TETRA TECHNOLOGIES INC
Form DEF 14A
March 22, 2013
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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 [__].

Check the appropriate box:

[__] Preliminary proxy statement.

[__] Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2)).

[X] Definitive proxy statement.

[__] Definitive additional materials.

[__] Soliciting material under Rule 14a-12.

TETRA TECHNOLOGIES, 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):

[X] 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:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total Fee paid:

[__] Fee paid previously with preliminary materials.

[__] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and date of its filing.

(1) Amount previously paid:

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

(3) Filing party:

(4) Date filed:

TETRA Technologies, Inc.

24955 Interstate 45 North

The Woodlands, Texas 77380

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 3, 2013

To our stockholders:

Where and When. We will hold our 2013 Annual Meeting of Stockholders at our corporate headquarters, 24955 Interstate 45 North, The Woodlands, Texas on Friday, May 3, 2013, at 11:00 a.m. local time.

Record Date. Only stockholders of record at the close of business on March 5, 2013 will be entitled to notice of and to vote at the Annual Meeting.

Purpose of the Meeting. We have called the Annual Meeting for the following purposes:

1. To elect nine directors to serve one-year terms ending at the 2014 Annual Meeting of Stockholders, or until their successors have been duly elected or appointed;

2. To ratify and approve the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013;

3. To conduct an advisory vote on executive compensation;

4. To consider and vote upon a proposal to amend and restate the 2011 Long Term Incentive Compensation Plan; and

5. To transact such other business as may properly come before the Annual Meeting or any adjournments.

You will find more information on our nominees for directors and the other purposes listed above in the attached proxy statement. You will find more instructions on how to vote starting on page 1 of the proxy statement.

Your vote is important! Please promptly vote your shares by telephone, the internet, or, if the proxy statement was mailed to you, by marking, signing, dating, and returning the enclosed proxy card as soon as possible, regardless of whether you plan to attend the Annual Meeting. You may revoke your proxy at any time before it is voted.

Bass C. Wallace, Jr.

Corporate Secretary

March 22, 2013

The Woodlands, Texas

PROXY STATEMENT

TABLE OF CONTENTS

General Information	
Internet and Electronic Availability of Proxy Materials	1
General Voting Instructions	1
Voting Rules	2
Proposals	
Proposal No. 1: Election of Directors	5
Proposal No. 2: Appointment of Independent Registered Public Accounting Firm	9
Proposal No. 3: Advisory Vote to Approve Executive Compensation	9
Proposal No. 4: Amendment and Restatement of the 2011 Long Term Incentive Compensation Plan	11
Information About Us	
Corporate Governance	21
Director Independence	21
Board Leadership, Structure and Risk Oversight	22
Board Meetings and Committees	22
Certain Transactions	25
Equity Compensation Plan Information	26
Insider Stock Sales and Stock Ownership Guidelines	27
Audit Committee Report	28
Fees Paid to Principal Accounting Firm	29
Audit Committee Preapproval Policies and Procedures	29
Executive Officers	30
Compensation Discussion and Analysis	32
Management and Compensation Committee Report	49
Compensation of Executive Officers	50
Grants of Plan Based Awards	51
Outstanding Equity Awards at Fiscal Year End	52
Option Exercises and Stock Vested	53
Nonqualified Deferred Compensation	54
Potential Payments upon Termination or Change in Control	54
Compensation Risk	57
Director Compensation	57
Beneficial Stock Ownership of Certain Stockholders and Management	59

Section 16(a) Beneficial Ownership Reporting Compliance	60
Proposals of Stockholders	60
Householding of Annual Meeting Materials	61
Additional Financial Information	61
Other Matters	61
Amended and Restated 2011 Long Term Incentive Compensation Plan	Appendix A

This proxy statement, and the accompanying Notice of the 2013 Annual Meeting of Stockholders and proxy card are first being made available to our stockholders on or about March 22, 2013.

GENERAL INFORMATION

This proxy statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of TETRA Technologies, Inc., to be voted at our Annual Meeting of Stockholders to be held on Friday, May 3, 2013 at 11:00 a.m. local time, and at any adjournment(s) thereof. The purposes of the Annual Meeting are set forth in this proxy statement and in the accompanying Notice of Annual Meeting of Stockholders.

The complete mailing address of our principal executive offices is 24955 Interstate 45 North, The Woodlands, Texas 77380, and our telephone number is (281) 367-1983.

Attendance at the Annual Meeting is limited to stockholders as of the record date (or their authorized representatives) with evidence of their share ownership and our guests.

Internet and Electronic Availability of Proxy Materials

As permitted by the rules adopted by the Securities and Exchange Commission (“SEC”), we are making this proxy statement and related proxy materials available on the internet under the “notice and access” delivery model. The “notice and access” model removes the requirement for public companies to automatically send stockholders a printed set of proxy materials and allows companies instead to deliver to their stockholders a “Notice of Internet Availability of Proxy Materials” and to provide access to the documents over the internet. Our Notice of Internet Availability of Proxy Materials (“Notice”) was first mailed to stockholders of record and beneficial owners on or about March 22, 2013. The Notice is not a form for voting, and presents only an overview of the more complex proxy materials. Stockholders are encouraged to access and review the proxy materials before voting.

This proxy statement, the form of proxy, and voting instructions are being made available to stockholders on or about March 22, 2013 at www.envisionreports.com/TTI for registered holders and at www.proxyvote.com for beneficial holders. You may also request a printed copy of this proxy statement and the form of proxy by telephone, over the internet or by email by following the instructions printed on your Notice.

Our Annual Report to Stockholders, including financial statements, for the fiscal year ended December 31, 2012 is being made available at the same time and by the same methods. The Annual Report to Stockholders is not to be considered as a part of the proxy solicitation material or as having been incorporated by reference.

In addition, any stockholder may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. Receiving future proxy materials by email will save the cost of printing and mailing documents to stockholders and will reduce the impact of annual meetings on the environment. A stockholder’s election to receive proxy materials by email will remain in effect unless the stockholder terminates it.

General Voting Instructions

Below are instructions on how to vote as well as information on your rights as a stockholder as they relate to voting. Some of the instructions will differ depending on how your stock is held. It is important to follow the instructions that apply to your situation.

Stockholder of Record. If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered a stockholder of record and the Notice was sent directly to you by us.

If you are a stockholder of record, you may vote in person at the Annual Meeting. Your Notice will be your evidence of ownership and serve as your authorization to vote in person; we will provide a ballot for you when you arrive at the meeting. If you requested printed copies of the proxy materials, check the appropriate box on the proxy card and bring evidence of your share ownership to the meeting. The proxy card and the evidence of your ownership will serve as your authorization to vote in person.

If you do not wish to vote in person or if you will not be attending the Annual Meeting, you may vote by proxy. You may vote by internet by following the instructions in the Notice or, if you requested printed copies of the proxy materials, you can vote by internet, by telephone, or by delivering your proxy through the mail.

Beneficial Owners. If your shares are held in an account at a brokerage firm, bank, broker-dealer, or other similar organization, then you are the beneficial owner of shares held in “street name,” and the Notice was forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares held in your account.

If you are a beneficial owner, in order to vote in person at the Annual Meeting, you must obtain a valid proxy from the organization that holds your shares and bring evidence of your stock ownership from the organization with you to the meeting.

If you do not wish to vote in person or if you will not be attending the Annual Meeting, you may direct the vote of your shares by following the instructions on the Notice delivered to you by the organization holding your account. Many brokerage firms, banks, broker-dealers, or other similar organizations participate in the Broadridge Financial Solutions, Inc., Online and Telephone Program. This program provides eligible stockholders the opportunity to vote via the internet or by telephone. Voting forms will provide instructions for beneficial owners if the organization holding their account participates in the program or other similar programs.

401(k) Plan Participants. If you participate in our 401(k) Retirement Plan (the “401(k) Plan”) and have contributions allocated to the TETRA stock fund, you are entitled to direct the 401(k) Plan trustee to vote the shares of our common stock credited to your account as of the close of business on the record date. You may deliver your voting instructions to the 401(k) Plan trustee by internet or telephone by following the instructions on your proxy card, or by indicating your voting instructions on your proxy card and returning it by mail. All proxy cards that are properly completed, signed, and returned by mail or submitted via the internet or by telephone prior to May 1, 2013 will be voted. If you return your proxy card with no voting instructions marked, or if you do not return a proxy card or submit voting instructions via the internet or by telephone, your shares will be voted by the trustee as directed by our 401(k) Plan Administrator.

How to Revoke Your Proxy. All valid proxies received prior to the Annual Meeting will be voted in accordance with the instructions so indicated. You may revoke your proxy and change your vote at any time before the final vote at the Annual Meeting. A proxy may be revoked by a stockholder of record at any time before it is exercised by submitting a written revocation or a later-dated proxy to our Corporate Secretary at the mailing address provided above, by voting again via the internet or telephone, or by attending the Annual Meeting in person and so notifying the Inspector of Elections. If you are a beneficial owner and wish to change your vote, you must contact the organization that holds your shares prior to the Annual Meeting to assist you with this process. If you are a 401(k) Plan participant, you may revoke your voting instructions by submitting a new proxy containing your voting instructions via the internet, by telephone or by delivering a later dated proxy card by mail prior to May 1, 2013.

VOTING RULES

Stockholders Entitled to Vote – the Record Date. We fixed the close of business on March 5, 2013 as the record date for the determination of stockholders entitled to vote at the Annual Meeting and any adjournment(s) thereof. As of the record date, we had issued and outstanding 78,200,008 shares of common stock and no shares of preferred stock.

Quorum Required. A quorum must be present at the Annual Meeting for us to conduct business at the Annual Meeting. To establish a quorum, we need the presence, either in person or by proxy, of holders of a majority of the shares of our common stock issued, outstanding and entitled to vote. We will count abstentions and broker nonvotes to determine whether a quorum is present. Broker nonvotes occur when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power and the nominee has not received voting instructions from the beneficial owner.

Number of Votes. You are entitled to one vote per share of our common stock that you own as of the record date on each matter that is called to vote at the Annual Meeting.

Voting to Elect Directors. When voting to elect directors, you have three options:

- vote for all of the nominees;
- vote for one or more of the nominees, but not all; or
- withhold authority to vote for all of the nominees.

If a quorum is present at the Annual Meeting, the nine persons receiving the greatest number of votes will be elected to serve as directors. Therefore, any shares that are not voted and votes that are withheld will not influence the outcome of the election of directors. Brokers who have not received voting instructions from the beneficial owner do not have the discretionary authority to vote on the election of directors. Therefore, broker nonvotes will not be considered in the vote totals and will have no effect on the vote. You may not cumulate your votes for any one of the nominees.

Voting on Other Matters. When voting on all other matters, you have three options:

- vote FOR a given proposal;
- vote AGAINST a given proposal; or
- ABSTAIN from voting on a given proposal.

Each matter other than the election of directors requires the affirmative vote of a majority of the shares having voting power on such matter present or represented at the Annual Meeting. For the purpose of determining whether a proposal other than the election of directors has received a majority vote, abstentions will be included in the vote totals with the result that an abstention will have the same effect as a vote against the proposal.

With respect to the advisory vote to approve the compensation of executive officers, because your vote on this proposal is advisory in nature, it will not be binding on or overrule any decisions by our Board of Directors or the Management and Compensation Committee of our Board of Directors. However, the Board of Directors and the Management and Compensation Committee value the opinions of our stockholders and, to the extent that there is any significant vote against the compensation of our executive officers, we will consider our stockholders' concerns, and our Board of Directors will evaluate whether any actions are necessary to address those concerns.

With respect to the approval of auditors, brokers who have not received voting instructions from the beneficial owner have the discretionary authority to vote on this matter. Therefore, broker nonvotes will be included in the vote totals and have the same effect as a vote against this proposal. Brokers do not have discretionary authority to vote on the advisory vote to approve executive compensation. Consequently, broker nonvotes will not be considered in the vote totals for this proposal and will have no effect on the vote. Brokers do not have discretionary authority to vote on the proposal to amend and restate the 2011 Long Term Incentive Compensation Plan. Consequently, broker nonvotes will not be considered in the vote totals for this proposal and will have no effect on the vote.

In addition to the vote required by our bylaws described above, under New York Stock Exchange ("NYSE") rules, approval of the amendment and restatement of the 2011 Long Term Incentive Compensation Plan requires approval

by a majority of votes cast on the proposal, provided that the total votes cast on the proposal represent over 50% in interest of all securities entitled to vote on the proposal. The NYSE takes the position that a broker nonvote is not a "vote cast." Accordingly, broker nonvotes have to be subtracted when determining whether the 50% in interest test has been met.

The proxy confers discretionary authority to the persons named in the proxy authorizing those persons to vote, in their discretion, on any other matters properly presented at the Annual Meeting. Our Board of Directors is not currently aware of any such other matters.

Voting of Proxies with Unmarked Votes. All proxies that are properly completed, signed, and returned or submitted via the internet or by telephone prior to the Annual Meeting will be voted. If you return or submit your proxy with no votes marked, your shares will be voted as follows:

- FOR the election of each of the nominees for director;
- FOR the appointment of Ernst & Young LLP as our independent registered public accounting firm;
- FOR approval of the compensation of executive officers; and
- FOR approval of the amendment and restatement of the 2011 Long Term Incentive Compensation Plan.

It is possible for a proxy to indicate that some of the shares represented are not being voted as to certain proposals. This occurs, for example, when a broker is not permitted to vote on a proposal without instructions from the beneficial owner of the stock. In such a case, the nonvoted shares will be considered in the manner described above.

Who Counts the Votes. Votes will be counted by Computershare Trust Company, N.A.

Information About the Solicitation of Proxies. Our Board of Directors is soliciting the proxy accompanying this statement in connection with the Annual Meeting. In addition to the solicitation of proxies by use of this proxy statement, our directors, officers and employees may solicit the return of proxies by mail, personal interview, telephone, or email. Our officers and employees will not receive additional compensation for their solicitation efforts, but they will be reimbursed for any out-of-pocket expenses incurred. Brokerage houses and other custodians, nominees, and fiduciaries will be requested, in connection with the stock registered in their names, to forward solicitation materials to the beneficial owners of such stock.

We will pay all costs of preparing, printing, assembling, and delivering the Notice of the Annual Meeting, the Notice, this proxy statement, the enclosed form of proxy card and any additional materials, as well as the cost of forwarding solicitation materials to the beneficial owners of stock and all other costs of solicitation.

PROPOSALS

PROPOSAL NO. 1: Election of Directors

In accordance with our Amended and Restated Bylaws, our Board of Directors has set the size of our Board of Directors at nine members. The Nominating and Corporate Governance Committee of the Board of Directors has recommended, and the Board of Directors has nominated and urges you to vote "FOR" the election of the nine persons listed below who have been nominated to serve one-year terms as directors. Each proxy solicited hereby will be so voted unless you specify otherwise in the proxy. A plurality vote is required for the election of directors in Proposal 1. Accordingly, if a quorum is present at the Annual Meeting, the nine nominees receiving the greatest numbers of votes will be elected to serve as directors. Proxies cannot be voted for more than nine nominees for election to the Board of Directors.

The terms of office of each of the nine current directors will expire at the time of the Annual Meeting. Each of the nine nominees listed below has been recommended by the Nominating and Corporate Governance Committee and nominated by the Board of Directors to serve a one-year term as a director. Each of the nominees has consented to be named in this proxy statement and to serve as a director, if elected.

It is intended that the proxies solicited hereby will be voted "FOR" the election of such nominees, unless the authority to do so has been withheld. If, at the time of the Annual Meeting, any of the nominees should be unable or decline to serve, the discretionary authority provided in the proxy will enable the proxy holder to vote for a substitute nominee of the Board of Directors. The Board of Directors has no reason to believe that any substitute nominee will be required.

Nominees for Director

The nominees for election as directors are as follows:

Name	Age	Position with Us	Director Since

Thomas R. Bates, Jr.	63	Director	2011
Stuart M. Brightman	56	Director, President and Chief Executive Officer	2009
Paul D. Coombs	57	Director	1994
Ralph S. Cunningham	72	Director	1999
Tom H. Delimitros	72	Director	1994
Geoffrey M. Hertel	68	Director	1984
Kenneth P. Mitchell	73	Director	1997
William D. Sullivan	56	Director	2007
Kenneth E. White, Jr.	66	Director	2002

Biographical summaries of the nominees for director, including the experiences, qualifications, attributes and skills of each director that have been considered by the Nominating and Corporate Governance Committee and the Board of Directors in determining that these nominees should serve as directors, are set forth below. See “Beneficial Stock Ownership of Certain Stockholders and Management” below for information regarding the number of shares of our common stock owned by each nominee.

Thomas R. Bates, Jr., Ph.D., has served as a member of our Board of Directors since November 2011. Dr. Bates has served as a member of our Management and Compensation Committee since May 2012. Dr. Bates is presently a director and chairman of the board of directors of Hercules Offshore, Inc., a public company subject to the reporting requirements of the Securities Exchange Act of 1934 (the “Exchange Act”) that provides shallow-water drilling and marine services to the oil and natural gas exploration and production industry in the U.S. Gulf of Mexico and internationally. Dr. Bates has been an adjunct professor in the Management Department of the Neeley School of Business at Texas Christian University since January 2011. Dr. Bates served as a senior advisor at Lime Rock Management LP, an energy-focused private equity firm, from January 2010 until December 2012. From October 2001 until December 2009, Dr. Bates was a managing director at Lime Rock Management LP. From February 2000 through September 2001, Dr. Bates was a business

consultant. From June 1998 through January 2000, Dr. Bates was president of the Discovery Group of Baker Hughes Incorporated, an oilfield services company. From June 1997 to May 1998, he was president and chief executive officer of Weatherford Enterra, Inc., an oilfield services company. From March 1992 to May 1997, Dr. Bates was president of Anadrill at Schlumberger Limited, an oilfield services company. Dr. Bates served as vice president of Sedco Forex at Schlumberger from February 1986 to March 1992. Dr. Bates previously served as a director of NATCO Group, Inc. from 2003 through 2009, as a director of T-3 Energy Services, Inc. from 2007 until it was acquired in January 2011, and as a director of Reservoir Exploration Technology ASA from December 2008 until February 2011. Dr. Bates received his B.S., M.S. and Ph.D. degrees in Mechanical Engineering from the University of Michigan.

