

SOUTHWESTERN ENERGY CO

Form DEF 14A

April 07, 2014

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**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

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

# SOUTHWESTERN ENERGY COMPANY

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(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):

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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**2350 N. Sam Houston Parkway E., Suite 125**

**Houston, Texas 77032**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**ON MAY 20, 2014**

The Annual Meeting of Stockholders of Southwestern Energy Company, or the Company, will be held at the Hilton Houston North Hotel, 12400 Greenspoint Drive, Houston, Texas 77060, on Tuesday, May 20, 2014, at 11:00 a.m., Central Daylight Time, for the following purposes:

- (1) To elect eight directors to serve until the 2015 Annual Meeting or until their respective successors are duly elected and qualified;
- (2) To ratify the appointment of PricewaterhouseCoopers LLP, or PwC, to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2014;
- (3) To conduct an advisory vote to approve the compensation paid to our Named Executive Officers for 2013;
- (4) To consider two stockholder proposals contained in this proxy statement, if properly presented at the Annual Meeting; and
- (5) To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

The Board of Directors has fixed the close of business on March 28, 2014, as the Record Date for the determination of stockholders entitled to notice of and to vote at the meeting and any adjournment thereof.

The Company's 2013 Annual Report, which is not part of the proxy soliciting material, is enclosed.

You are invited to attend the meeting. If you do not attend, it is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning the proxy card or voting instruction card. Alternatively, you can vote your shares by telephone or over the Internet.

You may revoke a proxy at any time prior to its exercise by giving written notice to that effect to the Secretary of the Company or by submitting a later-dated proxy or subsequent Internet or telephonic proxy. If you attend the meeting, you may revoke any proxy you previously granted and vote in person.

By Order of the Board of Directors

JOHN C. ALE

*Secretary*

April 7, 2014

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2014  
ANNUAL**

**MEETING OF STOCKHOLDERS TO BE HELD ON MAY 20, 2014.**

The proxy statement and annual report to stockholders are available at [www.swn.com](http://www.swn.com)

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**PROXY STATEMENT FOR 2014 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 20, 2014**

**PROXY STATEMENT QUESTIONS**

**WHO IS ENTITLED TO VOTE AT THE ANNUAL MEETING?**

Stockholders who own shares of common stock as of March 28, 2014, the Record Date, may vote at the meeting. There were 353,054,752 shares of common stock outstanding on that date. Each share of common stock entitles the holder to one vote on all matters submitted to a vote at the Annual Meeting and any adjournment or postponement of the meeting. A complete list of the stockholders entitled to vote will be available for examination at the meeting and for at least 10 days prior to the meeting at our corporate offices located at 2350 N. Sam Houston Parkway E., Suite 125, Houston, Texas 77032.

**HOW MAY I ATTEND THE ANNUAL MEETING?**

Attendance at the Annual Meeting is limited to stockholders, our employees, and invited guests. Admission to the Annual Meeting will be on a first-come, first-served basis. Registration will begin at 10:00 a.m. Central Daylight Time on the date of the Annual Meeting, and each stockholder may be asked to present valid picture identification such as a driver's license or passport and proof of stock ownership as of the Record Date. The use of cell phones, smartphones, pagers, recording and photographic equipment and computers is not permitted in the meeting room at the Annual Meeting.

**WHEN WERE THE ENCLOSED SOLICITATION MATERIALS FIRST GIVEN TO STOCKHOLDERS?**

This Proxy Statement and accompanying proxy are first being mailed, given or made available to stockholders, on or about April 7, 2014. We are making our proxy materials available to our stockholders on the Internet. You may read, print and download our 2013 Annual Report to Stockholders and our Proxy Statement at [www.envisionreports.com/swn](http://www.envisionreports.com/swn). On an ongoing basis, stockholders may request to receive proxy materials in printed form by mail or electronically by email.

