rules, has approved the third amendment to the W&T Offshore, Inc. Amended and Restated Incentive Compensation Plan, as amended (the "Incentive Compensation Plan") which would authorize us to reserve an additional 3,300,000 shares of Common Stock beyond the number of shares previously authorized for issuance under the Incentive Compensation Plan, and to extend the term of the Incentive Compensation Plan approximately ten years from the date that our shareholders would approve the third amendment (through April 15, 2026, which is a seven year extension from the end of the current term). Throughout this proposal, references to numbers of shares of our Common Stock reflect numbers prior to any adjustments that may need to be made to reflect a reverse stock split.

The proposed third amendment to the Incentive Compensation Plan is attached hereto as [Appendix B](#), and the Incentive Compensation Plan, prior to giving effect to this proposed amendment, is attached hereto as [Appendix C](#). Pursuant to this proposal, we are requesting that our shareholders vote to approve the increase in the number of shares of Common Stock approved for issuance under the Incentive Compensation Plan and the extension of the term of the Incentive Compensation Plan to April 15, 2026. If approved, the new effective date for the Incentive Compensation Plan would be April 15, 2016. If our shareholders approve this proposal, we intend to file, pursuant to the Securities Act of 1933, as amended, a registration statement on Form S-8 to register the additional shares available for issuance under the Incentive Compensation Plan.

The proposed third amendment also contains an administrative amendment to the adjustment provisions within our performance metrics to align the applicable language with accounting guidelines that were revised following the last amendment to the Incentive Compensation Plan and to address other potential adjustments to our performance metrics. The revised language is set forth fully within the performance metric description found within Proposal 3 below, and you are only being asked to approve that administrative amendment through Proposal 3 below (the "Administrative Amendment"). This Proposal 2 is focused solely on the increase in the number of shares of Common Stock approved for issuance under the Incentive Compensation Plan and the extension of the term of the Incentive Compensation Plan to April 15, 2026.

Reason for Proposed Amendment and the Request for Shareholder Approval

The use of stock-based awards under the Incentive Compensation Plan has been a key component of our compensation program since its adoption in 2004. The awards granted under the Incentive Compensation Plan assist us in attracting and retaining capable, talented individuals to serve in the capacity of employees and officers. The Board of Directors also determined that in connection with an increase of the shares available for issuance under the Incentive Compensation Plan, the term of the plan should be extended to allow us to grant awards under the plan for an additional ten years.

As of December 31, 2015, 4,239,548 shares were available for us to issue as awards under the Incentive Compensation Plan. We have made grants of restricted stock units under our Incentive Compensation Plan. At the time of vesting of each grant, we have the option, at our sole discretion, to settle the obligation in shares of our Common Stock or in cash. Should we decide to settle such grants with shares of our Common Stock then substantially all of the authorized and available shares have been issued or are committed for issuance in 2016 and 2017. Accordingly, the Compensation Committee has determined that there are not sufficient shares available for issuance under the Incentive Compensation Plan to meet the remaining share requirements associated with the restricted stock units that will vest in the 2018 year, should we choose to pay the remaining amounts in shares of Common Stock, and to meet our needs for future grants during the coming years. An increase in available shares is necessary to continue granting incentive opportunities to our eligible participants, which assists us in retaining a competitive edge in today's volatile business environment. Given the current market environment, it is difficult to estimate an exact number of shares of Common Stock that we will need in the future to satisfy our equity compensation program needs. The number that we are requesting our shareholders

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approve reflects our best estimates of our immediate need for additional equity-based incentive awards, but market conditions, our retention needs or other unknown factors may impact the number of shares of Common Stock that are used in connection with the awards under the Incentive Compensation Plan in the future.

If this proposal is not approved by our shareholders, the Incentive Compensation Plan will continue to be effective, and there will be no impact on the rights of existing award holders under the Incentive Compensation Plan. However, if this proposal is not approved by our shareholders, we do not expect to be able to issue any meaningful equity-based compensation awards pursuant to the Incentive Compensation Plan in the future, and we must reevaluate our compensation program in general.

Summary of the Incentive Compensation Plan

The following summary provides a general description of the material features of the Incentive Compensation Plan, and is qualified in its entirety by reference to the full text of the Incentive Compensation Plan, prior to giving effect to the proposed amendment, attached hereto as Appendix C. The purpose of the Incentive Compensation Plan is to provide incentives to our employees, officers, consultants and advisors to devote their abilities and energies to our success. While the existing Incentive Compensation Plan provides for a wide array of potential incentives, we have historically provided a performance based annual non-equity incentive compensation award and a performance based long-term incentive utilizing restricted stock units. The Incentive Compensation Plan provides for grants of (i) incentive stock options qualified as such under U.S. federal income tax laws (Incentive Options), (ii) stock options that do not qualify as incentive stock options (Nonstatutory Options, and together with Incentive Options, Options), (iii) restricted stock awards (Restricted Stock Awards), (iv) restricted stock units (Restricted Stock Units), (v) stock appreciation rights (SARs), (vi) bonus stock and other stock-based awards, (vii) dividend equivalents, either as stand-alone awards or in connection with other awards, (viii) performance units or shares (Performance Awards), which include annual incentive awards (Annual Incentive Awards), or (ix) any combination of such awards (collectively referred to as Awards). Individual terms applicable to the various Awards, such as vesting or transferability, may be established by the plan administrator at the time of grant. Any outstanding awards in existence at the expiration date of the Incentive Compensation Plan (which, after giving effect to the amendment, will be April 15, 2026) shall remain subject to the terms and conditions of the Incentive Compensation Plan beyond such date.

Administration

The Compensation Committee of our Board of Directors administers the Incentive Compensation Plan for all Covered Employees. The Compensation Committee will consist solely of two or more directors who qualify as outside directors within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code) unless it is determined unnecessary for purposes of Section 162(m) of the Code (Section 162(m)). Our then-current Chief Executive Officer and President will administer the Incentive Compensation Plan for all other eligible participants. For purposes of this Proposal, the term Plan Administrator will refer to the Compensation Committee, or the Chief Executive Officer and President, as applicable. The Plan Administrator will administer the Incentive Compensation Plan pursuant to its terms and all applicable state, federal or other rules or laws. Unless otherwise limited by the Incentive Compensation Plan, Rule 16b-3 of the Exchange Act, or any provisions of the Code, the Plan Administrator has broad discretion to administer the Incentive Compensation Plan, interpret its provisions and adopt policies for implementing the Incentive Compensation Plan. This discretion includes the power to determine when and to whom Awards will be granted, determine the amount of such Awards (measured in cash, shares of Common Stock or as otherwise designated), prescribe and interpret the terms and provisions of each Award agreement (the terms of which may vary), delegate duties under the Incentive Compensation Plan, terminate, modify or amend the Incentive Compensation Plan (subject to ratification by the Board), and to execute all other responsibilities permitted or required under the Incentive Compensation Plan.

All determinations by the Plan Administrator which were made within the Plan Administrator s discretion and authority regarding the Incentive Compensation Plan or an individual Award shall be final and binding.

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