Dr. Bates has nearly forty years of experience in the international oil and gas services industry, both as a director and in management positions with operational responsibilities. Dr. Bates' experience serving as a director of other public companies provides cross-board experience and perspective, and his management of a private equity firm provides valuable entrepreneurial insight.

Stuart M. Brightman has served as our President and Chief Executive Officer since May 2009, at which time Mr. Brightman was also elected as a director. He served as Executive Vice President and Chief Operating Officer from April 2005 through May 2009. Mr. Brightman also serves as a director of our Compressco Partners GP Inc. subsidiary, the general partner of Compressco Partners, L.P., also one of our consolidated subsidiaries and a publicly traded limited partnership subject to the reporting requirements of the Exchange Act. From April 2004 to April 2005, Mr. Brightman was self-employed. Mr. Brightman served as president of the Dresser Flow Control division of Dresser, Inc. from April 2002 until April 2004. Dresser Flow Control, which manufactures and sells valves, actuators, and other equipment and provides related technology and services for the oil and gas industry, had revenues in excess of $400 million in 2004. From November 1998 to April 2002, Mr. Brightman was president of the Americas Operation of the Dresser Valve Division of Dresser, Inc. He served in other capacities during the earlier portion of his career with Dresser, from 1993 to 1998. From 1982 to 1993, Mr. Brightman served in several financial and operational positions with Cameron Iron Works and its successor, Cooper Oil Tools. Mr. Brightman received his B.S. degree from the University of Pennsylvania and his Master of Business Administration degree from the Wharton School of Business.

Mr. Brightman has more than thirty years of experience in a manufacturing business related to the oil and gas industry. He has experience in corporate finance and in the management of capital intensive operations. Mr. Brightman's prior service as our Chief Operating Officer and his current position with us as President and Chief Executive Officer also provides our Board of Directors with an in-depth source of knowledge regarding our operations, our executive management team and the effectiveness of our compensation programs.

Paul D. Coombs has served as a member of our Board of Directors since June 1994. Mr. Coombs has served as a member of our Nominating and Corporate Governance Committee since July 2012. Mr. Coombs served on our Reserves Committee during 2012, until its dissolution in February 2012. From April 2005 until his retirement in June 2007, Mr. Coombs served as our Executive Vice President of Strategic Initiatives, and from May 2001 to April 2005,

as our Executive Vice President and Chief Operating Officer. From January 1994 to May 2001, Mr. Coombs served as our Executive Vice President – Oil & Gas, from 1987 to 1994 he served as Senior Vice President – Oil & Gas, and from 1985 to 1987, as General Manager – Oil & Gas. Mr. Coombs has served in numerous other positions with us since 1982. Mr. Coombs is presently a director and serves on the audit and corporate governance committees of the board of directors of Balchem Corporation, a public company that is subject to the reporting requirements of the Exchange Act, that manufactures microencapsulated products and is a specialty repackager of industrial gases.

Mr. Coombs has more than thirty years of experience with us, which, together with his entrepreneurial approach to management, provides the Board of Directors with insight into our capabilities and personnel. Mr. Coombs has substantial experience with the oil and gas services we provide and with oil and gas exploration and production operations in general.

Ralph S. Cunningham, Ph.D., has served as a member of our Board of Directors since 1999, and as Chairman of our Board of Directors since December 2006. Dr. Cunningham currently serves on our Audit Committee and our Nominating and Corporate Governance Committee. Dr. Cunningham has been employed by Enterprise Products Company or its predecessor since 2005. Dr. Cunningham is presently a director of Enterprise Products Holdings LLC, the general partner of Enterprise Products Partners L.P., a publicly traded partnership subject to the reporting requirements of the Exchange Act, a director of Agrium, Incorporated, a Canadian publicly traded company involved in the agricultural chemicals business, and a director of Cenovus

Energy Inc., a Canadian publicly traded independent integrated oil company that was formerly named EnCana Corporation. From August 2007 until November 2010, he served as a director and as president and chief executive officer of EPE Holdings, LLC, the general partner of Enterprise GP Holdings L.P., a publicly traded partnership subject to the reporting requirements of the Exchange Act. Dr. Cunningham also served as a director of LE GP, LLC, the general partner of Energy Transfer Equity, L.P., from December 2009 until November 2010, as a director of Enterprise Products GP, LLC, from February 2006 to May 2010, and as a director of DEP Holdings, LLC from August 2007 to May 2010. Dr. Cunningham served as a director of Enterprise Products GP from 1998 until March 2005 and served as chairman and a director of TEPPCO GP from March 2005 until November 2005. He retired in 1997 from CITGO Petroleum Corporation, where he had served as president and chief executive officer since 1995. Dr. Cunningham served as vice chairman of Huntsman Corporation from April 1994 to April 1995; and from August 1990 to April 1994, he served as president of Texaco Chemical Company. Prior to joining Texaco Chemical Company, Dr. Cunningham held various executive positions with Clark Oil & Refining and Tenneco Inc. He began his career in Exxon’s refinery operations. Dr. Cunningham received his B.S. degree in Chemical Engineering from Auburn University and his M.S. and Ph.D. degrees in Chemical Engineering from Ohio State University.

Dr. Cunningham has extensive experience in the international oil and gas industry as well as the chemicals industry, both as a director and in management positions with various operational responsibilities. He has significant board experience, having served as a director of public companies for approximately eighteen years, which provides cross-board experience and perspective.

Tom H. Delimitros has served as a member of our Board of Directors since 1994. Mr. Delimitros is Chairman of our Audit Committee and also serves on our Management and Compensation Committee. Mr. Delimitros served on our Reserves Committee during 2012, until its dissolution in February 2012. He is a founding general partner of AMT Venture Funds, a private limited partnership formed in 1991 that provides equity and debt capital to emerging growth companies involved in advanced material technologies and the energy sector. Mr. Delimitros is also a director and is chairman of the audit committee of the board of directors of Plains Exploration & Production Company, a publicly held energy company that is subject to the reporting requirements of the Exchange Act. Mr. Delimitros received his B.S. and M.S. degrees in Materials Science and Engineering from the University of Washington in Seattle, where he currently serves as a University of Washington Foundation Board member, and he received his Master of Business Administration degree from Harvard University.

As a venture capitalist, Mr. Delimitros has worked with numerous smaller companies in the energy and chemicals industries and he brings a valuable entrepreneurial approach to management and compensation issues. Mr. Delimitros has extensive experience in corporate finance and accounting, as well as with the operation of chemicals businesses, including chemicals utilized in the oil and gas services industry.

Geoffrey M. Hertel has served as a member of our Board of Directors since 1984. Mr. Hertel served on our Reserves Committee during 2012, until its dissolution in February 2012. Mr. Hertel previously served as our President from May 2000 through May 2009, and as our Chief Executive Officer from May 2001 through May 2009. From May 2009

through his retirement in January 2012, Mr. Hertel remained employed by us, assisting in strategic planning. From January 2000 to May 2001 he also served as our Chief Operating Officer. From January 1994 to 2000, Mr. Hertel served as our Executive Vice President – Finance and Administration. He joined us in March 1993 as Senior Vice President – Finance and Administration. From 1981 to 1984 Mr. Hertel was associated with us as a nonvoting director and a special consultant to the board. Mr. Hertel has served as chairman of the board of directors of Compressco Partners GP Inc., one of our subsidiaries, since October 2008. Compressco Partners GP Inc. is the general partner of Compressco Partners, L.P., also one of our consolidated subsidiaries and a publicly traded limited partnership subject to the reporting requirements of the Exchange Act. Mr. Hertel has served as president and a director of Fairway Petroleum, Inc., a private oil and gas company, since 1980, and as a director of Life-Tech, Inc., a private manufacturer of medical devices, since 1991. From 1972 to 1984, Mr. Hertel held various positions with Rotan Mosle, Inc., an investment banking firm, including senior vice president – corporate finance. Mr. Hertel received his B.A. degree in Finance and his Master of Business Administration degree from Michigan State University.

Mr. Hertel's long-term involvement with us as a director, chief financial officer and chief executive officer contributes an in-depth knowledge of our operations and a sense of strategic continuity to our Board of Directors. Mr. Hertel has considerable experience in corporate finance, strategic planning, and with the oil and gas services industry and the exploration and production of oil and gas.

Kenneth P. Mitchell has served as a member of our Board of Directors since 1997. Mr. Mitchell is Chairman of our Nominating and Corporate Governance Committee and also serves on our Audit Committee. Mr. Mitchell served as a member of our Management and Compensation Committee until May 2012. In November 2010, Mr. Mitchell retired from the board of directors of Balchem Corporation, a public company subject to the reporting requirements of the Exchange Act that manufactures microencapsulated products and is a specialty repackager of industrial gases, where he had served as a director since 1993 and as lead director and chairman of the executive committee since October 2005. Mr. Mitchell served as president and chief executive officer of Oakite Products, Inc., a specialty chemicals company, from 1986 until his retirement in 1993. From 1964 to 1986, he held a number of executive positions with Diamond Shamrock Corporation, all of which were related to various commodity and specialty chemicals businesses. Mr. Mitchell received his B.S. degree in Marketing and Finance from Ohio State University, and he completed the Senior Executive Program at M.I.T. in 1979.

Mr. Mitchell has extensive experience in various management roles in the specialty chemicals industry, including manufacturing, sales and marketing. In addition, Mr. Mitchell has considerable experience in executive compensation matters.

William D. Sullivan has served as a member of our Board of Directors since August 2007. Mr. Sullivan currently serves on our Management and Compensation Committee and our Nominating and Corporate Governance Committee. Mr. Sullivan served on our Reserves Committee during 2012, until its dissolution in February 2012. Mr. Sullivan currently serves as a director of our Compressco Partners GP Inc. subsidiary, the general partner of Compressco Partners, L.P., also one of our consolidated subsidiaries and a publicly traded limited partnership subject to the reporting requirements of the Exchange Act. Mr. Sullivan is the non-executive chairman of the board of directors of SM Energy Company, a publicly traded exploration and production company. Mr. Sullivan is also a director and serves on the audit, nominating and corporate governance and conflicts, and compensation committees of Legacy Reserves GP, LLC, the general partner of Legacy Reserves, LP, a publicly traded limited partnership holding oil and gas producing assets, primarily in the Permian Basin and Rocky Mountain areas. Mr. Sullivan is a director and serves on the conflicts and audit committees of Targa Resources Partners GP, LLC, the general partner of Targa Resources Partners LP, a publicly traded limited partnership focused on mid-stream gas gathering, processing, liquids fractionation, and transportation. From 1981 through August 2003, Mr. Sullivan was employed in various capacities by Anadarko Petroleum Corporation, most recently as executive vice president, exploration and production. Mr. Sullivan has been retired for the past five years. Mr. Sullivan received his B.S. degree in Mechanical Engineering from Texas A&M University.

Mr. Sullivan has significant management experience in mid-stream oil and gas operations and in the exploration and production of oil and gas on an international level. Mr. Sullivan also has substantial experience in executive compensation matters and in serving on the boards of publicly held corporations and publicly traded limited partnerships operating in the oil and gas industry.

Kenneth E. White, Jr. has served as a member of our Board of Directors since 2002. Mr. White is Chairman of our Management and Compensation Committee and also serves on our Audit Committee. Mr. White served as Chairman of our Reserves Committee during 2012, until its dissolution in February 2012. He served as president and chief operating officer and a director of Torch Energy Advisors, a private company that owns and operates oil and gas projects on behalf of its investors, until his retirement in January 2001. Prior to his initial employment with Torch in 1989, Mr. White served as executive vice president and general manager of Gruy Engineering, a petroleum consulting firm affiliated with Torch. From 1982 to 1989, Mr. White served in several positions related to Gulf Coast reservoir management and engineering with Tenneco Oil. He received his B.S. degree in Mechanical Engineering from Louisiana State University.

Mr. White has substantial experience in the oil and gas industry, including with regard to the management, operation and analysis of oil and gas reserves. In addition, Mr. White has significant experience in executive compensation matters.

The Board of Directors recommends that you vote “FOR” the election of each of the above named nominees.

PROPOSAL NO. 2: Appointment of Independent Registered Public Accounting Firm

Proposal 2 requests stockholder approval of the Board of Directors' appointment of the firm of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2013. Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting and will have an opportunity to make a statement if they desire and to respond to appropriate questions from those attending that meeting. Ernst & Young LLP have served as our independent auditors since 1981.

Our organizational documents do not require our stockholders to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm. We are doing so, as we have done in prior years, because we believe it is a matter of good corporate practice. If our stockholders do not ratify the appointment, the Audit Committee may reconsider its selection of the firm as our independent registered public accounting firm for the year ending December 31, 2013, but the Audit Committee may also elect to retain the firm.

The Board of Directors recommends that you vote "FOR" ratification and approval of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2013 fiscal year, and proxies returned will be so voted unless contrary instructions are indicated thereon.

PROPOSAL NO. 3: Advisory Vote to Approve Executive Compensation

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), enables our stockholders to cast an advisory vote on the compensation of our named executive officers. In May 2012, our stockholders overwhelmingly approved the compensation of our named executive officers as described in our 2012 proxy statement, with approximately 98.5% of stockholder votes cast in favor of our 2012 "say-on-pay" resolution (excluding abstentions and broker non-votes). With respect to the advisory vote on the frequency of conducting future advisory votes to approve executive compensation held in May 2011, more than 79% of our stockholders voted in favor of holding future advisory votes to approve executive compensation on an annual basis (excluding abstentions and broker non-votes). After considering this result, our Board of Directors determined that it would hold future advisory votes to approve executive compensation annually until the next stockholder vote on the frequency of holding future advisory votes on executive compensation. Consequently, our stockholders have an opportunity again this year to cast an advisory vote to approve the compensation of our named executive officers as disclosed in this proxy statement in accordance with SEC rules.

As discussed in the Compensation Discussion and Analysis ("CD&A") section of this proxy statement, our compensation philosophy is designed to enable us to recruit and retain the highly qualified and competent executives

that are crucial to our long-term success while ensuring that a significant portion of the compensation opportunities available to them is tied to performance; thus aligning their interests with the interests of our stockholders. Following our 2012 Annual Meeting, as we considered the specific compensation practices through which we implement our compensation philosophy, we were mindful of the strong support our stockholders expressed for our 2012 compensation policies and practices.

The following are some of the key topics discussed in greater detail in the CD&A and in other sections of this proxy statement, and stockholders are encouraged to read these other sections.

- Every member of our Management and Compensation Committee is independent, as independence is defined in the listing standards of the NYSE (page 21).

- Our Management and Compensation Committee has established a thorough process for the review and approval of our compensation programs and practices, and the committee has the authority to retain and direct compensation consultants or other advisors to assist in the discharge of its duties (page 23).

- Our Board of Directors has adopted stock ownership guidelines that apply to our directors and executive officers (page 27).

- We employ our executive officers “at will” under employment agreements similar to those executed by all our employees. None of our current executive officers has any guaranteed arrangements for cash compensation or severance upon a change in control; however, as discussed in “Compensation Discussion and Analysis – Change in Control Agreements,” if the proposed amendments to our 2011 Long Term Incentive Compensation Plan are approved by our stockholders, we intend to adopt change in control agreements for our executive officers. None of our executive officers are currently provided gross-up payments, and no gross-up payments will be provided for in the change in control agreements we intend to adopt (page 46).

- Our insider trading policy prohibits transactions involving short sales, the buying and selling puts, calls or other derivative instruments and certain forms of hedging or monetization transactions involving our securities (page 34).

- One of the primary tenets of our compensation philosophy is to provide a significant portion of total compensation that is tied to performance and increases in stockholder value (page 32). Beginning in 2010 and again in 2011, the Management and Compensation Committee awarded performance-based long-term cash incentives to executive officers and key senior managers to supplement the long-term performance incentive and retention value provided by our historic use of time-vesting equity awards. For awards granted during 2012, the Management and Compensation Committee increased the portion of our aggregate long-term awards consisting of performance-based cash incentives in order to directly motivate improved financial performance over the three-year performance period covered by such awards.

- We continue to believe that tying a significant portion of our executive officers' compensation directly to our stockholders' returns is an important aspect of our total compensation plan and for the fiscal year 2012, 30.0% of the total compensation awarded to our Chief Executive Officer, Mr. Brightman, consisted of stock options and shares of restricted stock (page 32). The combination of long-term equity incentives and long-term cash incentives weights total prospective compensation awarded to our executives in 2012 significantly toward long-term performance.

- We believe that providing both short- and long-term incentive compensation awards also helps to minimize any risk to us or our stockholders that could arise from excessive focus on short-term performance (page 57).

