

Laredo Petroleum, Inc.
Form DEF 14A
March 27, 2019

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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 (Amendment No.)

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 §240.14a-12

LAREDO PETROLEUM, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

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March 27, 2019

To the Stockholders of Laredo Petroleum, Inc.:

You are invited to attend our 2019 Annual Meeting of Stockholders, which will be held at the Bank of America Building, Lower Level, 15 West Sixth Street, Tulsa, Oklahoma 74119, on Thursday, May 16, 2019, at 9:00 a.m. Central Time (the "Annual Meeting").

Details of the business to be conducted at the Annual Meeting are described in the attached Notice of 2019 Annual Meeting of Stockholders and Proxy Statement.

We are mailing to most of our stockholders a Notice of Internet Availability of Proxy Materials ("Notice") instead of paper copies of our Annual Report, which includes our Form 10-K for the fiscal year ended December 31, 2018, Proxy Statement and proxy card. We believe this process enables us to provide stockholders with the information needed in connection with our Annual Meeting in a timely manner, while saving costs and conserving resources. The Notice contains instructions on how to access these documents over the Internet, as well as instructions on how to request a paper copy of the materials, if desired. All stockholders who do not receive a Notice should receive a paper copy of the proxy materials by mail.

Your vote is important, and we encourage you to vote whether or not you plan to attend the Annual Meeting. Please either vote by telephone or over the Internet or sign, date and return your proxy card, following the instructions on the Notice or proxy materials, so that your shares will be represented. If you are a stockholder of record and plan to attend the Annual Meeting, you may also vote in person.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Randy A. Foutch
Chairman and Chief Executive Officer

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LAREDO PETROLEUM, INC.

**15 W. Sixth Street, Suite 900
Tulsa, Oklahoma 74119**

NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

TIME	9:00 a.m. Central Time on Thursday, May 16, 2019.
PLACE	Bank of America Building, Lower Level, 15 West Sixth Street, Tulsa, Oklahoma 74119.
ITEMS OF BUSINESS	<p>(1) To elect two Class III directors to our Board of Directors to hold office until the expiration of their three-year term in 2022 and thereafter until their respective successors are duly elected and qualified.</p> <p>(2) To approve an amendment to the Laredo Petroleum, Inc. Omnibus Equity Incentive Plan to, among other items, increase the maximum number of shares of our common stock issuable under the plan from 24,350,000 shares to 29,850,000 shares.</p> <p>(3) To ratify the appointment of Grant Thornton LLP as the Company's independent registered accounting firm.</p> <p>(4) To hold an advisory vote approving the compensation of our named executive officers.</p> <p>(5) To transact such other business as may properly come before the Annual Meeting or at any adjournment or postponement thereof.</p>
RECORD DATE	You can vote if, at the close of business on March 20, 2019, you were a holder of record of our common stock.
PROXY VOTING	All stockholders are cordially invited to attend the Annual Meeting in person. However, to ensure your representation at the Annual Meeting, you are urged to vote promptly by voting by telephone at 1-800-690-6903 or over the Internet at www.proxyvote.com (or if you received a paper copy of the proxy materials, by signing and returning the proxy card in the envelope provided).

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDER MEETING TO BE HELD ON MAY 16, 2019**

The Company's Notice of Annual Meeting, Proxy Statement and our 2018 Annual Report, including the Form 10-K for the fiscal year ended December 31, 2018, are available over the Internet at <http://materials.proxyvote.com/516806>. Alternatively, if you received a paper copy of the proxy materials (which includes the proxy card), you may vote by signing and returning the proxy card in the envelope provided.

This Notice, Proxy Statement and the proxy card/voting instruction card are first being sent or made available to stockholders on or about March 27, 2019.

March 27, 2019
Tulsa, Oklahoma

By Order of the Board of Directors,

Mark D. Denny
Vice President, Secretary and General Counsel

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EXECUTIVE SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider and is not a form for voting. You should read the entire Proxy Statement carefully before voting.

ANNUAL MEETING INFORMATION

Meeting Location:	Bank of America Building, Lower Level, 15 West Sixth Street, Tulsa, Oklahoma 74119	Record Date:	March 20, 2019
Meeting Date:	9:00 a.m. Central Time on May 16, 2019	Common Stock Outstanding as of Record Date:	239,204,959
Corporate Website:	www.laredopetro.com	Stock Symbol:	LPI on NYSE
Corporate Headquarters:	15 West Sixth Street, Suite 900 Tulsa, Oklahoma 74119	Registrar & Transfer Agent:	American Stock Transfer and Trust Company

Items of Business:

	Proposal	Board of Director Recommendations	Page No.
1.	Election of two directors to a three-year term	FOR	18
2.	Approval of an Amendment to the Laredo Petroleum, Inc. Omnibus Equity Incentive Plan	FOR	78
3.	Ratification of appointment of independent public accounting firm	FOR	86
4.	Advisory vote to approve the compensation of named executive officers	FOR	87

Voting:

1-800-690-6903
 www.proxyvote.com
 Sign and return the proxy card received in the mail
 In person

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2018 OPERATIONAL HIGHLIGHTS

Laredo Petroleum, Inc. (the "Company," "Laredo," "we," "us," or "our") is an independent energy company focused on the acquisition, exploration and development of oil and natural gas properties, and midstream and marketing services, primarily in the Permian Basin of West Texas. The oil and liquids-rich Permian Basin is characterized by multiple target horizons, extensive production histories, long-lived reserves, high drilling success rates and high initial production rates. As of December 31, 2018, we had assembled 120,617 net acres in the Permian Basin and had total proved reserves, presented on a three-stream basis, of 238,167 thousand barrels of oil equivalent ("BOE").

In 2018, despite continuing challenges in the energy industry, we successfully grew production of oil, natural gas and natural gas liquids ("NGL"). Among our operational highlights that we believe positively impacted current and future growth in the value of the Company are the following:

Produced a Company record average of 68,168 BOE per day for total production of 24.9 million BOE in 2018, resulting in production growth of 17% from 2017

Grew proved developed reserves organically by 13% in 2018

Grew the value of proved reserves by 19% in 2018

Increased cash margin per BOE to \$23.85 in 2018, an increase of 14% from 2017

Reduced unit cash general and administrative ("G&A") expense by 16% from 2017

Exceeded the originally budgeted well completions expectations by 14%

Reduced combined unit lease operating expense ("LOE") and unit cash G&A expense by 5% from 2017

Recognized approximately \$31.9 million of net cash benefits from Laredo Midstream Services LLC ("LMS") field infrastructure investments through reduced capital and operating costs and increased revenue

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CORPORATE GOVERNANCE OVERVIEW

The Laredo Board of Directors (the "Board" or "Board of Directors") currently consists of nine directors, eight of whom are independent in accordance with NYSE listing standards and four of whom are designated financial experts as defined by the Securities and Exchange Commission (the "SEC"). Ms. Frances Powell Hawes and Ms. Pamela S. Pierce have been nominated for election at the 2019 Annual Meeting to serve three year terms. Mr. B.Z. (Bill) Parker has elected to voluntarily retire from the Board at the end of his term at the 2019 Annual Meeting, and Mr. Donald D. Wolf will leave the Board at the end of his term at the 2019 Annual Meeting due to age term limits contained in our corporate governance guidelines. After the Annual Meeting, assuming the stockholders elect the two nominees of the Board and consistent with our bylaws, the size of the Board will be reduced from nine to seven directors. The below table is a short summary of each director's expansive qualifications and expertise. For more detailed director biographies, see pages 19-24.