

Midstates Petroleum Company, Inc.
Form DEF 14A
April 30, 2018

**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 X

Filed by a Party other than the Registrant O

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
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Midstates Petroleum Company, 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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MIDSTATES PETROLEUM COMPANY, INC.

**321 South Boston Avenue, Suite 1000
Tulsa, Oklahoma 74103**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Midstates Petroleum Company, Inc.:

Notice is hereby given that the 2018 Annual Meeting of Stockholders of Midstates Petroleum Company, Inc. (the **Company**) will be held at the offices of Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, on June 1, 2018, at 9:00 a.m. Central Time (the **Annual Meeting**). The Annual Meeting is being held for the following purposes:

1. To elect eight directors.
2. To approve, on a non-binding advisory basis, the compensation of our named executive officers.
3. To ratify the appointment of Grant Thornton LLP as the **Company** 's independent registered public accountants for 2018.
4. To transact such other business as may properly come before the Annual Meeting.

These proposals are described in the accompanying proxy materials. You will be able to vote at the Annual Meeting, or any adjournment or postponement thereof, only if you were a stockholder of record at the close of business on April 30, 2018.

YOUR VOTE IS IMPORTANT

Please vote over the internet at www.proxyvote.com or by phone at 1-800-690-6903 promptly so that your shares may be voted in accordance with your wishes and so that we may have a quorum at the Annual Meeting. Alternatively, if you did not receive a paper copy of the proxy materials (which includes the proxy card), you may request a paper proxy card at the website or telephone number provided above, which you may complete, sign and return by mail.

By Order of the Board of Directors,

/s/ David J. Sambrooks

David J. Sambrooks

President, Chief Executive Officer and Director

Tulsa, Oklahoma

April 30, 2018

**321 South Boston Avenue, Suite 1000
Tulsa, Oklahoma 74103**

PROXY STATEMENT

2018 ANNUAL MEETING OF STOCKHOLDERS

The Board of Directors of the Company (the Board of Directors or the Board) requests your proxy for the Annual Meeting that will be held on June 1, 2018 at 9:00 a.m. Central Time, at the offices of Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654. By granting the proxy, you authorize the persons named on the proxy to represent you and vote your shares at the Annual Meeting. Those persons will also be authorized to vote your shares to adjourn the Annual Meeting from time to time and to vote your shares at any adjournments or postponements of the Annual Meeting. The proxy materials, including this proxy statement (the Proxy Statement), proxy card or voting instructions and our 2017 annual report, are being distributed and made available on or about April 30, 2018.

If you attend the Annual Meeting, you may vote in person. If you are not present at the Annual Meeting, your shares may be voted only by a person to whom you have given a proper proxy. You may revoke the proxy in writing at any time before it is exercised at the Annual Meeting by delivering to the Corporate Secretary of the Company a written notice of the revocation, by submitting your vote electronically through the internet or by phone after the grant of the proxy, or by signing and delivering to the Corporate Secretary of the Company a proxy with a later date. Your attendance at the Annual Meeting will not revoke the proxy unless you give written notice of revocation to the Corporate Secretary of the Company before the proxy is exercised or unless you vote your shares in person at the Annual Meeting.

Stockholders of Record and Beneficial Owners

Most of the Company's stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholders of Record. If your shares are registered directly in your name with the Company's transfer agent, you are considered the stockholder of record with respect to those shares, and the proxy materials, including a proxy card, is being sent directly to you by our agent. As a stockholder of record, you have the right to vote by proxy or to vote in person at the Annual Meeting.

Beneficial Owners. If your shares are held in a brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and the proxy materials will be forwarded to you by your broker or nominee. The broker or nominee is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker how to vote. Beneficial owners that receive the proxy materials by mail from the stockholder of record should follow the instructions included in the proxy materials to transmit voting instructions.

QUORUM AND VOTING

Voting Stock. The Company's common stock, par value \$0.01 per share (the common stock), is the only class of securities that entitles holders to vote generally at meetings of the Company's stockholders. Each share of common stock outstanding on the Record Date (defined below) is entitled to one vote.