Our Board of Directors believes that our compensation program is effective in implementing our compensation philosophy and furthering our strategic goals and objectives. Pursuant to SEC rules, we are asking our stockholders to approve the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis (beginning on page 32), the compensation tables (beginning on page 50) and the narrative discussion following the compensation tables. This advisory stockholder vote, commonly known as "say-on-pay," gives you as a stockholder the opportunity to approve or not approve our executive compensation program and policies through the following resolution:

"RESOLVED, that the stockholders of TETRA Technologies, Inc. approve, on an advisory basis, the compensation of its named executive officers as disclosed in the Company's 2013 Proxy Statement pursuant to the executive compensation disclosure rules of the Securities and Exchange Commission, which disclosure includes the Compensation Discussion and Analysis, the compensation tables and related narrative disclosure contained in this Proxy Statement."

Because your vote on this proposal is advisory in nature, it will not be binding on or overrule any decisions by our Board of Directors or the Management and Compensation Committee of our Board of Directors. However, our Board of Directors values the opinions of our stockholders. To the extent that there is any significant vote against the compensation of our executive officers, we will consider our stockholders' concerns, and our Board of Directors will evaluate whether any actions are necessary to address those concerns.

The Board of Directors recommends that you vote "FOR" approval of the named executive officer compensation as disclosed pursuant to the executive compensation disclosure rules of the Securities and Exchange Commission, including in the Compensation Discussion and Analysis, the compensation tables and related narrative discussion as contained in this Proxy Statement. Proxies returned will be so voted unless contrary instructions are indicated thereon.

PROPOSAL NO. 4: Approval of the Amendment and Restatement of our 2011 Long Term Incentive Compensation Plan

Our stockholders are being asked to consider and vote on a proposal to approve the amendment and restatement of the 2011 Long Term Incentive Compensation Plan, which is referred to in this description as the 2011 LTIP. If the proposed amendment and restatement is approved by our stockholders, the 2011 LTIP will provide us with more flexibility in creating incentives for our employees, officers, directors and consultants, and it will enable us to accelerate vesting of outstanding awards under circumstances determined by our Management and Compensation Committee to be appropriate, including a participant's qualifying termination of service following a change in control (a so-called "double-trigger" acceleration). The 2007 Long Term Incentive Compensation Plan will remain in effect in accordance with its terms if the amendment and restatement of the 2011 LTIP is approved by our stockholders. We also have grants outstanding under the 1990 Stock Option Plan, as amended, the 1996 Stock Option Plan for Nonexecutive Employees and Consultants, and the Amended and Restated 2006 Equity Incentive Compensation Plan, and each of these plans remains in effect in accordance with their terms, although no further options or awards may be granted under such plans.

Our Board of Directors has approved the amendment and restatement of the 2011 LTIP, subject to the approval of our stockholders at the annual meeting. Our executive officers and members of our Board of Directors will be eligible to receive awards under the 2011 LTIP and therefore have an interest in this proposal. Pursuant to our bylaws, approval of the amendment and restatement of the 2011 LTIP requires the affirmative vote of a majority of the common shares represented in person or by proxy and entitled to vote on the proposal at the annual meeting of stockholders. In addition, under the rules of the NYSE, approval of the amendment and restatement of the 2011 LTIP requires approval by a majority of votes cast on the proposal, provided that the total votes cast on the proposal represents over 50% in interest of all securities entitled to vote on the proposal. If the stockholders approve the amendment and restatement of the 2011 LTIP, it will be effective as of May 3, 2013. A copy of the 2011 LTIP, as amended and restated to reflect the proposed amendments, is attached to this proxy statement as Appendix A. In Appendix A, we have shown the changes to the 2011 LTIP that will result from approval of the proposed amendments, with deletions indicated by strikeouts and additions indicated by underlining. The following description of the 2011 LTIP is not intended to be complete and is qualified by reference to Appendix A, which contains the complete text of the 2011 LTIP, as amended and restated to reflect the proposed amendments.

Summary of Proposed Amendments to the Plan

The following is a summary of the proposed amendments to the 2011 LTIP. The full text of the 2011 LTIP, as amended and restated, is attached to this proxy statement as Appendix A, for your reference.

If approved, the proposed amendments to the 2011 LTIP will:

- increase the number of shares authorized for issuance under the 2011 LTIP by 3,400,000 shares from 2,200,000 shares (of which 379,432 remain available for grant as of March 5, 2013) to 5,600,000 shares;

- clarify that the ratio for the determination of the number of awards used and available under the plan will be proportionately adjusted in the event that shares of our common stock are changed into or exchanged for a different number or kind of shares, or securities of another company; and

- enable the Management and Compensation Committee to have the discretionary authority to accelerate the vesting period with respect to outstanding awards under circumstances determined by the committee to be appropriate, including the qualifying termination of a participant’s service following a change in control.

Equity Philosophy

As described in more detail in the Compensation Discussion and Analysis included in this proxy statement, our equity compensation philosophy is to pay for performance through competitive compensation programs that relate directly to our short- and long-term goals, and to reward executives, managers, and professionals who achieve these goals, while at the same time, remaining sensitive to the potential impact on our other stockholders. Stock-based awards linked to our short- and long-term goals provide a significant incentive to our employees for improved performance, and we believe equity awards are critical to attracting and retaining employees who are vital to our development and financial success, while also aligning our employees’ interests with those of our stockholders.

In connection with our equity-based compensation programs, we seek to balance our need to attract and retain employees, consultants and non-employee directors with efforts to closely monitor and reduce our “burn rate,” which is the total number of equity awards granted in a given year divided by the number of common shares outstanding at the end of such year. Our three-year average burn rate for 2010 through 2012 is 1.9%, which is under the allowable threshold recommended by Institutional Shareholder Services (“ISS”). The selection of employees and consultants who may receive awards under the 2011 LTIP and the amount and timing of any such awards are determined by the Management and Compensation Committee pursuant to our Procedures for Grants of Awards under the TETRA Technologies, Inc. Equity Compensation Plans (the “Grant Procedures”) for awards to be made under the plans. The Nominating and Corporate Governance Committee is responsible for making recommendations regarding any awards to our non-employee directors, with such recommendations subject to final action of the Management and Compensation Committee and, with regard to members of those committees, the entire Board of Directors.

We strongly believe that our equity compensation philosophy has been a key component of our past success and will be equally important in the years ahead. Accordingly, approval of the amendment and restatement of the 2011 LTIP is critical to our ability to attract, retain, and reward the caliber of employees, consultants and non-employee directors necessary for continued achievement of superior performance.

Summary of Material Features of the Plan

The following is intended to be a summary of the key features of the 2011 LTIP, as amended, and is qualified by reference to Appendix A, which contains the complete text of the 2011 LTIP.

The purposes of the 2011 LTIP are to:

- promote our interests and the interests of our stockholders by encouraging participants to acquire or increase their equity interest in us, thereby giving them an added incentive to work toward our continued growth and success;
- encourage participants to remain with and devote their best efforts to our businesses, thereby advancing our interests and the interests of our stockholders; and
- enable us to compete for the services of the individuals needed for our continued growth and success.

To accomplish these purposes, the 2011 LTIP provides for the grant to eligible persons of stock options, restricted stock, bonus stock, stock appreciation rights, and performance awards (collectively, “Awards”).

The following are key features of the 2011 LTIP.

- The 2011 LTIP is administered by the Management and Compensation Committee, which has authority to (i) select the participants to whom awards may be granted, (ii) determine the type, amount, terms, and conditions of awards, (iii) modify or amend awards including the discretionary acceleration of vesting or the extension of the post-termination exercise period, and (iv) interpret and determine any and all matters relating to the administration of the 2011 LTIP and the award grants.

- The maximum number of shares of our common stock authorized under the 2011 LTIP will be 5,600,000 shares, or approximately 7.2% of our currently outstanding shares.

- At the time of grant, the exercise price of any option or stock appreciation right may not be less than the fair market value of our common stock as of the date of grant.

- The 2011 LTIP does not allow liberal share counting. The 2011 LTIP provides that the plan share limit is not increased by shares delivered or withheld to pay the exercise price of awards or to pay tax withholding obligations, nor is it increased in connection with the exercise of a stock appreciation right, whether or not all of the shares of common stock covered by the right are actually issued upon exercise of the stock appreciation right.

- Stock options and stock appreciation rights cannot be repriced without the approval of our stockholders. The 2011 LTIP requires stockholder approval for any material plan amendments in accordance with NYSE rules.

Available Shares

If the proposed amendments to the 2011 LTIP are approved, the maximum number of shares of common stock that may be covered by Awards granted under the 2011 LTIP will be 5,600,000 shares, subject to adjustment in the event of stock splits and certain other corporate events. For purposes of implementing the limitation on the maximum number of shares of common stock that may be covered by Awards granted under the 2011 LTIP, an Award of an option or a stock appreciation right in respect of one share of common stock is deemed to be an Award of one share of common stock on the date of grant. Any other Award granted under the 2011 LTIP that is settled by the issuance of common stock is considered a “full value award” under the provisions of the 2011 LTIP and is counted against the number of shares available for Awards under the plan as follows. An Award of one share of bonus stock or restricted stock is deemed to be an Award of 1.38 shares of common stock for every one share granted on the date of grant. With respect to a performance award to be settled in shares of common stock, the value of the maximum benefits that may be paid under the performance award is divided by the fair market value per share of common stock as of the date of grant of the performance award, and each share resulting from such computation is deemed to be an Award of 1.38 shares of common stock on the date of grant. If the number of shares issued in settlement of such performance award exceeds the number determined to have been issued on the grant date, each additional share issued is deemed to be an Award of 1.38 shares of common stock. In addition, during any calendar year, the number of shares of common stock reserved for issuance under the 2011 LTIP that are subject to Awards that may be granted to any one participant may not exceed 400,000 shares, subject to adjustment in the event of stock splits and certain other corporate events, and the maximum dollar amount of an Award denominated in cash or fair market value of common stock that any participant may be awarded in any calendar year under performance awards may not exceed $2,000,000. To the extent shares cease to be issuable under an Award made under the 2011 LTIP other than because of the exercise of the Award or the vesting of a restricted stock award or similar Award, such shares become available under the 2011 LTIP for the grant of additional Awards in the same amount as they were counted against the limit on the date of grant. If any performance award granted under the 2011 LTIP may only be settled in cash, such award does not count against the maximum number of shares that may be covered by Awards under the 2011 LTIP. Shares tendered or withheld in payment of the exercise price of a stock option do not increase the number of shares available under the 2011 LTIP. Shares withheld to satisfy tax withholding obligations on the exercise, vesting, or earning of an Award are not added to the shares authorized under the 2011 LTIP. All shares subject to a stock appreciation right, to the extent exercised, are considered issued, regardless of the actual number of shares issued to the participant.

Persons Eligible to Participate

Except with respect to Awards of incentive stock options, all employees, consultants, and non-employee directors of ours and our affiliates are eligible to participate in the 2011 LTIP. Incentive stock options may be awarded only to employees. In selecting employees and consultants to receive Awards, including the type and size of the Award, the Management and Compensation Committee considers any factors that it deems relevant. In considering Awards for non-employee directors, the Management and Compensation Committee considers the recommendations of the Nominating and Corporate Governance Committee and such other factors as the Management and Compensation Committee considers relevant. As of March 5, 2013, there were approximately 3,600 employees and eight non-employee directors eligible to participate in the 2011 LTIP.

Administration

The 2011 LTIP is administered by the Management and Compensation Committee, which consists of three or more directors appointed by the Board of Directors. The members of the Management and Compensation Committee as of the date of this proxy statement are Messrs. Bates, Delimitros, Sullivan and White (as Chairman). Our Board of Directors has determined that each of these directors is an "independent" director as defined under the rules of the NYSE. No person will be eligible to serve on the Management and Compensation Committee unless such person is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act, as then in effect, and also an "outside director" within the meaning of Section 162(m) of the Code and the rules and regulations thereunder. Subject to the provisions of the 2011 LTIP, the Management and Compensation Committee (i) selects the participants to whom awards may be granted, (ii) determines the type, amount, terms and conditions of awards, (iii) modifies or amends awards including the discretionary acceleration of vesting or the extension of a post-termination exercise period, (iv) interprets the 2011 LTIP and all Awards under the 2011 LTIP, (v) makes rules as it deems necessary for the proper administration of the 2011 LTIP, (vi) makes all other determinations necessary or advisable for the administration of the 2011 LTIP, and (vii) corrects any defect or supplies any omission or reconciles any inconsistency in the 2011 LTIP or in any Award under the 2011 LTIP in the manner and to the extent that it deems desirable to effectuate the 2011 LTIP. Any action taken or determination made by the Management

and Compensation Committee pursuant to the 2011 LTIP is binding on all parties. No member of the Board of Directors or the Management and Compensation Committee is liable for any action or determination made in good faith with respect to the 2011 LTIP or an Award granted thereunder.

Types of Awards

The 2011 LTIP provides for the grant of any or all of the following types of Awards: (i) stock options, including incentive stock options and nonqualified stock options; (ii) restricted stock; (iii) bonus stock; (iv) stock appreciation rights; and (v) performance awards. All Awards are evidenced by a written agreement and the terms, conditions, and/or restrictions contained in an Award may differ from the terms, conditions, and/or restrictions contained in any other Award. Each type of Award is discussed in more detail below.

Stock Options. The Management and Compensation Committee has the authority to grant options, in such form as the Management and Compensation Committee may from time to time approve, subject to the terms of the 2011 LTIP. The Management and Compensation Committee also has the authority to determine whether options granted to employees are incentive options or nonqualified options.

To exercise an option granted under the 2011 LTIP, the person entitled to exercise the option must deliver to us payment in full of the exercise price for the shares being purchased, together with any required withholding tax, unless other arrangements have been made with the Management and Compensation Committee. The payment must be (i) in cash or check, (ii) with the consent of the Management and Compensation Committee, in shares of common stock already owned by the person for more than six months, or (iii) with the consent of the Management and Compensation Committee and in compliance with such instructions as the committee may specify, by sale of a portion of the shares subject to such option through a broker. The value (the “fair market value”) of each share of common stock delivered as payment of the exercise price on any given date is deemed to be equal to the closing price on the principal exchange or over-the-counter market on which such shares are traded.

Except as described below, no option may be exercised later than the date which is ten years after the date of grant. The exercise price at which shares of common stock may be purchased upon the exercise of an option may not be less than the fair market value on the date of grant of the option. In the case of incentive stock options granted to employees owning more than ten percent (10%) of the total combined voting power of us and our affiliates, the exercise price at which shares of common stock may be purchased upon the exercise of such incentive stock option is equal to one hundred ten percent (110%) of the fair market value per share of common stock at the time of the grant, and such incentive stock option may not be exercised later than five years after the date of grant. The aggregate fair market value (determined as of the respective date or dates of grant) of shares of common stock for which one or more options granted to any employee under the 2011 LTIP (or any other option plan of ours or our affiliates) may for the first time become exercisable as incentive stock options during any one calendar year cannot exceed $100,000.

The exercise price for and the number of shares of common stock subject to existing options is subject to appropriate adjustments in the event that the outstanding shares of our common stock are changed into or exchanged for a different number or kind of shares or other securities by reason of merger, consolidation, recapitalization, reclassification, stock split, stock dividend, combination of shares, or the like, after the grant of such options. The 2011 LTIP does not permit the Management and Compensation Committee to reprice options without stockholder approval.

Restricted Stock Awards. The 2011 LTIP authorizes the Management and Compensation Committee to grant Awards in the form of restricted shares of common stock. These Awards are subject to such restrictions as the Management and Compensation Committee may impose, including forfeiture, transfer, and repurchase restrictions. In no event can the restricted period of any Award of restricted shares exceed ten years. We have the right to repurchase restricted shares for the amount of cash paid for such shares, if any, if by reason of the participant’s termination of employment or otherwise, the restricted stock is forfeited by the participant in accordance with the Award thereof.

Bonus Stock. The Management and Compensation Committee has the authority to grant shares of our common stock as “bonus stock” to employees, consultants, and non-employee directors of us or our affiliates for the performance of services by such individuals without additional consideration, except as may be required by the Management and Compensation Committee.

Stock Appreciation Rights. The Management and Compensation Committee has the authority to grant stock appreciation rights (rights to receive the excess of the fair market value of the common stock on the date of exercise over the fair market value of the common stock as of the date of grant), based on shares of common stock and payable in cash or shares of common stock, as the committee may determine. The Management and Compensation Committee may provide that the excess may not exceed a specified amount. The Management and Compensation Committee determines, at the date of grant, the time or times at which and the circumstances under which a stock appreciation right may be exercised. The term of such Award may not exceed ten years. The 2011 LTIP does not permit the Management and Compensation Committee to reprice stock appreciation rights without stockholder approval.

Performance Awards. The 2011 LTIP authorizes the Management and Compensation Committee to grant performance awards that may be settled in shares of common stock, cash, or other awards or property upon the attainment of certain performance goals measured over a designated performance period. After the end of each performance period, the Management and Compensation Committee determines the amount, if any, of performance awards payable to each participant based upon achievement of the performance goals. In the case of any performance award granted under the 2011 LTIP to our Chief Executive Officer or any of our three highest paid officers (other than the Chief Executive Officer or Chief Financial Officer), the performance goals will be objective and meet the requirements of Section 162(m) of the Code, and regulations thereunder, including the requirement that achievement of performance goals be substantially uncertain at the time of grant.