**WHAT AM I VOTING ON, AND WHAT ARE THE BOARD'S RECOMMENDATIONS?**

You are being asked to vote on the following:

the election of eight directors;

the ratification of the appointment of PwC as the Company's independent registered public accounting firm for fiscal year 2014;

an advisory vote to approve our executive compensation;

a stockholder proposal for calling special meetings of stockholders; and

a stockholder proposal for a methane emissions report.  
The Board of Directors, or the Board, recommends a vote:

**FOR** the election of eight directors (Proposal No. 1);

**FOR** the ratification of the appointment of PwC as the Company's independent registered public accounting firm for 2014 (Proposal No. 2);

**FOR** the advisory vote to approve our executive compensation (Proposal No. 3);

**AGAINST** the stockholder proposal regarding special meetings (Proposal No. 4); and

**AGAINST** the stockholder proposal regarding methane emissions report (Proposal No. 5).

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### **WHAT CONSTITUTES A QUORUM OF STOCKHOLDERS?**

We must have a quorum to conduct the meeting. A quorum is the presence at the Annual Meeting in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast as of the Record Date. Because there were 353,054,752 shares of common stock outstanding on March 28, 2014, the Record Date, the quorum for the Annual Meeting requires the presence at the meeting in person or by proxy of stockholders entitled to vote at least 176,527,377 shares. Broker non-votes, abstentions and withhold-authority votes COUNT for purposes of determining a quorum. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power for that proposal and has not received instructions from the beneficial owner. Under the rules of the New York Stock Exchange, or NYSE, brokers do not have discretionary authority to vote shares in connection with non-routine matters without instructions from the beneficial owner.

### **IF I AM THE BENEFICIAL OWNER OF SHARES THAT ARE HELD IN STREET NAME BY MY BROKER, WILL MY BROKER VOTE FOR ME? HOW ARE BROKER NON-VOTES TREATED?**

Under the NYSE member rules, a member broker (that is, a member of the NYSE) that holds shares in street name for customers generally has the authority to vote on certain routine or discretionary proposals if it has transmitted proxy soliciting materials to the beneficial owner but has not received instructions from that owner. However, the NYSE precludes brokers from exercising their voting discretion on certain proposals without instructions from the beneficial owner, and the NYSE now expressly prohibits brokers holding in street name for their beneficial holder clients from voting in an election of directors and from voting on certain corporate governance matters without receiving specific instructions from those clients. Therefore, if you hold your shares in the name of a bank, broker or other holder of record, for your vote to be counted on Proposals 1, 3, 4 and 5 you will need to communicate your voting decisions to your bank, broker or other holder of record before May 20, 2014.

### **HOW ARE ABSTENTIONS TREATED?**

Abstentions are counted for purposes of determining whether a quorum is present. For the purpose of determining whether the stockholders have approved the matter addressed by a proposal, because an abstention is not treated as a vote for or against the matter, it will have no effect on the outcome of the vote.

### **HOW DO I VOTE?**

On April 7, 2014, we mailed a notice to stockholders containing instructions on how to access our proxy materials and vote online at [www.envisionreports.com/swn](http://www.envisionreports.com/swn). Because many of our stockholders are unable or choose not to attend the meeting in person and may have limited access to the Internet, we also send proxy cards and offer electronic and telephonic voting to all of our stockholders who hold their shares in their own names (that is, whose shares are not held by a broker in street name ) to enable them to direct the voting of their shares.

If you are the record holder of your shares, you may vote your shares (i) via the Internet, (ii) by telephone, or (iii) in person at the Annual Meeting by proxy. If your shares are held by your broker in street name, your broker is required to provide you with instructions for voting your shares.

**Internet Access:** Record holders with Internet access may submit proxies by following the Vote-by-Internet instructions on their proxy cards. Stockholders who hold shares beneficially in street name may vote by accessing the website specified on the voting instruction cards provided by their brokers, trustee or nominees. Please check the voting instruction card for Internet voting availability.

**By Telephone:** Record holders may submit proxies by following the Vote-by-Telephone instructions on their proxy cards. Stockholders who hold shares beneficially in street name may vote by telephone by calling the number specified on the voting instruction card provided by their brokers, trustee or nominees. Please check the voting instruction card for telephonic voting availability.

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### **WHAT IS THE VOTING REQUIREMENT TO APPROVE EACH OF THE PROPOSALS?**

***Proposal No. 1 Election of Directors:*** Any nominee who receives a greater number of votes cast FOR his or her election than votes cast AGAINST his or her election will be elected to the Board. Shares not represented in person or by proxy at the Annual Meeting, abstentions and broker non-votes will have no effect on the election of directors.