Record Date. The record date for stockholders entitled to notice of and to vote at the Annual Meeting is the close of business on April 30, 2018 (the Record Date). As of the Record Date, 25,153,381 shares of common stock were outstanding and entitled to vote at the Annual Meeting.

Quorum and Adjournments. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting.

If a quorum is not present, the Chairman of the meeting or a majority of the outstanding shares of common stock entitled to vote who are present in person or by proxy at the Annual Meeting have the power to adjourn the Annual Meeting from time to time, without notice other than an announcement at the Annual Meeting, until a quorum is present. At any adjourned Annual Meeting at which a quorum is present, any business may be transacted that might have been transacted at the Annual Meeting as originally notified.

Vote Required. Directors will be elected by the affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to be voted at the Annual Meeting (Proposal ONE). The proposal seeking approval, on a non-binding advisory basis, of the Compensation of our named executive officers (Proposal TWO) requires the affirmative vote of the holders of a majority of the shares of common stock of the Company present in person or by proxy at the Annual Meeting and entitled to vote on the matter. The proposal seeking ratification of the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for 2018 (Proposal THREE) requires the affirmative vote of the holders of a majority of the shares of common stock of the Company present in person or by proxy at the Annual Meeting and entitled to vote on the matter. Collectively, Proposal ONE, TWO, and THREE may be referred to as the Proposals.

An automated system that Broadridge Financial Solutions administers will tabulate the votes. Brokers who hold shares in street name for customers are required to vote shares in accordance with instructions received from the beneficial owners. Brokers are permitted to vote on discretionary items if they have not received instructions from the beneficial owners (a broker non-vote), but they are not permitted to vote on non-discretionary items absent instructions from the beneficial owner. Broker non-votes generally occur because the broker (i) does not receive voting instructions from the beneficial owner and (ii) lacks discretionary authority to vote the shares. Brokers do not have discretionary voting authority with respect to Proposals ONE or TWO of this Proxy Statement. For Proposal THREE, ratification of the appointment of the Company's independent registered public accounting firm, brokers will have discretionary authority in the absence of timely instructions from their customers. Abstentions (i.e., if you or your broker marks ABSTAIN on a proxy) and broker non-votes will count in determining whether a quorum is present at the Annual Meeting. However, (1) broker non-votes will not have any effect on the outcome of Proposals ONE or THREE and (2) abstentions will have the effect of votes cast against on Proposals TWO and THREE and will not have any effect on Proposal ONE.

Default Voting. A proxy that is properly completed and submitted will be voted at the Annual Meeting in accordance with the instructions on the proxy. If you properly complete and submit a proxy, but do not indicate any contrary voting instructions, your shares will be voted FOR each of the director nominees listed in Proposal ONE and FOR Proposals TWO and THREE.

If any other business properly comes before the stockholders for a vote at the Annual Meeting, your shares will be voted in accordance with the discretion of the holders of the proxy. The Board of Directors knows of no matters, other than those previously stated, to be presented for consideration at the Annual Meeting.

In this Proxy Statement, the terms Company, Midstates, we, us, our, and similar terms refer to Midstates Petroleum Company, Inc. and Midstates Petroleum Company LLC unless the context indicates otherwise. Midstates Petroleum Company, Inc. was incorporated pursuant to the laws of the State of Delaware on October 25, 2011 to become a holding company for Midstates Petroleum Company LLC. On April 30, 2016, we filed voluntary petitions (the Chapter 11 Cases) for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (the Bankruptcy Court). On October 21, 2016 (the Effective Date), following the Bankruptcy Court's approval of a plan of reorganization, we emerged from bankruptcy.

PROPOSAL ONE

ELECTION OF DIRECTORS

At the recommendation of the Nominating and Governance Committee, the Board of Directors has nominated the following individuals for election as directors of the Company to serve for a one year term beginning at the Annual Meeting and expiring at the annual meeting to be held in 2019:

David J. Sambrooks

Alan J. Carr

Frederic F. Brace

Patrice D. Douglas

Neal P. Goldman

Michael S. Reddin

Todd R. Snyder

Bruce H. Vincent

Each of the above nominees is currently serving as a director of the Company. Biographical information for each nominee is contained in the Directors and Executive Officers section below.