The performance goals may differ among Awards or participants; however, the Management and Compensation Committee may not exercise discretion to increase any amount payable under a performance award intended to comply with Section 162(m) of the Code. In establishing performance goals, the Management and Compensation Committee may use one or more of the following business criteria on a consolidated basis or for our specified subsidiaries, divisions, or business or geographical units: (i) earnings per share; (ii) increase in price per share; (iii) increase in revenues; (iv) increase in cash flow; (v) return on assets; (vi) return on investments; (vii) return on equity; (viii) return on net capital employed; (ix) economic value added; (x) gross margin; (xi) net income; (xii) earnings before interest, taxes, depreciation, depletion and amortization; (xiii) earnings before interest and taxes; (xiv) profit before taxes; (xv) operating income; (xvi) total stockholder return; (xvii) debt reduction; (xviii) health, safety and environmental performance; and (xix) any of the above goals determined on an absolute or relative basis or as compared to the performance of a published or special index deemed applicable by the Management and Compensation Committee, including, but not limited to, a market index or a peer group.

The amount determined to be payable under a performance award may be paid in cash, other Awards or other property, or in shares of common stock, subject to the availability of shares under the 2011 LTIP. If a performance award is payable in shares, the number of shares of common stock to be paid is determined by dividing the amount of the performance award earned by the fair market value per share of common stock on the determination date. A stock certificate evidencing the resulting shares of common stock (to the nearest full share) is delivered to the participant or his or her personal representative, and the value of any fractional share is paid in cash. In the event there is not a sufficient number of shares available under the 2011 LTIP at the time of payment of any performance award, the performance award will be paid first in shares to the extent available and the remainder will be paid in cash; provided, however, that the Management and Compensation Committee may not increase the amount payable under any

outstanding performance award which is intended to comply with Section 162(m) of the Code.

Transferability

Except as otherwise provided in the 2011 LTIP, no Award and no right under the 2011 LTIP, other than bonus stock or restricted stock as to which restrictions have lapsed, is (i) assignable, saleable, or transferable by a participant, or (ii) subject to any encumbrance, pledge, or charge of any nature. Any attempted transfer in violation of the 2011 LTIP will be void and ineffective for all purposes. The Management and Compensation Committee may, however, establish rules and procedures to allow the transfer of specific nonqualified stock options for estate planning purposes to one or more immediate family members or related family trusts or partnerships, or similar entities.

Change in Control

Unless otherwise provided in an Award, upon the occurrence of a change in control (defined generally as certain reorganizations, mergers, consolidations, sales of all or substantially all of our assets, or liquidations), the Management and Compensation Committee may, but is not required to, (i) accelerate vesting and the time at which

all options and stock appreciation rights then outstanding may be exercised; (ii) waive all restrictions and conditions of all restricted stock then outstanding; or (iii) determine to amend performance awards or substitute new performance awards in consideration of the cancellation of outstanding performance awards. The Management and Compensation Committee may provide for any of the actions described in the preceding sentence to occur immediately upon a change in control or upon the termination of a participant's service, under such circumstances as the committee may determine, within a fixed period of time following the change in control.

If approved by our Board of Directors prior to or within 30 days after a change in control, the Board of Directors will have the right for the 45-day period following the change in control to require all participants to transfer to us all Awards previously granted to the participants in exchange for an amount equal to the cash value of the Awards. The cash value of an Award will equal the sum of (i) the cash value of all benefits to which the participant would be entitled upon settlement or exercise of any Award which is not an option or restricted stock and (ii) in the case of an option or restricted stock, the excess of the market value per share over the option price, or the market value per share of restricted stock, multiplied by the number of shares as to which such Award is vested.

Termination, Death, Disability and Retirement

Unless otherwise provided for in an Award or otherwise determined by the Management and Compensation Committee in its discretion, if the employment of an employee or service of a non-employee director or consultant is terminated for any reason other than death, disability, or retirement, the nonvested portion of any Award outstanding at the time of such termination will terminate, no further vesting will occur, and the participant will be entitled to exercise his or her exercise rights with respect to the vested portion of the Award until the earlier of (i) the expiration date set forth in the Award, or (ii) three months after the termination date.

Unless otherwise provided for in an Award, upon the retirement (as determined by the Management and Compensation Committee) of a participant, the nonvested portion of any outstanding Award will terminate and no further vesting will occur; provided, however, that the Management and Compensation Committee, at its discretion, may accelerate the vesting of the nonvested portion of an outstanding award. Any exercise rights with respect to the vested portion of an outstanding Award will expire on the earlier of (i) the expiration date set forth in the Award, or (ii) twelve months after the date of retirement.

Unless otherwise provided for in an Award, (i) upon the termination due to the disability of a participant, (ii) upon the death of a participant, (iii) with respect to a participant who is either a retired former employee, non-employee director or consultant who dies during the period in which he or she can exercise any vested Award (the "applicable retirement period"), or (iv) with respect to a disabled former employee, non-employee director or consultant who dies during the period that expires on the earlier of the expiration date set forth in any applicable outstanding Award or the first anniversary of the person's termination due to disability (the "applicable disability period"), the

nonvested portion of any outstanding Award that has not already terminated will terminate as of the date of termination and no further vesting will occur; provided, however, that upon the termination of employment or service due to the death or disability of a participant, the Management and Compensation Committee, at its discretion, may accelerate the vesting of the nonvested portion of an outstanding award. Any exercise rights with respect to the vested portion of an Award will expire on the earlier of (i) the expiration date set forth in the Award, or (ii) the later of (x) the first anniversary of such termination due to death or disability, or (y) the first anniversary of such person’s death during the applicable retirement period (except in the case of an incentive stock option), or the applicable disability period.

The Management and Compensation Committee, in its discretion and on an individual basis, may provide that the vested portion of a stock option or stock appreciation right may remain exercisable for such period and upon such terms and conditions as are determined by the Management and Compensation Committee in the event that a participant ceases to be an employee, consultant or non-employee director, provided that such continuation may not exceed the expiration date set forth in the Award.

Adjustments Upon Changes in Capitalization or Reorganization

The type or number of shares authorized under the 2011 LTIP or subject to an Award and/or the exercise or purchase price applicable to an Award, subject to any required action by our stockholders, may be proportionately adjusted by the Management and Compensation Committee in the event of a subdivision or consolidation of shares, payment of stock dividend, or any other increase or decrease in the number of shares effected without receipt of consideration by us, or in the event of a reorganization, merger, consolidation, or recapitalization.

Amendment or Termination of the Plan and Amendment of Awards

Except with respect to Awards then outstanding, if not sooner terminated by the Board of Directors, the 2011 LTIP will terminate on, and no further Awards will be made after, February 16, 2021; provided that the termination of the 2011 LTIP will not affect any Award then outstanding, which will continue to be governed by the terms of the 2011 LTIP. The Board of Directors may amend, suspend, or terminate the 2011 LTIP; provided, however, that no amendment, suspension, or termination of the 2011 LTIP may, without the consent of the holder of an Award, terminate such Award or adversely affect such person's rights under such Award in any material respect. Moreover, no amendment to the 2011 LTIP will be effective prior to its approval by our stockholders to the extent that (i) it would change stockholder approval requirements relating to option repricing, or (ii) such approval is required by applicable law, or the requirements of any securities exchange on which our stock may be listed or admitted for trading. The Board of Directors may, however, amend the 2011 LTIP as necessary to permit Awards to meet the requirements of the Code or other applicable laws, or to prevent adverse tax consequences to participants.

Subject to the restrictions set forth in the 2011 LTIP, the Management and Compensation Committee may amend any outstanding Award and may waive or accelerate any requirement or condition of an Award including the acceleration of vesting or waiver of restrictions under circumstances determined by the Management and Compensation Committee to be appropriate, including termination of a participant's service following a change in control. However, the Management and Compensation Committee may not waive or accelerate any term or condition of an Award (i) if it would cause adverse tax consequences under Section 409A of the Code, or (ii) if the Award is intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code and such action would cause the Award not to so qualify. The Management and Compensation Committee may not amend any outstanding Award in a manner that would adversely affect, in any material respect, the rights of a 2011 LTIP participant without such participant's consent.

New Plan Benefits

The 2011 LTIP is discretionary and the benefits and amounts of any awards to be received by our executive officers and other employees in the future are not determinable. It is anticipated that each of our current non-employee directors will receive a grant of restricted stock on May 20, 2013 in conjunction with our annual broad based awards to employees, in accordance with the procedures adopted by our Management and Compensation Committee, and that such awards will be granted from awards remaining available under our 2007 Long Term Incentive Compensation Plan.

Federal Income Tax Consequences of the Plan

In General. The 2011 LTIP is not intended to be subject to any provision of the Employee Retirement Income Security Act of 1974, as amended, and is not qualified under Section 401(a) of the Code. The following summary is based on the applicable provisions of the Code, as currently in effect, and the income tax regulations and proposed income tax regulations issued thereunder.

Status of Options. Options granted under the 2011 LTIP may be either incentive stock options or nonqualified stock options. Under certain circumstances, an incentive stock option may be treated as a nonqualified stock option. The tax consequences, both to the option holder and to us, differ depending on whether an option is an incentive stock option or a nonqualified stock option.

Nonqualified Options. No federal income tax is imposed on the option holder upon the grant of a nonqualified stock option. If the shares of common stock received by an option holder upon the exercise of a nonqualified stock option are not subject to certain restrictions in the hands of the option holder, then the option holder will be treated as receiving compensation, taxable as ordinary income and subject to employment taxes in the year of exercise. The amount recognized as ordinary income and subject to employment taxes upon such an exercise is the excess of the fair market value of the shares of common stock at the time of exercise over the exercise price paid for such common stock. At the time common stock received upon exercise of a nonqualified stock option is disposed of, any difference between the fair market value of the shares of common stock at the time of exercise and the amount realized on the disposition will be treated as a capital gain or loss. The gain, if any, realized upon such a disposition will be treated as a long-term or short-term capital gain, depending on the holding period of the shares of common stock. Any loss realized upon such a disposition will be treated as a long-term or short-term capital loss, depending on the holding period of the shares of common stock.

If the shares of common stock received by an option holder upon the exercise of a nonqualified stock option are subject to certain restrictions in the hands of the option holder at the time of receipt, then the income recognized for federal income tax purposes by the option holder, unless the option holder elects otherwise, and our tax deduction (assuming we satisfy the federal income tax reporting and other deductibility requirements with respect to such compensation) should be deferred and should be measured with reference to the fair market value of the shares at the time the restrictions lapse. The restriction imposed on officers, directors, and 10% stockholders by Section 16(b) of the Exchange Act is such a restriction during the period prescribed thereby if other shares have been purchased by such an individual within six (6) months of the exercise of a nonqualified stock option.

Upon an option holder's exercise of a nonqualified stock option, in the case of shares that are not subject to restrictions at the time of exercise, or upon the lapse of all such restrictions in the case of shares subject to restrictions at the time of exercise, and subject to the application of Section 162(m) of the Code as discussed below, we may claim a deduction for the compensation paid at the same time and in the same amount as compensation is treated as being received by the option holder, assuming we satisfy the federal income tax reporting and other deductibility requirements with respect to such compensation. We are not entitled to any tax deduction in connection with a subsequent disposition by the option holder of the shares of common stock.

Incentive Stock Options. No federal income tax is imposed on the option holder upon the grant of an incentive stock option. The option holder will recognize no income for federal income tax purposes upon exercise of an incentive stock option if the option holder (a) does not dispose of the shares of common stock acquired pursuant to the exercise of an incentive stock option within two years from the date the option was granted or within one year after the shares of common stock were transferred to the option holder (the "Holding Period"), and (b) is an employee of either (i) the company granting the option, (ii) the parent company or a subsidiary of such corporation, or (iii) a corporation which has assumed such option of another corporation as a result of a corporate reorganization, merger, or similar transaction. Such employment must continue for the entire time from the date the option was granted until three months before the date of exercise, or twelve months before the date of exercise if employment ceases due to permanent and total disability. If common stock received upon exercise of an incentive stock option is disposed of after completion of the Holding Period, any difference between the exercise price paid for such common stock and the amount realized on the disposition will be treated as a capital gain or loss. The gain, if any, realized upon such a disposition will be treated as a long-term capital gain. Any loss realized upon such a disposition will be treated as a long-term capital loss. We would not be entitled to any deduction in connection with the grant or exercise of the option or the disposition of the shares of common stock so acquired.

If, however, an option holder disposes of shares of common stock acquired pursuant to exercise of an incentive stock option before the Holding Period has expired (a "Disqualifying Disposition"), the option holder would be treated as having received, at the time of disposition, compensation taxable as ordinary income. In such event, subject to the application of Section 162(m) of the Code, as discussed below, we may claim a deduction for compensation paid at the same time and in the same amount as compensation is treated as being received by the option holder. The amount treated as compensation is generally the excess of the fair market value of the common stock at the time of exercise over the exercise price; however, if the disposition is of a type that any resulting loss would be recognizable for federal income tax purposes, the amount treated as compensation is limited to the excess of the amount realized on

disposition over the exercise price. The balance of the gain, if any, realized upon such a disposition will be treated as a long-term or short-term capital gain depending on the holding period. If the amount realized at the time of the disposition is less than the exercise price, the option holder will not be required to treat any amount as ordinary income, provided that the disposition is of a type that would give rise to a recognizable loss. In such event, the loss will be treated as a long-term or short-term capital loss depending upon the holding period. A disposition generally includes a sale, exchange, or gift, but does not include certain other transfers, such as by reason of death or a pledge or exchange of shares described in Section 424(c) of the Code.

Alternative Minimum Tax. Although the exercise of an incentive stock option does not result in current taxable income, there are implications with regard to the Alternative Minimum Tax (“AMT”). The excess of the fair market value of shares of common stock acquired upon exercise of an incentive stock option over the exercise price paid for such shares of common stock is an adjustment to AMT income for the option holder’s taxable year in which such exercise occurs (unless the shares of common stock are disposed of in the same taxable year and the amount realized is less than the fair market value of the shares on the date of exercise, in which event the amount included in AMT income will not exceed the amount realized on the disposition over the adjusted basis of the shares).

Payment of Option Price in Shares. In the case of a nonqualified option, if the option price upon the exercise of a nonqualified option is paid by the delivery of shares of common stock previously acquired by the option holder having a fair market value equal to the option price ("Previously Acquired Shares"), no gain or loss would be recognized on the exchange of the Previously Acquired Shares for a like number of shares of common stock. The option holder's basis and holding period in the number of shares of common stock received from the exercise (to the extent equal to the number of Previously Acquired Shares used) would be the same as his or her basis and holding period in the Previously Acquired Shares used. The option holder would treat the fair market value of the number of shares of common stock received upon the exercise in excess of the number of Previously Acquired Shares used as ordinary compensation income. The option holder's basis in such excess shares of common stock would be equal to the shares' fair market value at the time of exercise. The option holder's holding period in such excess shares of common stock begins on the date the option holder acquires those shares of common stock from the exercise of the nonqualified option.

In the case of an incentive stock option, the federal income tax consequences to the option holder of the payment of the option price with Previously Acquired Shares depends on the nature of the Previously Acquired Shares. If the Previously Acquired Shares were acquired through the exercise of a qualified stock option, an incentive stock option, or an option granted under an employee stock purchase plan ("Statutory Option") and if such Previously Acquired Shares are being transferred prior to expiration of the applicable Holding Period, the transfer would be treated as a Disqualifying Disposition of the Previously Acquired Shares. If the Previously Acquired Shares were acquired other than pursuant to the exercise of a Statutory Option, or were acquired pursuant to the exercise of a Statutory Option but have been held for the applicable Holding Period, no gain or loss should be recognized on the exchange of the Previously Acquired Shares. In either case, (i) the option holder's basis and holding period in the number of shares of common stock received (to the extent equal to the number of Previously Acquired Shares used) would be the same as his or her basis and holding period in the Previously Acquired Shares used, increased by any income recognized to the option holder upon the Disqualifying Disposition of the Previously Acquired Shares, (ii) the option holder's basis in the number of shares of common stock received in excess of the number of Previously Acquired Shares used would be zero, (iii) the option holder's holding period in such excess shares of common stock begins on the date the option holder acquires those shares of common stock, and (iv) the other incentive stock option rules would apply. Upon a subsequent Disqualifying Disposition of the shares of common stock so received, the shares with the lowest basis would be treated as disposed of first.

Restricted Stock. A participant who has been granted an Award of restricted stock will not recognize taxable income for federal income tax purposes at the time of the Award, and we will not be entitled to a tax deduction at the time of the Award, unless the participant makes an election to be taxed at the time of the Award. When the restrictions lapse without an election by the participant to be taxed at the time of the Award, the participant will recognize income for federal income tax purposes in an amount equal to the excess of the market value of the shares at such time over the amount, if any, paid for such shares. Subject to the application of Section 162(m) of the Code, as discussed below, we will be entitled to a deduction for the corresponding amount, assuming we satisfy the federal income tax reporting and other deductibility requirements with respect to such compensation.

Bonus Stock. In general, a person will treat the fair market value of bonus stock Awards on the date such amount is received as compensation, taxable as ordinary income and subject to employment taxes. Subject to the application of Section 162(m) of the Code, as discussed below, we will be entitled to a deduction for the corresponding amount,

assuming we satisfy the federal income tax reporting and other deductibility requirements with respect to such compensation.

Stock Appreciation Rights. Upon receipt of shares of common stock pursuant to the exercise of a stock appreciation right, the fair market value of the shares received is recognized as income for federal income tax purposes at the time the shares are received. Subject to Section 162(m) of the Code, described below, and assuming we satisfy the federal income tax reporting and other deductibility requirements with respect to such compensation, we will be entitled to a deduction at the same time and in the same amount as the income recognized by the 2011 LTIP participant.