***Proposal No. 2 Ratification of Independent Registered Public Accounting Firm:*** The affirmative vote of a majority of the votes properly cast on Proposal No. 2 is required to ratify the appointment of PwC as our independent registered public accounting firm. Abstentions will have no effect on the results of this vote. Brokers generally have discretionary authority to vote on the ratification of our independent registered public accounting firm. Therefore, we do not expect any broker non-votes on this proposal. However, to the extent there are any broker non-votes, they will have no effect on the results of this vote.

***Proposal No. 3 An Advisory Vote to Approve Our Executive Compensation:*** Because Proposal No. 3 is an advisory vote, there is no minimum vote that constitutes approval of this proposal. We will consider this proposal approved if a majority of the votes properly cast are FOR this proposal.

***Proposal No. 4 Stockholder Proposal Regarding Special Meetings:*** The affirmative vote of a majority of the votes properly cast on Proposal No. 4 is required to approve this stockholder proposal. Abstentions and broker non-votes will have no effect on the results of this vote.

***Proposal No. 5 Stockholder Proposal Regarding Methane Emissions Report:*** The affirmative vote of a majority of the votes properly cast on Proposal No. 5 is required to approve this stockholder proposal. Abstentions and broker non-votes will have no effect on the results of this vote.

### **WHAT IS A PROXY?**

A proxy is a person you appoint to vote on your behalf. When you vote by completing and returning the enclosed proxy card, you will be designating Vello A. Kuuskraa and Kenneth R. Mourton as your proxies. We solicit proxies so that as many shares as possible of common stock may be voted at the Annual Meeting. You must complete and return the enclosed proxy card or vote by phone or Internet to have your shares voted by proxy.

### **HOW WILL MY PROXY VOTE MY SHARES?**

Your proxies will be voted in accordance with your instructions. If you complete and return your proxy card but do not provide instructions on how to vote, your proxies will vote FOR the eight director nominees, the ratification of PwC as the Company's independent registered public accounting firm for 2014 and the proposal regarding an advisory vote on executive compensation, and AGAINST Proposal No. 4 and Proposal No. 5. Also, your proxy card or your vote via phone or Internet will give your proxies authority to vote, using their best judgment, on any other business that properly comes before the meeting.

### **HOW DO I VOTE BY MAIL USING MY PROXY CARD?**

There are three steps:

#### **Step 1**

##### ***a. Proposal No. 1***

*Election of a board of eight directors to serve until the next Annual Meeting or until their successors are duly elected and qualify.*

To vote for a director, check the box marked **FOR** opposite the name of the director. To cast your vote against a director, mark the box **AGAINST** opposite the name of the director. If you do not wish to vote, mark the box **ABSTAIN**.

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***b. Proposal No. 2***

*Ratification of the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Company for fiscal year 2014.*

To vote for Proposal No. 2, you check the box marked **FOR**. If you are opposed to the proposal, check the box, **AGAINST**. If you do not wish to vote, mark the box **ABSTAIN**.

***c. Proposal No. 3***

*An advisory vote to approve executive compensation.*

To vote for Proposal No. 3, you check the box marked **FOR**. If you are opposed to the proposal, check the box, **AGAINST**. If you do not wish to vote, mark the box **ABSTAIN**.

***d. Proposal No. 4***

*Stockholder proposal regarding special meetings.*

To vote for Proposal No. 4, you check the box marked **FOR**. If you are opposed to the proposal, check the box, **AGAINST**. If you do not wish to vote, mark the box **ABSTAIN**.

***e. Proposal No. 5***

*Stockholder proposal regarding methane emissions report.*

To vote for Proposal No. 5, you check the box marked **FOR**. If you are opposed to the proposal, check the box, **AGAINST**. If you do not wish to vote, mark the box **ABSTAIN**.

***Step 2***

Sign and date your proxy card. IF YOU DO NOT SIGN AND DATE YOUR PROXY CARD, YOUR VOTES WILL NOT BE COUNTED. EACH PROPERLY EXECUTED PROXY WILL BE VOTED IN THE MANNER DIRECTED. IF NO DIRECTION IS MADE, EACH SUCH PROXY WILL BE VOTED IN ACCORDANCE WITH THE BOARD'S RECOMMENDATIONS AS SET FORTH IN THIS PROXY STATEMENT.

***Step 3***

Mail your proxy card in the pre-addressed, postage-paid envelope.