The Board of Directors has no reason to believe that any of its nominees will be unable or unwilling to serve if elected. If a nominee becomes unable or unwilling to accept nomination or election, either the number of the Company's directors will be reduced or the persons acting under the proxy will vote for the election of a substitute nominee that the Board of Directors recommends.

Required Vote

The election of directors in this proposal requires the affirmative vote of the holders of a majority of the shares of common stock present and entitled to be voted at the Annual Meeting. Neither abstentions nor broker non-votes will have any effect on the outcome of voting on director elections.

Recommendation

The Board of Directors unanimously recommends that stockholders vote FOR the election of each of the nominees.

DIRECTORS AND EXECUTIVE OFFICERS

After the Annual Meeting, assuming the stockholders elect the nominees of the Board of Directors as set forth in Proposal One Election of Directors above, the Board of Directors of the Company will be, and the executive officers of the Company are:

Name	Age	Title
David J. Sambrooks	59	President & Chief Executive Officer and Director
Alan J. Carr(1)(2)	48	Chairman and Director
Frederic F. Brace	60	Director
Patrice D. Douglas(1)(3)	55	Director
Neal P. Goldman(2)	48	Director
Michael S. Reddin (1)(2)	58	Director
Todd R. Snyder(1)(3)	55	Director
Bruce H. Vincent(3)	70	Director
Scott C. Weatherholt	40	Executive Vice President - General Counsel & Corporate Secretary
Amelia K. Harding	48	Vice President - Human Resources & Administration
Richard W. McCullough	38	Vice President & Chief Accounting Officer

-
- (1) Member of the Nominating and Governance Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Audit Committee.

The Company's Board of Directors currently consists of eight members. The Company's directors serve for a one-year term. Directors may be removed from office either for or without cause upon the affirmative vote of the holders of a majority of the outstanding shares of stock of the Company entitled to vote generally for the election of directors.

Set forth below is biographical information about each of the Company's executive officers, directors and nominees for director.

David J. Sambrooks has served as our President and Chief Executive Officer and as a member of our Board of Directors since November 1, 2017. Mr. Sambrooks has over 37 years of experience in the energy industry. Most recently he served as the President, Chief Executive Officer and a member of the Board of Directors of Sabine Oil & Gas Corporation (including its predecessor, Sabine Oil & Gas LLC, which was formerly known as NFR Energy LLC) from May 2007 to October 2016 (in July 2015, Sabine Oil & Gas Corporation and certain subsidiaries filed for protection under Chapter 11 of the Bankruptcy Code and emerged from bankruptcy in August 2016). In his roles at Sabine, Mr. Sambrooks led strategic, financial, operational, business development and organizational efforts. Mr. Sambrooks previously served as Vice President and General Manager of the Southern Division for Devon Energy Corporation as well as Vice President and General Manager of Devon's International Division from 2001 to 2007. Prior to Devon, Mr. Sambrooks' career included key leadership and technical roles in domestic and international operations with Santa Fe Energy Resources, Oryx Energy and Sun Oil Company. Mr. Sambrooks holds a Bachelor of

Science degree in Mechanical Engineering from The University of Texas at Austin, and a Master of Business Administration from The University of Houston. Mr. Sambrooks serves as board president of the non-profit Communities In Schools of Houston and has served as a board member and volunteer for various non-profit organizations. We believe Mr. Sambrooks' experience in the energy industry and in representing public and private companies as a director brings valuable insight, experience and skill to our Board of Directors.

Alan J. Carr has served as a member of our Board of Directors since March 9, 2015. Mr. Carr is an investment professional with over twenty years of experience working from the principal and advisor side on complex, process-intensive financial situations. Mr. Carr is the founder of Drivetrain Advisors, a fiduciary services firm that supports the investment community in legally- and process-intensive investments as a representative, director, or trustee. Prior to founding Drivetrain Advisors in 2013, Mr. Carr was a Managing Director at Strategic Value Partners, LLC where he led financial restructurings for companies in North America and Europe, working in both the US and Europe over nine years. Prior to joining Strategic Value Partners, Mr. Carr was a corporate attorney at Skadden, Arps, Slate, Meagher & Flom. Mr. Carr currently serves on the boards of directors of Tidewater Inc., Atlas Iron Limited and Verso Corporation and has previously served on the board of numerous public and private

companies. Mr. Carr has experience serving on boards of a variety of companies in North America, Europe and Asia. He received his B.A. in Economics and Sociology from Brandeis University in 1992 and his J.D. from Tulane Law School in 1995. We believe Mr. Carr's extensive financial expertise and experience in representing public and private companies brings important experience and skill to our Board of Directors.