Performance Awards. In general, a participant who receives a performance award will not be taxed on receipt of the Award; instead, the fair market value of the shares of common stock and any cash received in settlement of the performance award will be taxable as ordinary compensation income to the grantee of the performance award on the date that the requirements of the Award are met and the Award is timely settled in accordance with its terms. Subject to the application of Section 162(m) of the Code, as discussed below, and assuming we satisfy the federal income tax reporting and other deductibility requirements with respect to such compensation, we will be entitled to a deduction for an amount corresponding to the compensation income

recognized by the grantee. If, upon a taxable disposition of the shares of common stock received in settlement of a performance award, the grantee receives proceeds of more or less than his or her basis in the shares of common stock, any gain will be a long-term or short-term capital gain, and any loss will be a long-term or short-term capital loss, depending on the holding period of the shares of common stock, measured from the date that the shares of common stock were received.

Withholding for Taxes

No common stock may be issued under the 2011 LTIP until arrangements satisfactory to us have been made for the payment of any tax amounts that may be required to be withheld or paid by us with respect thereto at the minimum statutory rate. At the discretion of the Committee, such arrangements may include allowing the participant to tender to us shares of common stock already owned by the participant.

Additional Tax Consequences

Section 162(m) of the Code places a $1 million cap on the deduction of compensation paid to certain executives of publicly traded corporations in a given year. Amounts that qualify as "performance-based" compensation under Section 162(m)(4)(C) of the Code are exempt from the cap and do not count toward the $1 million limit. Generally, options granted with an exercise price at least equal to the fair market value of the stock on the date of grant qualify as performance-based compensation. Other Awards may or may not so qualify, depending on their terms.

In addition, some Awards may constitute or result in the recognition of income that is subject to an additional income tax imposed on the participant at the rate of twenty percent (20%), plus interest and penalties, pursuant to Section 409A of the Code. We expect to design and administer all Awards in a manner that ordinarily should avoid adverse federal income tax consequences under Section 409A of the Code to any affected participant.

Notwithstanding the foregoing, the 2011 LTIP expressly provides that there is no commitment or guarantee that any federal, state, or local tax treatment will apply or be available to any person who participates or is eligible to participate in the 2011 LTIP.

The Board of Directors recommends that you vote "FOR" approval of the amendment and restatement of the TETRA Technologies, Inc. 2011 Long Term Incentive Compensation Plan, and proxies returned will be so voted unless contrary instructions are indicated thereon.

20

INFORMATION ABOUT US

CORPORATE GOVERNANCE

The Board of Directors has adopted Corporate Governance Guidelines that give effect to the NYSE corporate governance listing requirements and various other corporate governance matters. The Board of Directors believes the Corporate Governance Guidelines assist in ensuring that the Board of Directors is independent from management, that the Board of Directors adequately performs its function as the overseer of management, and that the interests of management and the Board of Directors align with the interests of our stockholders.

To further align the interests of management and the Board of Directors with the interests of our stockholders and increase accountability to our stockholders, the Board of Directors terminated our Rights Agreement effective as of March 13, 2013. In light of the general disfavor of such "poison pill" plans by institutional investors and stockholder groups, the Board of Directors believes that the termination of the Rights Agreement demonstrates the mutual goal of management and the Board of Directors of maintaining sound corporate governance policies and procedures throughout our company.

The Corporate Governance Guidelines, as well as the charters of the Audit Committee, Management and Compensation Committee, and Nominating and Corporate Governance Committee are available in the Corporate Governance section of the Investor Relations area of our website at www.tetratec.com. In addition, the Company has adopted a Code of Business Conduct and Ethics for directors, officers and employees and a Code of Ethics for Senior Financial Officers, copies of which are also available in the Corporate Governance section of the Investor Relations area of our website at www.tetratec.com. If any substantive amendments are made to either code, the nature of such amendment will be disclosed on our website. In addition, if a waiver from either code is granted to an executive officer, director, or principal accounting officer, the nature of such waiver will be disclosed on our website. We have also adopted stock ownership guidelines designed to align the interests of our executive officers and directors with the interests of our stockholders. Our stock ownership guidelines are also available in the Corporate Governance section of the Investor Relations area of our website at www.tetratec.com. We will provide to our stockholders, without charge, printed copies of the foregoing materials upon written request. Requests for copies should be addressed to Corporate Secretary, TETRA Technologies, Inc., 24955 Interstate 45 North, The Woodlands, Texas 77380.

Director Independence

The NYSE listing standards require our Board of Directors to be comprised of at least a majority of independent directors. Our Board of Directors will determine independence in accordance with the listing requirements of the NYSE, taking into consideration such facts and circumstances as the board considers relevant. In order to assist the Board of Directors in making its determination of whether directors are independent, each director has completed and delivered to us a questionnaire. The Board of Directors, with the assistance of the Nominating and Corporate Governance Committee, reviewed such questionnaires and such other information considered relevant with respect to the existence of any relationships between a director and us.

The Board of Directors has affirmatively determined that the following directors are independent: Thomas R. Bates, Jr., Paul D. Coombs, Ralph S. Cunningham, Tom H. Delimitros, Kenneth P. Mitchell, William D. Sullivan, and Kenneth E. White, Jr. Dr. Cunningham is a director of Enterprise Products Holdings LLC, the general partner of Enterprise Products Partners L.P., and Cenovus Energy Inc. (formerly EnCana Corporation), Mr. Delimitros is a director of Plains Exploration & Production Company, and Mr. Sullivan is a director of SM Energy Company, Targa Resources Products GP, LLC and Legacy Reserves GP, LLC. Each of these entities or their affiliates is a customer of ours, although the revenues we receive from them are not considered to be material. In addition, Mr. Sullivan is a director of Compressco Partners GP Inc., the general partner of Compressco Partners, L.P., each of such entities being one of our subsidiaries. We do have an ongoing business relationship with Compressco Partners. We have considered the foregoing and have concluded that these transactions and relationships did not automatically disqualify Messrs. Cunningham, Delimitros, and Sullivan from being considered independent under the rules of the NYSE. Our Board of Directors has also determined that none of Messrs. Cunningham, Delimitros, or Sullivan has a material interest in these transactions, and that each of them is independent.

In addition, based upon such standards, the Board of Directors has determined that Messrs. Brightman and Hertel are not independent because of, in Mr. Brightman's case, his ongoing employment with us, and in Mr. Hertel's case, his recent prior employment with us.

Board Leadership, Structure and Risk Oversight

As set forth in our Corporate Governance Guidelines, our Board of Directors is comprised of a majority of directors who qualify as independent directors in accordance with the listing standards of the NYSE. Since 1992 we have bifurcated the positions of Chairman of the Board and Chief Executive Officer. In 2011, we made it a formal policy of our Board of Directors, as set forth in our Corporate Governance Guidelines, to require the separation of the positions of Chairman of the Board and Chief Executive Officer. Our Board of Directors believes that the separation of these positions strengthens the independence of our board and its ability to carry out its roles and responsibilities on behalf of our stockholders. In addition, as directors continue to have more oversight duties, we believe that the separation of the offices allows us to have a Chairman of the Board focused on the leadership of the board while allowing our Chief Executive Officer to focus his time and energy on managing our operations.

The Board of Directors' responsibilities include, but are not limited to, appointing our Chief Executive Officer, monitoring our performance relative to our goals, strategies, and the performance of our competitors, reviewing and approving our annual budget, and reviewing and approving investments in and acquisitions and dispositions of assets and businesses. It is our management's responsibility to manage risk and to bring to the Board of Directors' attention any aspects of our business or operations that may give rise to a material level of risk.

Our Chief Executive Officer brings members of management from various business or administrative areas into meetings of the Board of Directors from time to time to make presentations and to provide insight to the board, including insight into areas of potential risk. Such risks include competition risks, industry risks, economic risks, liquidity risks, risks posed by significant litigation and regulatory matters, risks from operations and risks related to acquisitions and dispositions. The Board of Directors, either directly or through its committees, reviews with our management policies, strategic initiatives and other actions designed to mitigate various types of risk. Our Audit Committee periodically reviews with our management and our independent auditors significant financial risk exposures and the processes we have implemented to monitor, control and report such exposures. Specific examples of risks overseen by our Audit Committee include risks related to the preparation of our financial statements, disclosure controls and procedures, internal controls and procedures required by the Sarbanes-Oxley Act, accounting, financial and auditing risks, and matters reported to the Audit Committee through our internal auditors and through anonymous reporting procedures. Our Nominating and Corporate Governance Committee periodically reviews our Code of Business Conduct and Ethics, periodically reviews and administers our Policy and Procedures with respect to Related Person Transactions, and reviews our compliance with applicable laws and regulations related to corporate governance. Our Management and Compensation Committee reviews and evaluates potential risks related to the design and implementation of our compensation programs.

Board Meetings and Committees

Meetings and Attendance. During 2012, the Board of Directors held ten meetings, including six regular and four special meetings. During 2012, the standing committees of the Board of Directors consisted of an Audit Committee, a Management and Compensation Committee, a Nominating and Corporate Governance Committee, and a Reserves Committee. In February 2012, we dissolved the Reserves Committee as a result of the sale, during 2011, of substantially all of our oil and gas reserves. During 2012, the Audit Committee held six meetings, the Management and Compensation Committee held five meetings, the Nominating and Corporate Governance Committee held three meetings, and the Reserves Committee held one meeting.

During 2012, each member of the Board of Directors attended 75% or more of the meetings of the Board of Directors held while serving as a member of the board, and 75% or more of the meetings of each committee of the Board of Directors of which he was a member that were held during the time he was a member. Our Corporate Governance Guidelines provide that our preference is to have our directors attend the annual meeting of stockholders. All members of our Board of Directors who were serving at the time of the annual meeting attended the Annual Meeting of Stockholders in 2012.

Audit Committee. The Board of Directors has an Audit Committee, which is currently composed of Mr. Delimitros, as Chairman, and Messrs. Cunningham, Mitchell and White. The Audit Committee's primary purpose is to assist the Board of Directors in its oversight of (i) the integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications, and (iv) the performance of our

internal audit function and independent auditors. The Audit Committee has sole authority to appoint and terminate our independent auditors. To promote the independence of its audit, the Audit Committee consults separately and jointly with the independent auditors, the internal auditors, and management. As required by NYSE and SEC rules regarding audit committees, the Board of Directors has reviewed the qualifications of its Audit Committee and has determined that none of the current members of the Audit Committee has a relationship with us that might interfere with the exercise of his independence from us or our management, as independence is defined in the listing standards of the NYSE. Accordingly, our Board of Directors has determined that all current members of our Audit Committee are independent as defined in Section 10A of the Exchange Act and independent as defined in the listing standards of the NYSE. Further, our board has determined that Mr. Delimitros, the Chairman of our Audit Committee, is an audit committee financial expert within the definition established by the SEC.

Management and Compensation Committee. The Board of Directors has a Management and Compensation Committee, which is currently composed of Mr. White, as Chairman, and Messrs. Bates, Delimitros, and Sullivan. The functions performed by the Management and Compensation Committee include reviewing and establishing overall management compensation, administering our equity compensation plans, and approving salary and bonus awards to our executive officers. Our Board of Directors has determined that each member of the Management and Compensation Committee, as well as Mr. Mitchell, who was a member of the committee during a portion of 2012, is independent, as independence is defined in the listing standards of the NYSE. The Management and Compensation Committee may designate a subcommittee and delegate authority to such subcommittee as it deems appropriate.

Compensation decisions for our Chief Executive Officer are made by the Management and Compensation Committee. The Management and Compensation Committee is also responsible for approving the compensation of our other executive officers and in such process, it reviews and gives significant consideration to the recommendations made by the Chief Executive Officer for such other executive officers. As part of its role in reviewing and approving management compensation, the Management and Compensation Committee administers our equity compensation plans and our cash incentive plan under which cash incentives may be awarded to our executive officers and other key employees based on performance, including the attainment of performance goals. Our Chief Executive Officer, with input from senior management, recommends to the Management and Compensation Committee base salaries, target cash incentive levels, actual cash incentive payouts, and equity awards, as well as company, division, and individual performance measures for our executive officers other than the Chief Executive Officer. The Management and Compensation Committee considers, discusses, and takes action on such proposals as it deems appropriate. The Nominating and Corporate Governance Committee is responsible for reviewing and making decisions with respect to the compensation of our non-employee directors.

The Management and Compensation Committee has the authority to retain, approve fees and other terms for, and terminate any compensation consultant, outside counsel, or other advisors to assist the committee in the discharge of its duties. Our Management and Compensation Committee previously retained the services of Frost HR Consulting (formerly Stone Partners, Inc.), an independent human resources consulting firm, to provide an analysis of our 2011 compensation to assist the committee in its consideration of our 2012 executive compensation program, including appropriate peer comparisons. The Management and Compensation Committee’s consideration of this information, and actions taken by the committee based on its findings, are further discussed in the Compensation Discussion and

Analysis. Frost HR Consulting acted as independent advisor to the Management and Compensation Committee and does not provide any other services to us or earn any compensation from us outside of the services provided as an independent advisor to the Management and Compensation Committee.

Management and Compensation Committee Interlocks and Insider Participation. The members of the Management and Compensation Committee during 2012 were Messrs. Bates, Delimitros, Mitchell, Sullivan, and White, none of whom is or had previously been an officer or employee of ours, and none of whom had any relationship required to be disclosed under this section.

Nominating and Corporate Governance Committee. The Board of Directors has a Nominating and Corporate Governance Committee, which is currently composed of Mr. Mitchell, as Chairman, and Messrs. Coombs (since July 2012), Cunningham, and Sullivan. The Nominating and Corporate Governance Committee investigates and makes recommendations to the Board of Directors with respect to qualified candidates to be nominated for election to the board, and reviews and makes recommendations to the board with regard to candidates for directors nominated by stockholders in accordance with our bylaws. The Nominating and Corporate Governance Committee will consider candidates for director who are properly nominated by stockholders. Any stockholder wishing to propose a nominee should submit a recommendation in writing to our Corporate Secretary, indicating the nominee’s qualifications and other relevant biographical information, confirmation of the nominee’s

consent to serve as a director, and all other information required by our bylaws for the nomination of director candidates. The Nominating and Corporate Governance Committee is responsible for reviewing and making decisions with respect to the compensation of non-employee directors provided that any recommendations relating to equity compensation are subject to final action by the Management and Compensation Committee. This committee also investigates and makes recommendations to the Board of Directors with regard to all matters of corporate governance, including the structure, operation, and evaluation of the board and its committees. Our Board of Directors has determined that each current member of the Nominating and Corporate Governance Committee is independent, as independence is defined in the listing standards of the NYSE.

Director Tenure. The Board of Directors does not believe that non-management directors who retire or change the primary employment position they held when they became a member of the board should necessarily leave the board. However, promptly following such event, the director must notify the Nominating and Corporate Governance Committee, which will review the continued appropriateness of the affected director remaining on the board under such circumstances. The affected director is expected to resign if requested to by the Nominating and Corporate Governance Committee following such review. In addition, in connection with a director's resignation or the recommendation of a new director nominee, the Nominating and Corporate Governance Committee will consider the issue of continuing director tenure, and take steps as may be appropriate to ensure that the Board of Directors maintains its majority independence.

Reserves Committee. Until February 2012, the Board of Directors had a Reserves Committee, which was composed of Mr. White, as Chairman, and Messrs. Coombs, Delimitros, Hertel and Sullivan. During 2011, the Reserves Committee was directly responsible for the appointment, compensation, retention (or termination) and oversight of any independent petroleum engineering consultants we engaged for the purpose of auditing our oil and gas reserves. The Reserves Committee was charged with fostering open communications among the committee, any independent petroleum engineering consultants we engaged, and our management, including the resolution of disagreements between management and the independent consultants. In February 2012, the Reserves Committee advised the Board of Directors that its duties had been substantially diminished as a result of the sale of a significant majority of the oil and gas reserves of our Maritech Resources, Inc. subsidiary during 2011, and recommended that its remaining duties be performed by the Audit Committee. Upon receiving such recommendation, the Board of Directors elected to dissolve the Reserves Committee.

Executive Sessions of the Board of Directors. As set forth in our Corporate Governance Guidelines, our non-management directors meet in executive session at least four times per year. In addition, our independent non-management directors meet in executive session at least one time per year. These executive sessions are presided over by Dr. Cunningham or, in his absence, another non-management director. The non-management directors presently consist of all current directors except Mr. Brightman.

Communications with Directors. Our security holders and other interested parties may communicate with one or more of our directors (including the non-management directors as a group) by mail in care of our Corporate Secretary,

TETRA Technologies, Inc., 24955 Interstate 45 North, The Woodlands, Texas 77380, or by email at corpsecretary@tetratec.com. Such communications should specify the intended recipient or recipients. All such communications, other than commercial solicitations or communications, will be forwarded to the appropriate director or directors.

Stockholder Nominations. The Nominating and Corporate Governance Committee will consider proposals for nominees for director from our stockholders. In order to nominate a director at the annual meeting, our bylaws require that a stockholder follow the procedures set forth in Article III, Section 3 of our bylaws. (This bylaw provision is available on our website at www.tetratec.com.) In order to recommend a nominee for a director position, a stockholder must be a stockholder of record at the time the stockholder gives notice of the recommendation, and the stockholder must be entitled to vote for the election of directors at the meeting at which such nominee will be considered. Stockholder recommendations must be made pursuant to written notice delivered to our Corporate Secretary at our principal executive offices no later than 80 days prior to the date of the annual or special meeting at which directors are to be elected; provided, that the date of the annual or special meeting is not publicly announced more than 90 days prior to the annual or special meeting, such notice by the stockholder will be considered timely if delivered to the Corporate Secretary no later than the close of business on the tenth day following the day on which such announcement of the date of the meeting was communicated to the stockholders.