**CAN I VOTE BY PROXY EVEN IF I PLAN TO ATTEND THE ANNUAL MEETING?**

Yes. If you vote by proxy, you do not need to fill out a ballot at the Annual Meeting unless you want to change your vote.

**HOW MAY I REVOKE MY PROXY AFTER I HAVE DELIVERED IT?**

A proxy may be revoked at any time before it is voted by sending written notice of revocation to our Secretary, by delivering a later dated proxy (by one of the methods described above) or by voting in person at the meeting. The Secretary may be contacted at the following address: Southwestern Energy Company, 2350 N. Sam Houston Parkway E, Suite 125, Houston, Texas 77032, Attention: Secretary.

**WHO IS SOLICITING MY PROXY, HOW IS IT BEING SOLICITED, AND WHO PAYS THE COSTS?**

The Company, on behalf of the Board, through its officers and employees, is soliciting proxies primarily by mail. However, proxies may also be solicited in person, by telephone or facsimile. Morrow & Co., LLC, a proxy solicitation firm, will be assisting us for a fee of approximately \$10,500 plus out-of-pocket expenses.



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Southwestern Energy Company pays the cost of soliciting proxies and reimburses brokers and others for forwarding proxy materials to you.

**WHEN WILL THE VOTING RESULTS BE AVAILABLE?**

We will announce preliminary voting results at the Annual Meeting. Voting results will also be disclosed on a current report on Form 8-K filed with the Securities and Exchange Commission, or the SEC, within four business days after the Annual Meeting. Once filed, this Form 8-K will be available on our and the SEC's websites.

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**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**

Effective as of the date of the Annual Meeting, Harold M. Korell, currently Chairman of the Company's Board of Directors, is retiring as a director. In accordance with the Company's bylaws, the Board has decided to reduce the number of directors to eight as of that time. At the meeting, these eight directors are to be elected to serve until the next Annual Meeting or until their respective successors are duly elected and qualified.

**Voting**

The shares of common stock represented by the enclosed proxy will be voted as instructed by the stockholder for the election of the nominees named below. If no direction is made, the proxy will be voted FOR the election of all of the nominees named below other than in the case of broker non-votes, which will be treated as described below. Our bylaws provide that, in any uncontested election of directors (an election in which the number of nominees does not exceed the number of directors to be elected), any nominee who receives a greater number of votes cast FOR his or her election than votes cast AGAINST his or her election will be elected to the Board. Shares not represented in person or by proxy at the Annual Meeting, abstentions and broker non-votes will have no effect on the election of directors, other than counting for purposes of a quorum. Our bylaws also provide that any nominee who does not receive a majority of votes cast FOR his or her election in an uncontested election is expected to tender his or her conditional resignation to the Chairman of the Board promptly following the certification of the vote, which resignation shall be promptly considered through a process managed by the Nominating and Governance Committee, excluding (other than in certain limited circumstances set forth in our bylaws) any nominees who did not receive a majority vote. If any nominee becomes unavailable for any reason or if a vacancy should occur before the election, the shares of common stock represented by the enclosed proxy may be voted for such other person as the Board may recommend. The Company does not expect that any nominee will be unavailable for election.

The Board, upon the recommendation of the Nominating and Governance Committee, has proposed the eight nominees set forth below for election as directors. All nominees for director are presently directors of the Company. Certain information concerning the nominees is set forth below.

**Recommendation of the Board**

THE BOARD RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ELECTION OF EACH OF THE NOMINEES TO THE BOARD AS SET FORTH IN THIS PROPOSAL.

**Nominees for Election**

*JOHN D. GASS* Mr. Gass is a former Vice President of Chevron Corporation and President of Chevron Gas and Midstream, a position he held from 2003 until his retirement in 2012. In this role, he was responsible for Chevron's global natural gas marketing and trading activities, as well as Chevron's pipeline, power and worldwide shipping operations. Mr. Gass began his career in 1974 in Chevron's Gulf of Mexico business unit in New Orleans, and over the next 38 years held positions of increasing responsibility both domestically and abroad in engineering, operations and executive management at the company. Prior to his most recent position, Mr. Gass served as the Managing Director of Chevron's Southern Africa Strategic Business Unit from 2001 to 2003 where he was responsible for Chevron's exploration and production operations in Angola and neighboring countries. From 1996 to 2000, Mr. Gass was Managing Director of Chevron's Australasia Strategic Business Unit, where he was responsible for Chevron's upstream activities in Australia and Papua New Guinea. Mr. Gass served as a director of Sasol Chevron Holdings Ltd from