Frederic F. Brace served as our President and Chief Executive Officer from October 21, 2016 to November 1, 2017 and has served as a member of our Board of Directors since March 9, 2015. Mr. Brace previously served as Interim President and Chief Executive Officer from March 2015 through October 20, 2016. On April 30, 2016, Midstates filed for protection under Chapter 11 of the Bankruptcy Code and emerged from bankruptcy on October 21, 2016. Upon emergence from bankruptcy, Mr. Brace was named as the Company's President and Chief Executive Officer. Mr. Brace has over twenty years of experience in business management and board representations. He is currently Chairman and Chief Executive Officer of Beaucastel LLC and Sangfroid Advisors Ltd. Previously, Mr. Brace worked for Niko Resources, Ltd., an oil and gas company, from August 2013 to December 2014 serving first as Senior Advisor and then as President of the company. From 2010 through March 2012, Mr. Brace held various executive officer positions with The Great Atlantic & Pacific Tea Company, a retail food business (in December 2010, The Great Atlantic & Pacific Tea Company filed for protection under Chapter 11 of the Bankruptcy Code, and it emerged from bankruptcy in March 2012). From 1988 to 2008, Mr. Brace worked at the UAL Corporation (now United Continental Holdings, Inc.), the parent company of United Airlines, Inc. and Continental Airlines, Inc., where he served as Executive Vice President and Chief Financial Officer of UAL Corporation and United Airlines, Inc. from 2002 to 2008. From 2012 to August 2013 Mr. Brace worked as an independent consultant. Mr. Brace is currently a member of the board of directors of Anixter International and iHeartMedia, Inc. and has previously served on the board of numerous public and private companies. He received his BS in Industrial Engineering from the University of Michigan in 1980 and his MBA with a specialization in finance from the University of Chicago Graduate School of Business in 1982. We believe Mr. Brace's knowledge of the energy industry and expertise in representing public and private companies allows him to provide valuable insights to our Board of Directors.

Patrice D. Douglas has served as a member of our Board of Directors since October 21, 2016. Mrs. Douglas is an attorney with the law firm of Spencer Fane LLP, where she is Of Counsel. Mrs. Douglas currently serves as a member of the board of directors of Bank SNB. She previously was a Commissioner at the Oklahoma Corporation Commission, where she served as Vice-Chairman from February 2014 to January 2015 and as Chairman from August 2012 to February 2014. Her prior professional experience includes service as an Executive Vice President of First Fidelity Bank from April 2008 to October 2011, and as President, Greater OKC Metro Market, of SpiritBank from 2004 to 2008. Mrs. Douglas was elected Mayor of the City of Edmond, Oklahoma in April 2009 and served for two consecutive terms. Ms. Douglas earned a B.S. degree in computer information systems from Oklahoma Christian University, and a J.D. from the University of Oklahoma College of Law. We believe Mrs. Douglas' extensive financial expertise and experience in representing both public and private companies, as well as her roles in public service, allow her to bring important experience, skill and insight to our Board of Directors.

Neal P. Goldman has served as a member of our Board of Directors since October 21, 2016 and is currently the Managing Member of SAGE Capital Investments, LLC, a consulting firm specializing in independent board of director services, turnaround consulting, strategic planning, and special situation investments. Mr. Goldman was a Managing Director at Och Ziff Capital Management, L.P. from 2014 to 2016 and a Founding Partner of Brigade Capital Management, LLC from July 2007 to 2012, which he helped build to over \$12 billion in assets under management. Prior to this, Mr. Goldman was a Portfolio Manager at Mackay Shields, LLC and also held various