The stockholder notice must set forth the following:

1. name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated;

2. a representation that the stockholder is a holder of record of common stock entitled to vote at the meeting and intends to appear in person or by proxy to nominate the person or persons specified;

3. a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons under which the nomination(s) are to made by the stockholder;

4. for each person the stockholder proposes to nominate for election as a director, all information relating to such person that would be required to be disclosed in solicitations of proxies for the election of such nominees as directors pursuant to Schedule 14A promulgated under the Exchange Act; and

5. for each person nominated, a written consent to serve as a director, if elected.

In addition to complying with the foregoing procedures, any stockholder nominating a director must also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder.

Nominating and Corporate Governance Committee Nominations. The Nominating and Corporate Governance Committee selects each nominee for recommendation to the Board of Directors based on the nominee’s skills, achievements, and experience. As set forth in our Corporate Governance Guidelines, the following will be considered, among other things, in selecting candidates for the Board of Directors: independence; knowledge, experience, and skill in areas critical to understanding us and our business; personal characteristics, such as integrity and judgment; diversity; and other commitments, including service on the boards of other companies.

When seeking candidates for director, the Nominating and Corporate Governance Committee may solicit suggestions from incumbent directors, management, stockholders, or others. While the committee has authority under its charter to retain a search firm for this purpose, no such firm was utilized in 2012. After conducting an initial evaluation of a potential candidate, the committee will interview that candidate if it believes such candidate might be suitable to be a director. The committee may also ask the candidate to meet with management. If the committee believes a candidate would be a valuable addition to the Board of Directors, it will recommend to the full Board of Directors that candidate’s nomination.

Although we have not adopted a formal policy with regard to the consideration of diversity when evaluating candidates for election to the board, our Corporate Governance Guidelines provide that when assessing candidates, we will consider diversity. The Nominating and Corporate Governance Committee does believe that board membership should reflect diversity in the broadest sense, and so when reviewing candidates for nomination to the Board of Directors, the committee considers each nominee’s skills, perspectives, experiences, personal characteristics and diversity, taking into account our needs and the current composition of the board. We strive to maintain a reasonable diversity of background and experience among the members of the board, so that each member may contribute a unique viewpoint to the board’s deliberations. The Board of Directors’ final selection of qualified candidates is based on merit, giving consideration to the candidate’s knowledge, experience, skills in areas deemed critical to

understanding our business, personal characteristics such as integrity and judgment, and diversity, including gender, ethnicity and background, and the candidates commitments to boards of other companies.

Certain Transactions

Related Person Transaction Policy. The Board of Directors, upon recommendation of the Nominating and Corporate Governance Committee, has adopted the TETRA Technologies, Inc. Policy and Procedures with respect to Related Person Transactions (“Policy”), for the review and approval of related person transactions. The Policy covers transactions in which (i) we, or any subsidiary of ours, are a participant, (ii) the aggregate amount involved exceeds $100,000, and (iii) any related party (generally, directors and executive officers, and their immediate family members, and 5% stockholders) has a direct or indirect interest. The Policy generally requires that such transactions be approved in advance by the Nominating and Corporate Governance Committee. Under the Policy, the Nominating and Corporate Governance Committee will consider all relevant facts and circumstances available to the committee and will approve such transactions only if they are in, or are not inconsistent with, our best interests and the best interests of our stockholders. In the event a transaction is not identified as a related person transaction in advance, it will be submitted to the Nominating and Corporate Governance Committee, which will evaluate the transaction, including ratification or rescission of the transaction, and possible disciplinary action.

Transactions with Directors. The Board of Directors has determined that there are no material transactions involving a director that require disclosure.

Equity Compensation Plan Information

The following table provides information as of December 31, 2012, regarding compensation plans (including individual compensation arrangements) under which equity securities are authorized for issuance.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance under Equity Comp. Plans (Excluding Securities Shown in the First Column)
Equity compensation plans approved by stockholders(1)			
1990 Employee Incentive	103,807	$ 6.2831	–
2006 Equity Incentive	258,964	$ 28.8702	–
2007 Long Term Incentive(2)	2,417,533	$ 11.3969	1,466,242
2011 Long Term Incentive	996,723	$ 9.3540	379,432
Total	3,777,027	$ 11.9153	1,845,674
Equity compensation plans not approved by stockholders(3)			
1996 Nonexecutive Plan	236,426	$ 15.4385	–
Brightman Plan	240,000	$ 9.0767	–
Serrano Plan	79,051	$ 6.6000	–
Total	555,477	$ 11.4320	–
All Plans(4)			
Total	4,332,504	$ 11.8533	1,845,674

(1) Consists of the 1990 Stock Option Plan, as amended, the Amended and Restated 2006 Equity Incentive Compensation Plan, the 2007 Long Term Incentive Compensation Plan and the 2011 Long Term Incentive Compensation Plan.

(2) Under the 2007 Long Term Incentive Compensation Plan, for the purpose of determining the number of shares available for future awards, an award of one stock option or one stock appreciation right with respect to one share of common stock is deemed to be an award of one share on the grant date. Any other awards granted under the 2007 Long Term Incentive Compensation Plan with respect to one share of common stock, including an award of a restricted share, a bonus share, or a performance share, is deemed to be an award of 1.15 shares of common stock on the grant date.

(3) Consists of the 1996 Stock Option Plan for Nonexecutive Employees and Consultants (the “1996 Nonexecutive Plan”), the award granted to Mr. Brightman in connection with his initial employment, and the award granted to Mr.

Serrano in connection with his initial employment. A description of each of these plans follows.

(4) The table above does not include information as of December 31, 2012 regarding (i) the proposed amendment and restatement of the 2011 Long Term Incentive Compensation Plan to be considered at the annual meeting; (ii) 543,916 shares of restricted stock subject to awards outstanding under the Amended and Restated 2006 Equity Incentive Compensation Plan, the 2007 Long Term Incentive Compensation Plan, and the 2011 Long Term Incentive Compensation Plan; (iii) 3,020 shares of restricted stock outstanding under the award granted to Philip N. Longorio on February 22, 2008, as an inducement to his initial employment; (iv) 27,057 shares of restricted stock outstanding under the award granted to Peter J. Pintar on November 15, 2011, as an inducement to his initial employment; and (v) 46,898 shares of restricted stock outstanding under the award granted to Elijio V. Serrano on August 15, 2012, as an inducement to his initial employment.

Non-Stockholder Approved Plans

1996 Stock Option Plan for Nonexecutive Employees and Consultants

The TETRA Technologies, Inc. 1996 Stock Option Plan for Nonexecutive Employees and Consultants (the "1996 Nonexecutive Plan") was adopted effective July 25, 1996. As of December 31, 2012, options covering 236,426 shares were outstanding under the 1996 Nonexecutive Plan, and options under the 1996 Nonexecutive Plan covering 20,503 shares were exercised during the year ended December 31, 2012. No grants of awards were permitted to be made under the 1996 Nonexecutive Plan after May 2, 2006.

Brightman Plan

As an inducement to his employment, Mr. Brightman was awarded, effective April 20, 2005, an option to purchase 80,000 shares at an exercise price of $27.23 per share (as adjusted to reflect the effect of our 3-for-2 stock split effected on August 26, 2005, and our 2-for-1 stock split effected on May 22, 2006, this presently equates to 240,000 shares at an exercise price of $9.0767 per share), which grant is evidenced by a Nonqualified Stock Option Agreement dated April 20, 2005. The option was 50% vested on the date of grant, and additional 25%

portions of the award vested on the first and second anniversaries of the grant date. As of December 31, 2012, options covering 240,000 shares were outstanding under the award. The maximum term of the award is ten years.

Serrano Plan

On August 1, 2012, Elijio V. Serrano was appointed by our Board of Directors to the positions of Senior Vice President and Chief Financial Officer. In connection with Mr. Serrano's appointment, the Board of Directors authorized the grant to Mr. Serrano of an employment inducement award of 79,051 nonqualified stock options and 46,898 shares of restricted stock to be effective as of August 15, 2012. The exercise price of the nonqualified stock options is $6.60, which is equal to the closing price per share of our common stock on the New York Stock Exchange on August 15, 2012. Subject to Mr. Serrano's continued employment and other terms and conditions set forth the in the Employee Equity Award Agreement between us and Mr. Serrano, the nonqualified stock options will vest 33.3334% on the first anniversary date of the award and an additional 2.7778% each month thereafter, becoming fully vested on the third anniversary date of the award, and the restricted stock will vest 33.3334% on the first anniversary date of the award and an additional 16.6667% each six months thereafter, becoming fully vested on the third anniversary date of the award.

Insider Stock Sales and Stock Ownership Guidelines

We acknowledge that sales of common stock by our executive officers will occur periodically. In particular, we believe that our executive officers who have a significant portion of their net worth in common stock may desire to diversify their investment portfolios over time and may be required to sell common stock to finance stock option exercises and to pay related taxes. We have established a policy for trading in common stock. This policy is designed to help ensure compliance with federal securities laws and allow the anticipated periodic sales to occur in an orderly fashion. The trading policy also prohibits our directors, officers, and employees from engaging in short sales of our common stock, from buying or selling puts, calls or other derivative instruments involving our common stock, and from engaging in certain forms of hedging or monetization transactions involving our common stock.

Our Board of Directors has adopted stock ownership guidelines for our directors and executive officers. The stock ownership guidelines are intended to align the interests of our directors and executive officers with the interests of our stockholders. Under these guidelines, our executive officers have historically been required to hold shares of our common stock equal to a multiple, based upon position, of their base salary.

In November 2012, our Board of Directors approved an amendment to our stock ownership guidelines to allow our directors' and executive officers' ownership of the common units of Compressco Partners, L.P. to count toward

fulfillment of the ownership requirement. In adopting this amendment, our Board acknowledged that, given our 82% limited partner interest in Compressco Partners, L.P., ownership of the common units of the partnership demonstrates commitment to us and further aligns our directors' and officers' interest with our stockholders' interests. The policy establishes the following minimum ownership guidelines.

- Our executive officers must hold shares of our common stock and/or common units of Compressco Partners equal to a multiple, based upon position, of their base salary. The multiples are as follows: Chief Executive Officer, three-times base salary; Chief Financial Officer, two-times base salary; and, Senior Vice Presidents and Vice Presidents, one-time base salary. Executive officers who held their current positions in February 2008 are required to be in compliance with the guidelines by the date of our 2013 Annual Meeting. As of the date of this proxy statement, we believe that all such executive officers will be in compliance on the required date. Executive officers appointed after February 2008 will have five years following attainment of executive officer status to be in compliance. Although full compliance is not yet required for them until dates ranging from 2014 through 2017, as of the date of this proxy statement, Messrs. Brightman, Goldman, Longorio and Pintar are in compliance with the guidelines.

- Our non-employee directors, including the Chairman of the Board of Directors, are required to hold shares of our common stock and/or common units of Compressco Partners equal to five-times their annual cash retainer. Non-employee directors as of February 2008 were required to be in compliance with the guidelines by the date of our 2012 Annual Meeting. On such date, each non-employee director for whom compliance was required was in compliance with the guidelines. Non-employee directors elected after February 2008 have four years from the date of their election or appointment to be in compliance.

AUDIT COMMITTEE REPORT

The Audit Committee assists the board in overseeing matters relating to our accounting and financial reporting practices, the adequacy of our internal controls, and the quality and integrity of our financial statements. The charter of the Audit Committee is available in the Corporate Governance section of the Investor Relations area of our website at www.tetratec.com.

Management is responsible for the preparation, presentation and integrity of our financial statements and for the appropriateness of our accounting and financial reporting principles and policies. Management is also responsible for establishing and maintaining our internal controls and procedures, establishing financial reporting processes and controls, and evaluating the effectiveness of such controls and procedures. Our independent registered public accounting firm, Ernst & Young LLP, is responsible for performing an independent audit of our financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the "PCAOB") and issuing a report thereon as well as expressing an opinion on the effectiveness of our internal controls over financial reporting. The Audit Committee's responsibility is to monitor and oversee these processes.

The Audit Committee consists of four directors who are independent, as independence is defined in the listing standards for the NYSE and the rules of the SEC. The Audit Committee met six times during the year ended December 31, 2012. The Audit Committee reviewed and discussed with management our financial results prior to the release of earnings. In addition, the Audit Committee reviewed and discussed with management and Ernst & Young LLP the interim financial information included in our quarterly reports on Form 10-Q for the fiscal quarters ended March 31, 2012, June 30, 2012, and September 30, 2012 prior to their being filed with the SEC.

The Audit Committee has received the written disclosures and the letter from Ernst & Young LLP required by the applicable requirements of the PCAOB regarding Ernst & Young LLP's communications with the Audit Committee concerning independence, and has discussed with Ernst & Young LLP its independence.

The Audit Committee has also discussed with Ernst & Young LLP the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the PCAOB in Rule 3200T.

The Audit Committee reviewed our audited financial statements as of and for the year ended December 31, 2012, and discussed them with management and Ernst & Young LLP. Based on the review and discussions described above, the Audit Committee recommended to the board that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 for filing with the SEC.

Submitted by the Audit Committee of the Board of Directors,

Tom H. Delimitros, Chairman

Ralph S. Cunningham

Kenneth P. Mitchell

Kenneth E. White, Jr.

This report of the Audit Committee shall not be deemed “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C or to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically request that the information be treated as soliciting material or specifically incorporate it by reference into a document filed under the Securities Act of 1933 (the “Securities Act”) or the Exchange Act. Further, this report will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate this information by reference.

FEES PAID TO PRINCIPAL ACCOUNTING FIRM

The following table sets forth the aggregate fees for professional services rendered to us by our principal accounting firm, Ernst & Young LLP, for the fiscal years ended December 31, 2012, and 2011, respectively:

	2012	2011
Audit fees	$1,922,234	$2,040,683
Audit related fees(1)	37,000	231,258
Tax fees(2)	43,727	18,118
Total fees(3)	$$2,022,961	$2,290,059

(1) Consists of fees for an employee benefit plan audit in 2012 and 2011 and acquisition due diligence in 2011.
(2) Consists primarily of fees for international tax compliance review in 2012 and 2011.
(3) Ernst & Young LLP also served as the auditor of Compressco Partners. The above table does not include the following fees related to the Compressco Partners audit: $350,000 in audit fees and $99,369 in tax fees during 2012; and, $618,800 in audit fees and $215,486 in tax fees during 2011.

The Audit Committee preapproved 100% of these fees. Before approving these fees, the Audit Committee considered whether the provision of services by Ernst & Young LLP that are not related to the audit of our financial statements was compatible with maintaining the independence of Ernst & Young LLP, and the Audit Committee concluded that it was.

AUDIT COMMITTEE PREAPPROVAL POLICIES AND PROCEDURES

The Audit Committee's policy provides that our independent registered public accounting firm (the "Audit Firm") may provide only those services preapproved by the Audit Committee. The Audit Committee annually reviews and preapproves the audit, review, attest, and permitted non-audit services to be provided during the next audit cycle by the Audit Firm. To the extent practical, at the same meeting, the Audit Committee also reviews and approves a budget for each of such services. The term of any such preapproval is for the period of the annual audit cycle, unless the Audit Committee specifically provides for a different period.

Services proposed to be provided by the Audit Firm that have not been preapproved during the annual review and the fees for such proposed services must be preapproved by the Audit Committee. Additionally, fees for previously approved services that are expected to exceed the previously approved budget must be preapproved by the Audit Committee. The Audit Committee has delegated the authority to grant specific preapprovals under its policy with

respect to these services and fees to its chairman, who reports such preapproval to the full Audit Committee no later than its next scheduled meeting. The Audit Committee may not delegate to management its responsibilities to preapprove services performed by the Audit Firm.

All requests or applications for the Audit Firm to provide services to us must be submitted to the Audit Committee or its chairman by the Audit Firm and the Chief Financial Officer and must include a joint statement as to whether, in their view, the request or application is consistent with applicable laws, rules, and regulations relating to auditor independence. It is our policy that if any of our employees or any representative of the Audit Firm becomes aware that any services are being, or have been, provided by the Audit Firm to us without the requisite preapproval, such individual must immediately notify the Controller or the Chief Financial Officer, who must promptly notify the Chairman of the Audit Committee and appropriate members of senior management so that prompt action may be taken to the extent deemed necessary or advisable.

EXECUTIVE OFFICERS

Our current executive officers and their ages and positions are as follows:

Name	Age	Position
Stuart M. Brightman	56	President and Chief Executive Officer
Elijio V. Serrano	55	Senior Vice President and Chief Financial Officer
Edwin H. Goldman	64	Senior Vice President
Philip N. Longorio	59	Senior Vice President
Peter J. Pintar	54	Senior Vice President – Corporate Strategy and Development
Bass C. Wallace, Jr.	54	Senior Vice President, General Counsel and Corporate Secretary
Ronald J. Foster	56	President – Compressco Partners GP Inc.
Ben C. Chambers	57	Vice President – Accounting and Controller
Bruce A. Cobb	63	Vice President – Finance and Treasurer
Elisabeth K. Evans	50	Vice President – Human Resources

(Information regarding the business experience of Mr. Brightman is set forth above under “Nominees for Director.”)