2003 to 2010 and GS Caltex Corporation from 2004 to 2008. Mr. Gass graduated from Vanderbilt University in 1974 with a bachelor's degree in civil engineering and later obtained a master's degree in civil engineering from Tulane University in 1978. He has served on the Board

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and the Compensation Committee of Weatherford International, Ltd. since June 2013 and the Board of Suncor Energy Inc. since February 2014. He is a member of the American Society of Civil Engineers and the Society of Petroleum Engineers. Mr. Gass is 62 years old and first became a director of the Company in 2012.

The Nominating and Governance Committee, in reviewing and assessing Mr. Gass's contributions to the Board, determined that his experience as an executive of a leading multinational exploration and production company with midstream operations will continue to complement the mix of skills of the other nominees and provide significant contributions to the Company's Board.

*CATHERINE A. KEHR* Ms. Kehr retired in 2006 as a Senior Vice President and Director of Capital Research Company, a division of The Capital Group Companies, one of the world's largest investment management organizations and manager of the American Funds. From 1997 to 2006, she was an investment analyst and fund manager with responsibility for global energy equities for The Capital Group Companies. From 1992 to 1997, she was an investment analyst and fund manager with responsibility for global energy high yield debt for The Capital Group Companies. Prior to her tenure with The Capital Group Companies, she held various managerial positions at Atlantic Richfield Company and Payden & Rygel. In 2001, the Reuters Survey ranked Ms. Kehr among the top 10 individual U.S. fund managers. Ms. Kehr received a Bachelor of Arts from Yale University and an MBA from The Wharton School of the University of Pennsylvania. Ms. Kehr holds the Chartered Financial Analyst designation. Ms. Kehr is 51 years old and was first elected to the Company's Board in 2011.

The Nominating and Governance Committee, in reviewing and assessing Ms. Kehr's contributions to the Board, determined that her experience as an executive of an investment firm, her experience as an investment analyst and portfolio manager, her financial expertise and her global energy experience will continue to complement the mix of skills of the other nominees and provide significant contributions to the Company's Board.

*GREG D. KERLEY* Mr. Kerley retired as Executive Vice President and Chief Financial Officer of the Company on October 1, 2012. Mr. Kerley joined the Company in 1990 as Controller and Chief Accounting Officer and has more than 30 years of oil and gas industry experience. He also served the Company as Treasurer and Secretary before he was named Senior Vice President and Chief Financial Officer in 1998. He served as an Executive Vice President from 1999 to 2012. Mr. Kerley also became a director of the Company in August 2010. Before joining the Company, Mr. Kerley held senior financial and accounting positions at Agate Petroleum Inc. and was a manager for Arthur Andersen LLP specializing in the energy sector. Mr. Kerley graduated from Oklahoma State University with a bachelor's degree in accounting. He is a retired certified public accountant and is a member of the American Institute of Certified Public Accountants. He is also a member of the Independent Petroleum Association of America. Mr. Kerley is 58 years old.

The Nominating and Governance Committee, in reviewing and assessing Mr. Kerley's contributions to the Board, determined that his experience as the Chief Financial Officer, his prior accounting, financial and oil and gas industry experience and his involvement in industry associations complement the mix of skills of the other nominees and provide significant contributions to the Company's Board.

*VELLO A. KUUSKRAA* Mr. Kuuskraa is the President and Chairman of the Board of Directors of Advanced Resources International, Inc., a privately held geological and engineering technical services company located in Arlington, Virginia, which he has led since 1991. He is internationally recognized for his work in unconventional gas resources, energy economics, supply modeling and new oil and gas recovery technologies. Mr. Kuuskraa served on the United States Secretary of Energy's Natural Gas Supply Task Force, was a member of the National Academy of Sciences Study Committee for defining the National Energy Modeling System and has testified before the Federal Energy Regulatory Commission on the outlook for natural gas supplies. He has published over 100 technical papers,

reports and presentations on energy resources and future natural gas supplies. Mr. Kuuskraa is a recognized expert on the technologies of tight gas and shale gas recovery. He is also a recognized expert on the technologies of coalbed methane and enhanced oil recovery and their adaptation for carbon dioxide sequestration. Mr. Kuuskraa is 73 years old and was first elected to the Company's Board in 2003.