positions at Salomon Brothers Inc., both as a mergers and acquisitions banker and as an investor in the high yield trading group. Throughout his career, Mr. Goldman has held numerous board representations including roles as an independent member of the boards of directors of Lightsquared, Inc., Pimco Income Strategy Fund I & II, and Catalyst Paper Corporation as well as a member of the boards of directors of Jacuzzi Brands and NII Holdings, Inc. Mr. Goldman currently serves as Chairman of the Board of Stone Energy Corporation, and is a member of the board of directors of Ultra Petroleum Corporation and Ditech Holding Corporation. Mr. Goldman received a B.A. from the University of Michigan and a M.B.A. from the University of Illinois. We believe Mr. Goldman's extensive financial expertise and experience in representing public and private companies in complex financial situations brings important experience and skill to our Board of Directors.

Michael S. Reddin has served as a member of our Board of Directors since October 21, 2016. Mr. Reddin has extensive experience as an executive in the oil and gas industry, having served as the President and Chief Executive Officer of Davis Petroleum Corp from 2009 to 2016, as President and Chief Executive Officer of Kerogen Resources, Inc. from 2008 to 2009, and in two separate Vice President roles for BP America, Inc. before that. Prior to joining BP, Mr. Reddin held technical, commercial and management roles of increasing responsibility for ARCO Oil and Gas Company and Vastar Resources, Inc. Mr. Reddin currently serves as an independent director on the boards of Ridge Runner Resources, LLC, Southcross Holdings GP, LLC and Energy XXI Gulf Coast, Inc. He is the former Chairman of the Board of Energy XXI Gulf Coast, Inc., where he also served as interim Chief Executive Officer while a permanent CEO was being recruited in early 2017. Mr. Reddin previously served as a director on the boards of Berry Petroleum Company, Gulfport Energy, Davis Petroleum Corp., and Kerogen Resources, Inc. Mr. Reddin received a B.S. degree in Mechanical Engineering from Texas A&M University. We believe Mr. Reddin's experience in the energy industry and expertise in representing public and private companies brings important experience and skill to our Board of Directors.

Todd R. Snyder has served as a member of our Board of Directors since October 21, 2016. Mr. Snyder is the founder and Senior Managing Partner of TRS Advisors LLC. Previously, Mr. Snyder was the Executive Vice Chairman of North American GFA and Co-Chair of the North American Debt Advisory and Restructuring Group of Rothschild Inc., a leading international investment banking and financial advisory firm. Mr. Snyder has been an advisor to companies in restructurings and reorganizations for thirty years and has been instrumental in a diverse selection of complex transactions, including reorganizations, restructurings, financings, spinoffs, workouts, exchange offers, mergers, divestitures and management-led buyouts. Before joining Rothschild in March 2000, Mr. Snyder was a Managing Director in the Restructuring and Reorganization group at Peter J. Solomon Company and a Managing Director at KPMG Peat Marwick in the Corporate Recovery Group, where he also was the National Director of the Corporate Recovery Practice for Governmental Enterprises (regulated and privatizing industries). Prior to moving to the investment banking field, Mr. Snyder practiced law in the Business Reorganization department of Weil, Gotshal & Manges. Mr. Snyder currently serves as an independent member on the board of directors of EcoStim Energy Solutions. Mr. Snyder received a B.A. degree from Wesleyan University and a J.D. from the University of Pennsylvania Law School. We believe Mr. Snyder's extensive financial expertise and experience in representing public and private companies in complex financial situations brings important experience and skill to our Board of Directors.

Bruce H. Vincent has served as a member of our Board of Directors since October 21, 2016. Mr. Vincent served as a director of Swift Energy Company from May 2005 until February 2015 and as President of Swift Energy Company from November 2004 until February 2015. Mr. Vincent previously served in a variety of strategic roles for Swift Energy Company, including as Secretary from February 2008 until August 2012 and from August 2000 until May 2005, as Executive Vice President Corporate Development from August 2000 to November 2004, and as Senior Vice President Funds Management from 1990 (when he joined Swift Energy Company) to 2000. Mr. Vincent has previously served as chairman of the Independent Petroleum Association of America and continues to serve on their board of directors as well as a member of the National Petroleum Council. Mr. Vincent previously served as a director on the boards of Peninsula Resources Corporation, Tangent Oil & Gas, and Energy Assets International. Mr. Vincent received a B.A. degree from Duke University and a MBA degree from the University of Houston. We believe Mr. Vincent's experience in the energy industry and expertise in representing public companies brings important experience and skill to our Board of Directors.