Elijio V. Serrano has served as our Senior Vice President and Chief Financial Officer since August 2012. Mr. Serrano served as chief financial officer of UniversalPegasus International, a global project management, engineering and construction management company, from October 2009 through July 2012. Following his resignation from Paradigm BV in February 2009 and until his acceptance of the position with UniversalPegasus International in October 2009, Mr. Serrano was retired. From February 2006 through February 2009, Mr. Serrano served as chief financial officer and executive vice president of Paradigm BV (formerly, Paradigm Geophysical Ltd.), a provider of enterprise software solutions to the oil and gas industry. From October 1999 through February 2006, Mr. Serrano served as chief financial officer of EGL, Inc., a publicly-traded transportation and logistics company subject to the reporting requirements of the Securities Exchange Act of 1934. From 1982 through October 1999, Mr. Serrano was employed in various capacities by Schlumberger Ltd., including as vice president and general manager of the western hemisphere operations of Schlumberger’s Geco-Prakla seismic division (from 1997 to 1999), as group controller for the global operations of the Geco-Prakla seismic division (from 1996 to 1997), and from 1992 to 1996, as controller of various geographical units of the Geco-Prakla seismic division. Mr. Serrano received his B.B.A. degree in accounting and finance from the University of Texas at El Paso in 1979. Mr. Serrano became a certified public accountant in the State of Texas in 1986 and continued as a certified public accountant until March 2002, at which time his license became inactive.

Edwin H. Goldman has served as our Senior Vice President since August 2008. From February 2002 through August 2008, he was employed in various executive management positions with Kellogg Brown & Root Inc., ultimately serving as vice president – upstream oil and gas facilities, by which he had direct responsibility for the onshore and

offshore production facilities and pipeline business of the oil and gas market segment. From February 1999 through February 2002, Mr. Goldman was employed as manager of business strategy and development and manager of business acquisition, Africa, Middle East and Asia by Heerema Marine Contractors, a marine contracting company based in Leiden, Netherlands. From January 1997 to February 1999, Mr. Goldman served as director and commercial manager Asia-Pacific for Heerema Far East Pte. Ltd., in Singapore. Mr. Goldman served as manager of business strategy and development with Heere Mac Vof, based in Leiden, Netherlands, from 1990 through 1997. From 1980 through 1990, Mr. Goldman held various positions of international responsibility with Heerema Offshore Construction Group, Heerema Engineering US, and Heerema Engineering Service, and from 1977 through 1980, served as legal advisor with Smit International Marine Services and Global Marine Drilling Inc. Mr. Goldman received his Masters Degree at Law from Erasmus University in Rotterdam, Netherlands.

Philip N. Longorio has served as our Senior Vice President since February 2008. Mr. Longorio is a thirty-five-year veteran of the oil and gas service industry, and has held various executive management positions with both major and smaller oil service companies. From July 2004 through May 2007, Mr. Longorio served as president and chief executive officer of WellDynamics B.V., a joint venture between Halliburton Energy Services and Shell Technology Ventures that provides intelligent well technology. From December 1999

through February 2004, Mr. Longorio served as vice president of Sperry-Sun Drilling Services, a subsidiary of Halliburton Energy Services, and from 1988 through 1999, he served at Halliburton in executive management roles leading the well testing, wireline logging and perforating businesses. Mr. Longorio began his oilfield career in 1977 at Gearhart Industries. Mr. Longorio is a United States Air Force veteran, and an active member of the SPE and SPWLA.

Peter J. Pintar has served as our Senior Vice President, Corporate Strategy and Development since November 2011. From September 2010 through November 2011, Mr. Pintar was self employed. Mr. Pintar previously served as vice president corporate strategy and development with Smith International, Inc. from August 2005 through September 2010. Prior to its merger with Schlumberger in August 2010, Smith International, Inc. was a public company subject to the reporting requirements of the Exchange Act that was a leading global supplier of products and services to the oil and gas industry. Mr. Pintar held various positions with DTE Energy Company, including director, corporate development, managing director, venture capital investments, and director, investor relations from October 1997 through August 2005. From November 1990 through September 1997, Mr. Pintar was a management consultant with McKinsey & Company, where he assisted U.S. and international corporations in strategic planning and business development. Mr. Pintar received his B.A. degree in Economics from the University of Wisconsin, his M.A. degree in International Relations from The Johns Hopkins University and his M.B.A. degree in Finance from The Wharton School.

Bass C. Wallace, Jr. has served as our General Counsel since 1994, as our Corporate Secretary since 1996, and as Senior Vice President since May 2011. From 1984 to 1994 he was engaged in the private practice of law. Mr. Wallace received his B.A. degree in Economics from the University of Virginia and his J.D. degree from the University of Texas School of Law.

Ronald J. Foster has served as President and a director of our subsidiary, Compressco Partners GP Inc., the general partner of Compressco Partners, since October 2008. He served as President and a director of our Compressco, Inc. subsidiary from October 2008 until October 2012. From August 2002 to September 2008 Mr. Foster served as Senior Vice President of Sales and Marketing with Compressco, Inc. Mr. Foster has over 30 years of energy-related work experience that also includes positions with Wood Group, Halliburton and Dresser. He is an active member of several regional industry trade organizations, including the American Petroleum Institute (API), the Society of Petroleum Engineers (SPE) and the Oklahoma Independent Petroleum Association (OIPA). Mr. Foster received his B.S. degree in Economics from Oklahoma State University.

Ben C. Chambers has served as our Vice President – Accounting and Controller since May 2001. He served as Chief Accounting Officer from May 2000 to May 2001. He was first employed by us in 1993, and served as Controller of our Oil & Gas Services Division from January 1995 to May 2000. From 1979 to 1992, Mr. Chambers held various management positions with Baker Hughes, Inc., ultimately serving as controller for its Tubular Services Division. Mr. Chambers received his B.S. degree in Accounting from the University of Oklahoma, and he is a certified public accountant.

Bruce A. Cobb has served as our Vice President – Finance and Treasurer since May 2001. He served as our Controller and Treasurer from May 2000 to May 2001, and as our Chief Accounting Officer from June 1999 to May 2000. Mr. Cobb served as our Controller from 1991 to May 1999. From 1987 to 1991, he was the chief financial officer of Speeflo Manufacturing Company. From 1979 to 1987, Mr. Cobb served as division controller for Hughes Production Tools, a division of Hughes Tool Company. From 1973 to 1979, he practiced accounting with Ernst & Young. Mr. Cobb received his B.B.A. degree in Accounting from the University of Texas, and he is a certified public accountant.

Elisabeth K. Evans has served as our Vice President – Human Resources since January 2013. Ms. Evans served as senior vice president of human resources and corporate communications of Boardwalk Pipeline Partners, LP, a midstream master limited partnership that provides transportation, storage, gathering and processing of natural gas and liquids, from February 2009 through September 2012. Following her departure from Boardwalk Pipeline Partners, LP and until her acceptance of the position with us in January 2013, Ms. Evans was engaged in independent consulting on human resources issues. From April 2003 through January 2009, Ms. Evans served as vice president of human resources and administrative services for AGL Resources Inc., and from 1999 through 2001, she served as a global human resources director for Accenture, Ltd. Ms. Evans was employed in various capacities by ARAMARK Corporation, including as human resources director, from 1994 through 1999. From 1988 through 1994, Ms. Evans served in human resources positions with BP. Ms. Evans received her B.A. degree in Economics in 1986 and her M.A. degree in Economics in 1988 from Indiana University.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis ("CD&A") is designed to provide our stockholders with an understanding of our compensation philosophy and objectives and insight into the process by which our specific compensation practices are established and specific compensation decisions are made. Although the Management and Compensation Committee of our Board of Directors (the "Committee") is responsible for the oversight of all of our compensation programs, many of which apply to a broad-base of our employees, much of the discussion within the CD&A focuses on the compensation of our Chief Executive Officer and the officers named in the Summary Compensation Table (collectively, the "Named Executive Officers" or "NEOs") and other employees designated as our senior officers (together with our NEOs, "Senior Management").

Executive Summary

We are a geographically diversified oil and gas services company focused on completion fluids and associated products and services, frac water management, after-frac flow back, production well testing, offshore rig cooling, compression-based production enhancement, and selected offshore services including well plugging and abandonment, decommissioning, and diving. We are in the process of winding down the operations of our Maritech segment, which now consist primarily of the well abandonment and decommissioning work required to retire Maritech's remaining asset retirement obligations.

Our compensation practices for fiscal year 2012 were influenced by our financial results and our successful completion of three significant acquisitions during the year that were consistent with certain strategic objectives established for 2012. We entered 2012 in a strong position to invest in the growth of our core service businesses due to the sale, during 2011, of approximately 95% of our Maritech segment's proved reserves and the assumption by the purchasers of approximately 45% of Maritech's decommissioning liabilities. Over the course of 2012, we invested approximately $163 million for the acquisitions of Optima Solutions Holdings Limited ("Optima"), a provider of rig cooling services in international offshore markets; Eastern Reservoir Services ("ERS"), a provider of frac flow back services to oil and gas operators in Appalachia and the U.S. Rockies; and Greywolf Production Systems ("Greywolf"), a well testing and flow back company headquartered near Calgary, Alberta, with Canadian and U.S. operations. Together, these three acquisitions broadened the scope of our service offerings and expanded our presence in key domestic and international markets. Other factors that impacted our 2012 financial results and compensation based on such results include continued benefits from our growth capital investment programs, particularly for our Compressco segment in Latin America, and improved activity levels in the Gulf of Mexico for our Fluids Division.

The following are some of the key factors to consider in evaluating our executive compensation program:

- Compensation Linked to Long-Term Performance. We seek to structure a balance between achieving positive short-term annual results and ensuring long-term viability and success by providing both annual and long-term incentive opportunities.

- Beginning in 2010 and again in 2011, the Committee awarded performance-based long-term cash incentives to members of Senior Management to supplement the long-term performance incentive and retention value provided by our historic use of time-vesting equity awards. Compared to awards granted in 2011, in 2012, the Committee increased the portion of performance-based cash incentives in our Senior Management's aggregate long-term incentive compensation awards in order to motivate improved financial performance over the three-year performance periods covered by such awards.

- We continue to believe that tying a significant portion of our Senior Management's compensation directly to our stockholders' returns is an important aspect of our total compensation plan and for the fiscal year 2012, 30.0% of the total target compensation awarded to our Chief Executive Officer, Mr. Brightman, consisted of stock options and shares of restricted stock, and an average 29.0% of the target compensation awarded to our other NEOs consisted of stock options and shares of restricted stock. The combination of long-term equity incentives and long-term cash incentives weights total prospective target compensation awarded to our NEOs in 2012 significantly toward long-term performance.

The following pie charts show the target allocation of the base salary, annual performance incentive and long-term performance incentive elements of our Chief Executive Officer's and other NEOs' compensation for fiscal year 2012:

* All Other Compensation includes the company paid portion of life, health and disability insurance benefits, and matching contributions under our 401(k) Retirement Plan.

• 2012 Compensation. For fiscal year 2012, cash compensation paid to our Chief Executive Officer, Mr. Brightman, was $818,000, consisting of $568,000 in base salary, $241,542 as his award under the Cash Incentive Compensation Plan for 2012 performance, and $8,458 of discretionary bonus. Mr. Brightman was awarded long-term equity incentive awards during 2012 consisting of stock options and restricted stock with an aggregate grant date fair value of $629,713. In addition, Mr. Brightman received $16,976 in other compensation during 2012. Messrs. Brightman, Goldman, Longorio and Pintar were also granted long-term cash incentive awards during 2012 that are not reflected in the Summary Compensation Table or in the following pie charts because amounts payable under those awards are determined at the end of a three-year performance period.

The following pie charts show the allocation of the elements of Mr. Brightman's actual compensation and the allocation of the elements of our other NEOs' average actual compensation for fiscal year 2012, as set forth in the Summary Compensation Table:

* All Other Compensation includes the company paid portion of life, health and disability insurance benefits, and matching contributions under our 401(k) Retirement Plan.

** Earned Annual Incentive includes amounts earned for 2012 performance under the Cash Incentive Compensation Plan and discretionary non-plan bonuses.

- Independent Compensation Consultant. The Committee first retained the services of Frost HR Consulting (formerly Stone Partners, Inc.), an independent human resources consulting firm, in September 2009. Since that time, the Committee has utilized Stone Partners at various times to provide advice and guidance with respect to specific compensation policies and our implementation of certain compensation programs, and the potential impact of evolving compensation trends and regulatory initiatives on our compensation programs. In addition, since September 2009 the Committee has engaged Stone Partners on specific projects including, in October 2010, an assessment of any discernible risks in our compensation programs, and in September 2011, an analysis of our 2011 compensation to assist the Committee in its consideration of our 2012 program.

- Amendment of Stock Ownership Guidelines. In November 2012, our Board of Directors approved an amendment to our stock ownership guidelines for directors and executive officers to allow our directors' and officers' ownership of the common units of Compressco Partners, L.P. to count toward fulfillment of the ownership requirement. In adopting this amendment, our Board acknowledged that, given our 82% limited partner interest in Compressco Partners, L.P., ownership of the common units of the partnership by our directors and executive officers demonstrates commitment to us and aligns our directors' and executive officers' interests with our shareholders' interests. Executive officers who held their current positions in February 2008 are required to be in compliance with the guidelines by the date of our upcoming 2013 Annual Meeting of Stockholders. As of the date of this proxy statement, we believe that all such executive officers will be in compliance on the required date. In addition, although compliance is not yet required for them until dates ranging from 2014 through 2017, as of the date of this proxy statement, Messrs. Brightman, Goldman, Longorio and Pintar are in compliance with the guidelines.

- Performance-Based Cash Incentive Plan. Under our Cash Incentive Compensation Plan, annual award opportunities are tied to measurable financial and operational performance objectives that are established by the Committee at the beginning of each performance year. The acquisitions of Optima, ERS and Greywolf during fiscal year 2012 were expected to positively impact our financial results, including results related to certain financial performance measures on which Cash Incentive Compensation Plan payments are based. Consequently, to reflect the anticipated contributions of the three acquisitions, the Committee exercised its authority under the Cash Incentive Compensation Plan to increase certain target performance objectives applicable to our CEO and other NEOs. For a more detailed description of these increases and a discussion of amounts earned relative to the increased performance objectives, please read the section titled "Annual Performance-Based Cash Incentives," below.

- Continuing Improvements in Compensation Practices. In addition to the actions described above, we have implemented and continue to maintain existing compensation practices that we believe contribute to good governance.

- We employ our NEOs and Senior Management "at will" under employment agreements similar to those executed by all our employees. None of our NEOs or Senior Management has any guaranteed arrangements for cash compensation or severance upon a change in control; however, as discussed in "Change in Control Agreements" below, if the proposed amendments to our 2011 LTIP are approved by our stockholders, we intend to adopt change in control agreements for certain members of Senior Management. None of our NEOs or Senior Management are currently provided any gross-up payments, and no gross-up payments will be provided for in the change in control agreements we intend to adopt.

- Our compensation consultant is retained directly by the Committee and does not provide any services to management.

- Every member of the Committee is independent, as such term is defined in the listing standards of the NYSE.

- Our insider trading policy prohibits transactions involving short sales, the buying or selling of puts, calls or other derivative instruments, and transactions involving certain forms of hedging or monetization.

In summary, our compensation philosophies and programs are subject to a thorough process that includes Committee review and approval, the advice of an independent, third-party consultant engaged by the Committee from time to time, and existing guidelines concerning the timing and pricing of our equity awards.

Consideration of Prior Year's Advisory Vote

In May 2012, our stockholders overwhelmingly approved the compensation of our named executive officers as described in our 2012 proxy statement, with approximately 98.5% of stockholder votes cast in favor of our 2012 "say-on-pay" resolution (excluding abstentions and broker non-votes). Following our 2012 Annual Meeting, as we considered the specific compensation practices through which we implement our compensation philosophy, we were mindful of the strong support our stockholders expressed for our 2012 executive compensation policies and practices. We made no significant changes to our compensation practices as a result of the 2012 say-on-pay vote.

Oversight of Executive Compensation Program

The Committee is responsible for discharging the responsibilities of our Board of Directors relating to the compensation of our executive officers and advising our board on our compensation philosophy, programs, and objectives. The Committee oversees our compensation programs, which include components that are designed specifically for our NEOs, other members of our Senior Management, and a broad-base of our employees. Additionally, the Committee is charged with the review and approval of all compensation decisions relating to the CEO, and with the review and oversight of all compensation decisions relating to Senior Management.

Consistent with the requirements of the NYSE, the Committee is composed entirely of independent, non-management members of our Board of Directors. With the exception of awards received under our 2007 Long Term Incentive Compensation Plan, no Committee member participates in any of our employee compensation programs. Each year, we review any and all relationships that each director has with us, and the Board of Directors subsequently reviews our findings. The Board of Directors has determined that none of the Committee members has a material business relationship with us.

The responsibilities of the Committee include the following:

- establishing a compensation philosophy designed to support our overall business strategy and objectives and establishing a compensation strategy designed to attract and retain executive talent, motivate executive officers to improve their performance and the financial performance of the company, and otherwise implement the compensation philosophy;

- annually reviewing and establishing annual and long-term performance goals and objectives for our Senior Management that are intended to support our compensation philosophy and the Committee's compensation strategy;

- annually evaluating the performance of our CEO and other NEOs in light of approved performance goals and objectives;

- annually reviewing and approving the compensation of the CEO and other NEOs based on their performance evaluations, including annual salary, performance-based cash incentive awards, other cash incentive opportunities including long-term incentive opportunities, and any other matter relating to the compensation of the CEO and other NEOs which the Committee considers appropriate;

- reviewing at least annually all equity-based compensation plans and arrangements, including the amount of equity remaining available for issuance under those plans, and making recommendations to our Board of Directors regarding the need to amend existing plans or to adopt new plans for the purposes of implementing the Committee's goals regarding long-term and equity-based compensation;

- reviewing at least annually all components of compensation paid to or available to the CEO and other NEOs, which may include salary, cash incentives (both performance-based and otherwise), long-term incentive compensation, perquisites, and other personal benefits to determine the appropriateness of each component in light of our compensation philosophy;

- reviewing and approving all employment, severance, change of control or other compensation agreements or arrangements to be entered into or otherwise established with our CEO and other NEOs;

- producing an annual Committee report for inclusion in our proxy statement or Annual Report on Form 10-K in accordance with the rules and regulations of the SEC; and

- reviewing with the CEO matters relating to management succession, including compensation related issues.