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The Nominating and Governance Committee, in reviewing and assessing Mr. Kuuskraa's contributions to the Board, determined that his geological and engineering background, his demonstrated knowledge of the natural gas industry as well as his leadership experience as President and Chairman of the Board of an internationally recognized geological and engineering advisory firm will continue to complement the mix of skills of the other nominees and provide significant contributions to the Company's Board.

*KENNETH R. MOURTON* Mr. Mourton is an Attorney at Law with and Managing Principal Attorney of the firm of Ball and Mourton, Ltd., PLLC, Fayetteville, Arkansas, where he has practiced since 1975. He is a certified public accountant (inactive) and owns and operates several businesses in various states related to beer distribution, lodging, warehousing and travel. He is the Chairman of the Razorback Foundation and is also a member of the Board of Directors of the Arkansas Rural Endowment Fund, a non-profit corporation created by the State of Arkansas to help lower income, rural Arkansas children obtain college and university educations. Mr. Mourton is 63 years old and was first elected to the Company's Board in 1995.

The Nominating and Governance Committee, in reviewing and assessing Mr. Mourton's contributions to the Board, determined that legal and accounting background, his considerable business experience and his knowledge of matters in the State of Arkansas, where the Company has significant assets, will continue to complement the mix of skills of the other nominees and provide significant contributions to the Company's Board.

*STEVEN L. MUELLER* Mr. Mueller is the President and Chief Executive Officer of the Company, a position he has held since May 19, 2009. Prior to that, from June 2, 2008, Mr. Mueller served as the President and Chief Operating Officer of the Company. He joined the Company from CDX Gas, LLC, a privately owned company where he was employed as Executive Vice President from September 2007 to May 2008. From 2001 until its acquisition by Forest Oil in 2007, Mr. Mueller served first as the Senior Vice President and General Manager Onshore and later as the Executive Vice President and Chief Operating Officer of The Houston Exploration Company. Mr. Mueller has over 30 years of experience in the oil and gas industry and served in multiple operational and managerial roles at Tenneco Oil Company, Fina Oil Company, American Exploration Company and Belco Oil & Gas Company. Mr. Mueller has a degree in geologic engineering from the Colorado School of Mines. Mr. Mueller first became a director of the Company in July 2009. Mr. Mueller is 61 years old.

The Nominating and Governance Committee, in reviewing and assessing Mr. Mueller's extensive experience in the oil and gas industry, determined that his role as the Company's President and Chief Executive Officer coupled with his past executive and industry experience will complement the mix of skills of the other nominees and provide significant contributions to the Company's Board.

*ELLIOTT PEW* Mr. Pew retired in 2010 as Chief Operating Officer of Common Resources, LLC, a Houston-based exploration and production company. Mr. Pew was a co-founder of Common Resources, LLC and served as Chief Operating Officer from 2007 until the company was sold in 2010. Prior to his employment by Common Resources, LLC, Mr. Pew was Executive Vice President Exploration at Newfield Exploration Company, where he led Newfield's diversification efforts onshore in the late 1990's in addition to leading the company's exploration program, including the formation of the deep water Gulf of Mexico business unit. Prior to his work at Newfield, Mr. Pew was with American Exploration Company, a natural resource exploration and production company, where he served as Senior Vice President Exploration in 1997, as Vice President Exploration from 1993 to 1996 and Senior Geophysicist from 1992 to 1993. Mr. Pew has served as a director for Enerplus Corporation, a North American energy producer, since 2010, including current positions as a member of its audit and risk management committee and chairman of its reserves committee. Mr. Pew also currently serves as a director of Common Resources III, a private exploration and production company. Mr. Pew first became a director of the Company in 2012 and is 59 years old.

The Nominating and Governance Committee, in reviewing and assessing Mr. Pew's contributions to the Board, determined that his experience as an executive and director of other oil and gas companies will continue to complement the mix of skills of the other nominees and provide significant contributions to the Company's Board.