Scott C. Weatherholt joined the Company in February 2015 and currently serves as its Executive Vice President - General Counsel & Corporate Secretary and Executive Vice President - Land. Prior to joining Midstates, Mr. Weatherholt served as an attorney at Samson Resources, located in Tulsa, Oklahoma from May 2005 to February 2015, where he most recently held the position of Assistant General Counsel and oversaw the company's corporate transactional legal matters, mergers and acquisitions, as well as had managerial responsibility for Samson's Land Administration and Division Order Departments. Prior to Samson, Mr. Weatherholt was engaged in the private practice of law in Tulsa, Oklahoma with the Pray Walker law firm, with an emphasis upon energy and royalty owner litigation. Mr. Weatherholt graduated from the University of Oklahoma Michael F. Price College of Business with a B.B.A. degree in Finance as well as the University of Oklahoma College of Law where he received his Juris Doctorate degree. Mr. Weatherholt is a member of the American Bar Association, Oklahoma Bar Association as well as the Association of Corporate Counsel. Mr. Weatherholt serves as a member of the board of

directors of the Oklahoma Independent Petroleum Association and is a member of the board of directors of the State Chamber of Oklahoma.

Amelia K. Harding joined the Company in September 2015 and currently serves as our Vice President - Human Resources & Administration. Prior to joining Midstates, Ms. Harding worked as the General Manager, Human Resources for Samson Resources from March 2012 through September 2015 where she oversaw all human resources and organizational development activities for the company. Prior to this role, Ms. Harding served as the Manager, Employee Relations and Recruiting for Samson Resources Company from June 2009 through February 2012. Preceding those positions, Ms. Harding led the human resources teams for Southwest United Industries Inc., and KOPCO Inc., from 1998-2009. She received her Bachelor of Business Administration degree in Management from Fort Hays State University, and her Master of Human Resources and Organization Development from the University of Oklahoma. Ms. Harding is a certified Senior Professional in Human Resources, certified facilitator for both CCL 360 Assessment and DiSC and a member of SHRM.

Richard W. McCullough joined Midstates in April 2015 and currently serves as its Vice President and Chief Accounting Officer. Prior to joining Midstates, from January 2013 to March 2015, Mr. McCullough was the Controller of Corporate Accounting and Reporting for Samson Resources, located in Tulsa, Oklahoma, where he oversaw various activities associated with the financial reporting and accounting functions of the company. From March 2012 through December 2012, Mr. McCullough was the Vice President of Finance and Accounting at Caballo Energy, a private equity backed midstream company and from August 2009 through March 2012, was the Manager of Financial Reporting for Alliance Resource Partners, L.P., both located in Tulsa, Oklahoma. Prior to his time with Alliance Resource Partners, Mr. McCullough worked in the Tulsa Office of Grant Thornton LLP from January 2003 through August 2009 on a variety of clients, including public midstream companies. Mr. McCullough graduated from Oklahoma State University with a B.S. degree and a M.S degree in Accounting and is a Certified Public Accountant.

MEETINGS AND COMMITTEES OF DIRECTORS

The Board of Directors held 11 meetings during 2017, and its independent directors met in executive session 7 times during 2017. During 2017, each of our directors attended at least 75% of the meetings of the Board of Directors and the meetings of the committees of the Board of Directors on which that director served.

The Board of Directors has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. Additionally, the Board created one special committee that was formed during 2017 for the sole purpose of assisting the Board in the Company's Chief Executive Officer search.

Audit Committee. Information regarding the functions performed by the Audit Committee and its membership is set forth in the Audit Committee Report included herein and also in the Audit Committee Charter that is posted on the Company's website at www.midstatespetroleum.com.

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The members of the Audit Committee are Messrs. Vincent (Chairman) and Snyder and Mrs. Douglas. The Audit Committee held 8 meetings during 2017.