Overview of Compensation Philosophy and Objectives

In order to recruit and retain highly qualified and competent individuals as Senior Management, we strive to maintain a compensation program that is competitive in the labor markets in which we operate. Our guiding philosophy is to maintain an executive compensation program that will attract, retain, motivate and reward highly qualified and talented individuals to enable us to perform better than our competitors. The following are our key objectives in setting the compensation programs for our Senior Management:

- design competitive total compensation programs that enhance our ability to attract and retain knowledgeable and experienced Senior Management;

- motivate our Senior Management to deliver outstanding financial performance and meet or exceed general and specific business, operational, and individual objectives;

- establish salary and annual cash incentive compensation levels that reflect competitive market practices in relevant markets and are generally within the median range for the relevant peer group;

- provide equity incentive compensation and long-term cash incentive compensation opportunities that are consistent with our overall compensation philosophy;

- provide a significant percentage of total compensation that is “at risk,” or “variable,” based on predetermined performance measures and objectives; and

- ensure that a significant portion of the total compensation package is determined by increases in stockholder value, thus assuring an alignment of Senior Management and our stockholders’ interests.

Implementation and Management of Compensation Programs

Role of Committee. The Committee determines our overall compensation philosophy and sets the compensation of our CEO and other members of Senior Management. In making compensation decisions, the Committee considers our financial results and relative stockholder returns over the relevant period; strategic accomplishments; compensation paid by companies in our peer group; compensation data from available surveys of the oilfield services industry for executive officers with similar positions and with roles and responsibilities similar to our Senior Management; market data, analysis and recommendations provided by any compensation consultant engaged by the Committee; overall compensation paid to our CEO and members of Senior Management in previous years, including the value of equity-based compensation; and recommendations from our CEO with respect to specific compensation matters, including changes in compensation for our Senior Management. The Committee has the authority to retain compensation consultants, outside counsel, or other advisors to assist the committee in the discharge of its duties. In any given year, the Committee bases its decision on whether to retain a compensation consultant on factors including prevailing market conditions, regulatory changes governing executive compensation, and the quality and applicability of any other relevant data that may be available. If a compensation consultant is engaged, the Chairman of the

Committee maintains a direct line of communication with the consultant and arranges meetings with the consultant that may include other members of the committee and/or the CEO and certain members of Senior Management. Through this communication with the Chairman of the Committee, the consultant reports to, and acts at the direction of, the Committee. Although our CEO and certain members of Senior Management may receive the consultant's report and data, the Committee retains and exercises control and authority over the compensation consultant.

Role of Compensation Consultant. The Committee first retained the services of Frost HR Consulting (formerly Stone Partners, Inc.), an independent human resources consulting firm, in September 2009. Since that time, the Committee has utilized Frost HR Consulting at various times to provide advice and guidance with respect to specific compensation policies, our implementation of certain compensation programs, and the potential impact of evolving compensation trends and regulatory initiatives on our compensation programs. In addition, since September 2009 the Committee has engaged Frost HR Consulting on specific projects, including, in October 2010, an assessment of any discernible risks in our compensation programs, and in September 2011, and analysis of our 2011 compensation to assist the Committee in its consideration of our 2012 program, including appropriate peer comparisons.

Frost HR Consulting does not provide other services to us, has procedures in place to prevent conflicts of interest, and does not have a business or personal relationship with any of our executive officers or any member of the Committee. The individual consultants involved in the engagement do not own our stock. The Committee discussed these considerations and concluded that there are no conflicts of interest with respect to the consulting services provided by Frost HR Consulting.

In December 2011, the Committee met to review and discuss the Frost HR Consulting analysis and our CEO's year-end compensation report, and to consider prospective changes to 2012 compensation for our NEOs and other Senior Management. A representative of Frost HR Consulting was in attendance at the Committee's December 2011 meeting to review the analysis and respond to the Committee's questions both with, and without our CEO and other members of Senior Management present. In its analysis, Frost HR Consulting utilized the same fifteen company peer group initially selected in 2009, the Stone Partners Oilfield Services and Manufacturing Industry Executive Compensation Survey 2011, the Mercer Energy and Executive Compensation Surveys 2011, and the Towers Watson Top Management Compensation Survey 2011 to compare base salary, total cash, total direct compensation, annual cash incentives and long-term incentives paid or available to members of our Senior Management to the 25th, 50th and 75th percentiles of the averaged peer group and survey data, employing scope factors or regression analysis to predict compensation levels for some positions, and aging the averaged results 3.5% to approximate compensation levels as of January 1, 2012. The fifteen company peer group initially adopted for the Frost HR Consulting 2009 compensation analysis and review of our 2010 compensation, and utilized again in the review of our 2011 compensation, included:

CARBO Ceramics	Lufkin Industries, Inc.	Superior Energy Services, Inc.
Core Laboratories N.V.	RPC, Inc.	Oil States International, Inc.
Cal Dive International, Inc.	Newpark Resources, Inc.	Exterran Holdings, Inc.
Basic Energy Services, Inc.	Global Industries, Ltd.	Oceaneering International, Inc.
Key Energy Services, Inc.	Complete Production Services, Inc.	Helix Energy Solutions Group, Inc.

For the purpose of this analysis of 2011 compensation, Frost HR Consulting treated Compressco Partners as a wholly owned subsidiary of TETRA. However, under its engagement with the Committee, Frost HR Consulting delivered to the Committee a separate analysis of Compressco Partners' compensation, treating Compressco as a stand-alone, publicly traded master limited partnership with a distinct peer group of similar entities.

In September 2012, the Committee retained the services of Frost HR Consulting to provide an analysis of our 2012 compensation and assist the committee in its consideration of our 2013 compensation program. The Committee's consideration of this analysis, and actions taken by the committee based on its findings, are further discussed in the section titled "Changes for Fiscal Year 2013," below.

Role of CEO. Our CEO makes recommendations to the Committee with regard to salary adjustments and the annual and long-term incentives available to our Senior Management, excluding himself. Based upon his judgment and experience, taking into consideration available industry-based compensation surveys, peer group compensation data and other data and analyses, including data provided by the Committee's consultant, if one is retained for that year, our CEO annually reviews with the Committee specific compensation recommendations for Senior Management. In preparation for these evaluations, our CEO prepares a year-end compensation report that includes industry-based and peer group compensation data, data generated by any compensation consultant engaged by the Committee, and our CEO's personal evaluation of the performance of each member of Senior Management. The CEO's compensation report presents current and historical annual base salaries, annual incentive targets, annual incentives earned and the values

of outstanding equity-based and other long-term compensation in a tally sheet format, to provide the Committee with a detailed picture of how the various components of total compensation paid or to be paid to each member of Senior Management, including himself, aggregate in the current year and over a multi-year period.

In its review of our CEO's compensation report and its consideration of whether changes in compensation recommended by the CEO are in line with our overall compensation philosophy, current competitive market conditions, and current economic conditions, the Committee considers the CEO's evaluations of and recommendations for each member of Senior Management as well as its own evaluations of Senior Management and, if a compensation consultant is retained for that year, the analysis and report of the compensation consultant. The Committee reviews our CEO's compensation report among themselves and with our CEO and approves any prospective changes in compensation for Senior Management other than our CEO. The Committee, in executive session, establishes the compensation for our CEO. If changes in base salary for members of Senior Management are approved, the Committee generally gives our CEO discretion to determine when the prospective changes are made effective during the following year.

Timing of Compensation Decisions. Our CEO typically distributes his year-end compensation report to the Committee, as well as the entire Board of Directors, prior to our December board and committee meetings. The Committee reviews the CEO's compensation report, information and recommendations provided by its compensation consultant, if any for that year, and such other information it considers relevant, and typically approves prospective changes in base salary for Senior Management that may be implemented in the following year at the CEO's discretion. Also at its December meeting, the Committee typically reviews a preliminary estimate

of the aggregate amount of annual cash incentive compensation that may be awarded based on current year performance. Based upon the completed audit of our full year financial results, the actual aggregate amount of annual cash incentive compensation to be paid is finalized and approved and the specific amounts to be paid to the CEO and other NEOs are reviewed and approved by the Committee prior to payment at a meeting typically held in February of the following year. Finally, at its December meeting, the Committee reviews succession plans for our CEO and other members of Senior Management, as well as company-wide headcount and aggregate compensation costs.

Compensation Elements

We strongly believe that Senior Management should be compensated with a package that includes, at a minimum, the following three elements: salary, performance-based cash incentive compensation, and equity incentive compensation. A significant portion of the total prospective compensation paid to each member of Senior Management should be tied to measurable financial and operational objectives. These objectives, whether on a divisional or company-wide basis, may include absolute performance and performance relative to a peer group. During periods when performance meets or exceeds established objectives, Senior Management should be paid at or above the levels targeted for such objectives. When our performance does not meet key objectives, incentive award payments, if any, should be less than the levels targeted for such objectives. The Committee seeks to structure a balance between achieving strong short-term annual results and ensuring long-term viability and success. To reinforce the importance of this balance, we provide each member of Senior Management with both annual and long-term incentives. Currently, short-term incentive opportunities for Senior Management are in the form of annual cash incentives that are based on both objective performance criteria and subjective criteria. Long-term incentives include equity awards that typically vest over multiple years and performance-based cash awards that vest at the end of a three-year period based on the level of attainment of established performance objectives. While the mix of salary, annual cash incentives and long-term incentives earned by Senior Management can vary from year-to-year depending on individual performance and on our overall performance, the Committee believes that long-term incentives, the potential future value of which is heavily contingent on our long-term success, should constitute a significant portion of total compensation in any one year.

Salary. The Committee reviews relevant survey data and information and analysis provided by its compensation consultant, if one is retained for that year, to ensure that our salary program is competitive. We believe that a competitive salary program is an important factor in our ability to attract and retain Senior Management, and we generally compare base salaries paid to our Senior Management to the median base salaries contained in the survey data. In this respect, the Committee uses the survey data and compensation offered by peer companies as a market check on the salaries and other elements of compensation it establishes. The Committee reviews the salaries of all members of Senior Management at least annually. Salaries may be adjusted for performance, which may include individual, business unit and/or company-wide performance, expansion of duties and responsibilities, and changes in market salary levels. In considering salary adjustments, the Committee gives weight to the foregoing factors, with particular emphasis on corporate performance goals, our CEO's analysis of the individual's performance, and our CEO's specific compensation recommendations (except with regard to his own salary). However, the Committee does not rely on formulas and considers all of the above factors when evaluating salary adjustments.

In its December 2011 review of the Frost HR Consulting analysis of our Senior Management compensation, the Committee noted that our NEOs' 2011 base salaries were an average 92.9% of market median base salary levels. With regard to members of Senior Management other than our CEO, the Committee also took into account our CEO's evaluation of each individual's performance during 2011. Based on its consideration of the Frost HR Consulting analysis and our CEO's recommendations, the Committee approved average increases in base salary of 4.6% for Messrs. Brightman, Goldman, Longorio, and Abell. Mr. Pintar, who was appointed as Senior Vice President in November 2011, did not receive a salary increase during 2012. The following table sets forth the annual base salaries that were effective during 2012 for our current NEOs as well as Mr. Abell, who served as our Chief Financial Officer for a portion of the year:

Name	Title	Base Salary
Stuart M. Brightman	President & Chief Executive Officer	$568,000
Elijio V. Serrano	Sr. Vice President & Chief Financial Officer	$380,000
Edwin H. Goldman	Sr. Vice President	$356,000
Philip N. Longorio	Sr. Vice President	$356,000
Peter J. Pintar	Sr. Vice President - Corporate Strategy & Development	$342,000
Joseph M. Abell	Former Sr. Vice President & Chief Financial Officer	$312,000

Performance-Based Cash Incentives. In March 2010, the Committee adopted a Cash Incentive Compensation Plan that provides both annual and long-term cash incentive opportunities to our NEOs and other Senior Management, and key employees and consultants. Under the Cash incentive Compensation Plan, the Committee may award short-term and long-term incentive opportunities that are based on both objective and subjective criteria, and are intended to encourage greater focus on our strategic business objectives, further our compensation philosophy, emphasize pay-for-performance, and provide competitive compensation opportunities.

Annual Performance-Based Cash Incentives. While the amount of each award paid to members of Senior Management under the Cash Incentive Compensation Plan is subject to the discretion of the Committee, the plan provides for annual award opportunities, calculated as a percentage of base salary, based on financial and nonfinancial performance measures. For each award opportunity, a threshold, target and stretch performance objective is established for each applicable performance measure and the amount of the award payment that may be received is based on the level of achievement of such objectives, subject to the discretion of the Committee. In addition, recipients of annual incentive awards have the opportunity to participate in an award pool that may be established under the Cash Incentive Compensation Plan for achievement in excess of designated stretch performance objectives.

As part of its December 2011 review of Senior Management compensation, the Committee reviewed a preliminary estimate of the aggregate amount of annual cash incentive compensation to be awarded based on 2011 performance under our Cash Incentive Compensation Plan, and discussed the overall effectiveness of the plan in furthering our compensation philosophy. In its consideration of changes for the 2012 plan year, the Committee did not specifically benchmark Cash Incentive Compensation Plan award opportunities relative to any survey or peer group data. The Committee elected to increase the level of Mr. Brightman's annual cash incentive opportunity from 75% of his annual base salary to 90% of his annual base salary, and to increase the level of annual cash incentive opportunity available to Messrs. Abell, Goldman, Longorio and Pintar from 55% of their respective annual base salaries to 60% of their respective annual base salaries. For all other participants, the Committee elected not to change the levels of award opportunities available for the 2012 plan year from the levels initially set for the 2010 plan year and maintained for the 2011 plan year. Mr. Serrano, who was first employed by us in August 2012, was not eligible to receive a Cash Incentive Compensation Plan payment for 2012 performance.

The following table sets forth the 2012 annual incentive award opportunities established by the Committee as a percentage of base salary for our CEO and other current NEOs, and for Mr. Abell, under the Cash Incentive Compensation Plan:

	Threshold	Target	Stretch
Stuart M. Brightman	18%	90%	144%
Elijio V. Serrano	n/a	n/a	n/a
Edwin H. Goldman	12%	60%	96%
Philip N. Longorio	12%	60%	96%
Peter J. Pintar	12%	60%	96%

Joseph M. Abell	12%	60%	96%

Under the Cash Incentive Compensation Plan, financial and nonfinancial performance measures may be based on performance criteria described in the plan or on such other measures as determined by the Committee. In December 2011, we were in the beginning stages of the ongoing process of winding-down Maritech's operations, which now consist primarily of the well abandonment and decommissioning work required to retire Maritech's remaining asset retirement obligations. At that time, we expected this process to be substantially complete by the end of 2012, with a portion of the work extending into the first half of 2013. Consequently, recognizing that Maritech's remaining operations were not strategic to our consolidated results going forward, the Committee elected to designate consolidated diluted net income per common share excluding results attributable to Maritech as a performance measure for the 2012 fiscal year. In addition, with the completion of its initial public offering on June 20, 2011, Compressco Partners became obligated to pay quarterly cash distributions on its outstanding units. Recognizing that Compressco Partners' ability to make the quarterly cash distributions would be an important factor in the success of the partnership, the Committee elected to use "distributable cash flow" (defined as Compressco Partners, L.P. earnings before interest, taxes, and depreciation and amortization plus (i) the non-cash cost of compressors sold, and (ii) non-cash equity compensation expenses, minus (i) interest expense, (ii) income tax expense and withholding, and (iii) maintenance capital expenditures) as one of Compressco Partners' segment-specific performance measures for the 2012 fiscal year. Other performance measures for 2012 annual incentive

awards included: (i) health, safety and environmental metrics; (ii) divisional profit before taxes; (iii) profit before taxes for specified business and geographical units; (iv) profit before taxes for Compressco Partners; (v) the net number of compressor units placed into service by Compressco Partners; and, (vi) personal objectives.

Subsequent to the Committee's establishment of specific target performance objectives related to each of the above performance measures at the beginning of the 2012 fiscal year, we completed the Optima, ERS and Greywolf acquisitions. Together, these three acquisitions broadened the scope of our service offerings and expanded our presence in key domestic and international markets. In order to reflect the budgeted impact of these acquisitions on our financial results, the Committee made adjustments to the originally established performance objectives for (i) consolidated diluted net income per common share excluding results attributable to Maritech, and (ii) Production Testing segment profit before taxes. Specifically, in consideration of the three acquisitions, the Committee added an aggregate $0.11 to the original consolidated diluted net income per common share excluding results attributable to Maritech performance objective of $0.80, resulting in an adjusted performance objective of $0.91. In addition, the Committee increased the Production Testing segment's profit before taxes performance objective by $13.5 million, resulting in an adjusted divisional profit before taxes performance objective for Mr. Longorio of $115.4 million. Under the Cash Incentive Compensation Plan, actual results must reach the threshold level of 80% of established target performance objectives for any payments to be earned.

The following table sets forth the specific target performance objectives, as adjusted, and the relative weight of each performance measure established by the Committee for the 2012 annual cash incentive awards to our CEO and other current NEOs, and to Mr. Abell:

2012 Plan
Year
Performance
Measures
Adjusted