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*ALAN H. STEVENS* Mr. Stevens has an extensive background in domestic and international oil and gas exploration and production. He has over 38 years of experience in various managerial, geological and geophysical positions at Occidental Petroleum Corporation, Tenneco Oil Company and Exxon Corporation. Mr. Stevens was a director of Derek Oil & Gas Company from 2004 through 2010. He is also a former President and Chief Operating Officer of the Company's subsidiaries Southwestern Energy Production Company and SEECO, Inc., positions from which he retired in 2001. He received both a Bachelor of Science degree and a Master of Science degree in Geological Engineering from Michigan Technological University, and attended the UCLA Executive Management Program. Mr. Stevens is 69 years old and was first elected to the Company's Board in 2010.

The Nominating and Governance Committee, in reviewing and assessing Mr. Stevens' contributions to the Board, determined that his past executive experience and experience as director of other oil and gas companies will continue to complement the mix of skills of the other nominees and provide significant contributions to the Company's Board.



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**INFORMATION REGARDING CORPORATE GOVERNANCE, THE BOARD OF DIRECTORS  
AND COMMITTEES OF THE BOARD**

**Corporate Governance**

We have long believed that good corporate governance is important to ensure that the Company is managed for the long-term benefit of its stockholders. We periodically review our corporate governance policies and practices and compare them to those suggested by various authorities in corporate governance and to the practices of other public companies. In the past few years, as part of our ongoing efforts to improve our governance practices, we have implemented a number of new policies, including a majority vote for director elections, director stock ownership guidelines (included in our Corporate Governance Guidelines), officer stock ownership guidelines (discussed in Compensation Discussion and Analysis below) and a political contributions policy (available on our website under Corporate Governance ). We also continually review the rules and regulations promulgated under the Sarbanes-Oxley Act of 2002, all new and proposed rules and regulations of the SEC and all new and proposed listing and compliance standards of the NYSE, on which our common stock is listed, to ensure compliance with all applicable requirements. The corporate governance policies implemented by us to meet these requirements are available on our website, [www.swn.com](http://www.swn.com), under the section Corporate Governance and include our:

Audit Committee Charter;

Compensation Committee Charter;

Nominating and Governance Committee Charter;

Corporate Governance Guidelines, which include a majority vote for director elections and our director stock ownership guidelines;

Business Conduct Guidelines;

Political Contributions Policy;

Code of Ethics for Section 406 Officers;

Confidential Complaint Procedures for Questionable Accounting Practices;

Non-Retaliation Policy; and

Procedures for Contacting the Board/Presiding Director.

Copies of all of these documents are also available in print free of charge to any stockholder upon request to our Investor Relations Department located at our corporate headquarters and reachable at (281) 618-4700.

### **Identifying and Evaluating Nominees for Director**

The Nominating and Governance Committee of our Board has been delegated the responsibility of selecting candidates for Board membership and for extending invitations to join the Board. The Nominating and Governance Committee is responsible for screening candidates (in consultation with the Chief Executive Officer, or CEO), for establishing criteria for nominees and for recommending to the Board a slate of nominees for election to the Board at the Annual Meeting. After a concurrent review of all candidates by the Nominating and Governance Committee and the CEO, various directors interview the potential candidates and report their conclusions to the Nominating and Governance Committee, together with a recommendation of final candidates for interview by the members of the Nominating and Governance Committee. The Nominating and Governance Committee then interviews the final candidates and recommends to the full Board candidates for election based upon the results of the interview. Final approval of any candidate is made by the full Board. Candidates are selected for their character, judgment, business experience and specific areas of expertise, among other relevant considerations, such as the requirements of applicable law and listing standards.

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The Board recognizes the importance of soliciting new candidates for membership on the Board and that the needs of the Board, in terms of the relative experience and other qualifications of candidates, may change over time. Candidates for membership on the Board may be suggested by any director or stockholder, and the Board may retain professional search firms to identify suitable candidates. Stockholders may nominate candidates for directors by following the procedures described below under Stockholder Nominations.