Compensation Committee. Responsibilities of the Compensation Committee, which are discussed in detail in the Compensation Committee Charter that is posted on the Company's website at www.midstatespetroleum.com, include among other duties, the responsibility to:

- periodically review the compensation, employee benefit plans and fringe benefits paid to, or provided for, executive officers of the Company;
- approve the annual salaries, bonuses and share-based awards paid to the Company's executive officers;
- periodically review and recommend to the full Board of Directors total compensation for each non-employee director for services as a member of the Board of Directors and its committees; and
- exercise oversight of all matters of executive compensation policy.

The Compensation Committee is delegated all authority of the Board of Directors as may be required or advisable to fulfill the purposes of the Compensation Committee. The Compensation Committee may form and delegate some or all of its authority to subcommittees when it deems appropriate. Meetings may, at the discretion of the Compensation Committee, include members of the Company's management, other members of the Board of Directors, consultants or advisors, and such other persons as the Compensation Committee or its chairperson may determine in an informational or advisory capacity.

Our Chief Executive Officer annually reviews the competitive pay, position and the performance of each member of senior management other than himself, taking into consideration third party compensation survey data and other input from the Compensation Committee's independent compensation consultant. Our Chief Executive Officer's conclusions and recommendations, including those for base salary adjustments and award amounts for the current year and target annual award amounts for the next year under our bonus plan, are presented to the Compensation Committee. The Compensation Committee makes all compensation decisions and approves all share-based awards for the Named Executive Officers and other officers at or above the vice president level. The Compensation Committee may exercise its discretion in modifying any compensation adjustment or awards to any executive officer, including reducing or increasing the payment amount for one or more components of such awards.

Our Board of Directors annually considers the performance of our Chief Executive Officer. The Compensation Committee determines all components of our Chief Executive Officer's compensation and meets outside the presence of all of our executive officers to consider appropriate compensation for our Chief Executive Officer.

The members of the Compensation Committee are Messrs. Goldman (Chairman), Carr and Reddin. The Compensation Committee held 8 meetings during 2017.

Nominating and Governance Committee. The Nominating and Governance Committee assists the Board of Directors in evaluating potential new members of the Board of Directors, recommending committee members and structure, and advising the Board of Directors about corporate governance practices. Additional information regarding the functions performed by the Nominating and Governance Committee is set forth in the Corporate Governance section included herein and also in the Nominating and Governance Committee Charter that is posted on the Company's website at www.midstatespetroleum.com.

The Nominating and Governance Committee has several methods of identifying Board candidates. First, the committee considers and evaluates whether or not the existing directors whose terms are expiring remain appropriate candidates for the Board. Second, the committee requests from time to time that its members and the other Board members identify possible candidates. Third, the committee has the authority to retain one or more search firms to aid in its search. The search firm assists the Board in identifying potential Board candidates, interviewing those candidates and conducting investigations relative to their background and qualifications.

The members of the Nominating and Governance Committee are Mrs. Douglas (Chairwoman) and Messrs. Carr, Reddin and Snyder. The Nominating and Governance Committee held 6 meetings during 2017.

CEO Search Committee. In addition to its three standing committees, during 2017 the Board of Directors established a CEO Search Committee. The CEO Search Committee was formed on January 30, 2017 to assist the Board of

Directors in a search for a Chief Executive Officer for the Company. The Compensation Committee convened on February 8, 2017, and with input from its independent compensation consultant, established the compensation to be paid to the members of the CEO Search Committee. The members of the CEO Search Committee were Messrs. Snyder (Chairman), Goldman, Vincent and Mrs. Douglas. Mr. Brace served on the CEO Search Committee as an *ex-officio* member. The CEO Search Committee held 5 meetings during 2017. On October 31, 2017, the CEO Search Committee was terminated by the Board as Mr. Sambrooks, the Company's current President and Chief Executive Officer, had been selected and started his employment with the Company on November 1, 2017.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis, or CD&A, provides information about our compensation objectives and policies for (i) any individual who served as our Chief Executive Officer or our Chief Financial Officer during 2017, (ii) our three other most highly compensated executive officers, or, if fewer than three executive officers are employed by us on the last day of the year, such lesser number of executive officers, and (iii) any former executive officer who would have been one of our three most highly-compensated executive officers during 2017 but for the fact the executive was no longer providing services to us at the end of 2017. We refer to the aforementioned individuals throughout this discussion as the Named Executive Officers or NEOs and their names, titles and positions are as follows:

Name	Title and Position
David J. Sambrooks	President & Chief Executive Officer
Frederic F. Brace	Former President & Chief Executive Officer
Nelson M. Haight	Former Executive Vice President & Chief Financial Officer
Mitchell G. Elkins	Former Executive Vice President - Operations
Scott C. Weatherholt	Executive Vice President - General Counsel & Corporate Secretary
Richard W. McCullough	Vice President & Chief Accounting Officer
Amelia K. Harding	Vice President Human Resources & Administration

Effective November 1, 2017, Mr. Brace resigned from employment with the Company but continues to serve on our Board of Directors. Simultaneous with Mr. Brace's resignation, Mr. Sambrooks was appointed President & Chief Executive Officer of the Company. Effective June 15, 2017, Mr. Haight resigned from employment with the Company. Mr. Elkins' employment with the Company ended on January 23, 2018.

This CD&A focuses primarily on the information in the tables below and related footnotes, as well as the supplemental narratives, relating to the fiscal year ended December 31, 2017.

EXECUTIVE SUMMARY

2017 Performance Highlights

Our executive management team performed well in 2017 and laid the groundwork for creating stockholder value moving forward. The following are key highlights of our achievements during fiscal year 2017:

- Maintained strong, delevered balance sheet throughout 2017.

- Uplisted the Company's common stock to the NYSE Big Board on May 4, 2017.
- Achieved average daily production of 22,148 barrels of oil equivalent per day (Boepd) in 2017, firmly within guidance and on budget.
- Generated Adjusted EBITDA, before acquisition and transaction costs, of \$128.2 million in 2017.
- Rationalized portfolio through divestment of non-core Lincoln County, Oklahoma producing properties and initiated strategic alternatives process for non-core Anadarko Basin assets.
- Set market-focused strategy aimed at reducing costs, generating free cash flow, improving liquidity and focusing activity to maximize optionality.

Summary Of 2017 Executive Compensation

The following lists key compensation highlights and decisions for our Chief Executive Officer and our Named Executive Officers in 2017:

- The Compensation Committee, which consists entirely of independent directors, determines the total amount and appropriate mix of compensation for our executive officers, including the Named Executive Officers. We believe that our compensation program is designed so that pay is commensurate with the level of performance generated, with incentive compensation representing the majority of total compensation. Accordingly, as of December 31, 2017, our Chief Executive Officer had 84.06% of his pay at risk or variable and dependent upon Company and stock price performance, as well as his individual performance. The other Named Executive Officers who remain employed with the Company had, on average, 82.87% of their pay at risk or variable.

Note: For the Chief Executive Officer, the above chart reflects his 2017 base salary and annual incentive target, and the actual grant date fair value of his long-term incentive, granted in November 2017 and intended to cover his 2017 and 2018 grants. For other NEOs who remain employed with the Company, the above chart reflects the average of their base salaries and target bonuses, as well as the target grant date fair value of their post-emergence 2016 long-term incentive grants. These post-emergence 2016 long-term incentive grants were intended to cover the balance of the 2016 calendar year as well as the 2017 performance year. The Company intends to make annual long-term incentive grants going forward.

- The only executive to receive a salary increase from 2016 to 2017 was Richard W. McCullough, in connection with the increased scope of his role. His increase was 9.8%.

- As discussed in more detail under **Elements of the Executive Compensation Program**, our Named Executive officers, as well as other Company employees, are eligible to receive a cash incentive payment based upon the Company's performance relative to pre-established goals or Key Performance Indicators (KPIs). The table below sets forth our actual 2017 performance measures approved by the Compensation Committee. Our performance resulted in an annual cash incentive award payout of 54.2% of target for certain of our Named Executive Officers reflecting our pay for performance philosophy.

Performance Measure	Weight	Threshold	Target	Maximum
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