### **Selection Criteria for Nominees for Directors**

Each member of the Board is expected to bring a valuable and often different perspective to the governance of the Company. When these differing skill sets are combined in an environment of interaction and respect, they give a greater overall skill set to the Board and provide a strong governance structure. Our Corporate Governance Guidelines, which are available on our website at [www.swn.com](http://www.swn.com) under Corporate Governance, set forth certain criteria that apply to the selection of director candidates:

Each director nominee should be an individual of the highest character and integrity and have the ability to work well with others;

Each director nominee should have an inquiring mind, vision and good judgment;

Each director nominee should be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director;

Each director nominee should possess substantial and significant business experience in specific areas of expertise that would be important to the Company in the performance of the duties of a director;

Each director nominee's skill set should be complementary to the background and experience of other Board members;

Each director nominee should have sufficient time available to devote to the affairs of the Company in order to carry out the responsibilities of a director; and

Each director nominee should have the capacity and desire to represent the balanced, best interests of all stockholders and objectively appraise management performance.

The Nominating and Governance Committee evaluates the qualifications of each director candidate against the foregoing criteria in connection with its recommendation to the Board concerning each nomination for election or re-election as a director, including members of the Nominating and Governance Committee. The Nominating and Governance Committee, with direct input and advice from our CEO, is responsible for assessing the appropriate mix of skills and characteristics required of Board members based on the Board's perceived needs at a given point in time and periodically reviews and updates the foregoing criteria as deemed necessary. With regard to diversity, the Company is committed to considering candidates for the Board regardless of gender, ethnicity and national origin.

Any search firm retained to assist the Nominating and Governance Committee in seeking candidates will be instructed to seek to include diverse candidates from traditional and nontraditional candidate groups.

Each director's continuation on the Board is reviewed before that director is considered for re-election at the expiration of his or her term. In connection with its annual recommendation of a slate of nominees, the Nominating and Governance Committee, in consultation with the CEO, reviews and assesses the contributions of those directors selected for re-election. At the conclusion of this process, the Chairman of the Nominating and Governance Committee reports the Nominating and Governance Committee's conclusions to the full Board.

### **Stockholder Nominations**

Our bylaws permit stockholders to nominate directors for consideration at an annual meeting of stockholders. Such nominations must be made pursuant to timely notice in writing to the attention of the Secretary of the Company, Southwestern Energy Company, 2350 N. Sam Houston Parkway E. Suite 125, Houston, Texas 77032.

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To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Company not less than 50 or more than 75 days prior to the meeting date; provided, however, that in the event that less than 45 days' notice of the meeting date is given to stockholders, notice by the stockholder must be received no later than the close of business on the 15th day following the day on which notice of the meeting date was mailed. As set forth in more detail in our bylaws, the written notice must set forth (a) as to each nominee whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the nominee, (ii) the principal occupation or employment of the nominee, (iii) the class and number of shares of capital stock of the Company which are owned, beneficially or of record, by the nominee, (iv) any other information relating to the nominee that is required to be disclosed in solicitations for proxies for election of directors in a contested election pursuant to Schedule 14A under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules and regulations promulgated thereunder and (v) a description of all direct and indirect compensation; and (b) as to the stockholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made, (i) the name and record address of the stockholder, as they appear in the Company's books, and of such beneficial owner, (ii) the class and number of shares of capital stock of the Company that are beneficially owned by the stockholder, (iii) a description of all arrangements or understandings between such stockholder and any such beneficial owner and each proposed nominee and any other person or persons (including their names) pursuant to which nominations are to be made by such stockholder, (iv) to the extent not required by any of the above, any disclosure that would be required pursuant to Item 5 or Item 6 of Schedule 13D under the Exchange Act if applicable to such stockholder and such beneficial owner and any other information relating to such stockholder and beneficial owner that is required to be disclosed in solicitations for proxies for election of directors in a contested election pursuant to Schedule 14A under the Securities Exchange Act; and (v) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in the notice. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as a director of the Company.

It is the policy of the Nominating and Governance Committee to consider properly submitted stockholder nominations for directors as described above under "Identifying and Evaluating Nominees for Directors." In evaluating such nominations, the Nominating and Governance Committee seeks to address the criteria set forth above under "Selection Criteria for Nominees for Directors."

### **Director Independence**

As set forth in the Company's Corporate Governance Guidelines, which are available on our website at [www.swn.com](http://www.swn.com) under "Corporate Governance," it is the policy of the Board that a majority of the members of the Board be independent of the Company's management. For a director to be deemed independent, the Board must affirmatively determine that the director has no material relationship with the Company or its affiliates (either directly or as a partner, stockholder or officer).