

SEITEL INC
Form 10-K/A
March 27, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the fiscal year ended December 31, 2013

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____

Commission File Number: 001-10165

SEITEL, INC.

(Exact name of registrant as specified in its charter)

Delaware

76-0025431

(State or other jurisdiction of incorporation or
organization)

(I.R.S. Employer Identification No.)

10811 S. Westview Circle Drive, Building C, Suite 100

77043

Houston, Texas

(Address of principal executive offices)

(Zip Code)

(Registrant's telephone number, including area code) (713) 881-8900

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act).

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The equity interests in the registrant are not held publicly. On March 24, 2014 there were a total of 100 shares of common stock, par value \$0.001 per share, outstanding.

EXPLANATORY NOTE

This Amendment No. 1 to the Annual Report on Form 10-K/A (this “Amendment No. 1”) of Seitel, Inc. (“Seitel” or the “Company”) amends the Company’s Annual Report on Form 10-K for the year ended December 31, 2013, which was filed with the Securities and Exchange Commission (“SEC”) on February 21, 2014 (the “Original Filing”). The Company is filing this Amendment No. 1 solely to file Part III (Items 10 through 14) information. This Form 10-K/A speaks as of the original filing date of the Form 10-K, does not reflect events which may have occurred since the original filing date, and does not amend or modify any disclosure made in the Form 10-K except to incorporate Part III, Items 10 through 14. This additional disclosure does not revise or alter the Company’s financial statements and any forward-looking statements contained in the Form 10-K. As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this Amendment No. 1 contains new certifications by our principal executive officer and principal financial officer and are being filed or furnished as exhibits to this Amendment No. 1.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers

The following table sets forth the name, age as of March 24, 2014, and position of each person who is currently an executive officer or director of our company.

Name	Age	Position
Robert D. Monson	58	President, Chief Executive Officer and Director
Kevin P. Callaghan	61	Chief Operating Officer, Executive Vice President and Director
Marcia H. Kendrick	53	Chief Financial Officer, Executive Vice President, Assistant Secretary and Treasurer
Stephen G. Hallows	60	Health Safety Security Environment & Sustainable Development (“HSSE & SD”) Senior Vice President
JoAnn Lippman	61	General Counsel, Senior Vice President and Secretary
David A. Richard	55	President-Seitel Canada Ltd.
Randall A. Sides	47	President-Seitel Data, Ltd.
Allison A. Bennington	50	Director
Ryan M. Birtwell	31	Director
Dalton J. Boutte	59	Director
Kyle N. Cruz	38	Director
Jay H. Golding	68	Director
John E. Jackson	55	Director
Daniel R. Osnoss	32	Director
Gregory P. Spivy	45	Chairman of the Board of Directors

Robert D. Monson has been our President and Chief Executive Officer and one of our directors since December 2004. He previously served as our Chief Financial Officer from May 2004 until December 2004 and served as Secretary from August 2004 until December 2004. Mr. Monson has over 25 years of experience in the oil and gas industry, including over 12 years in the international seismic industry. Prior to joining Seitel, he served in various capacities with Schlumberger Limited (“Schlumberger”), a New York Stock Exchange, Inc. listed company, since 1985. In his last position with Schlumberger, Mr. Monson served as business segment chief financial officer for Schlumberger Well Services and the worldwide controller for Oilfield Technology Centers. Prior to this, he served as worldwide director

of human resources for financial personnel of Schlumberger Limited. From 1998 to 2000, he served as chief financial officer of Schlumberger Oilfield Services-UK. From 1985 to 1998, he served as either treasurer or controller to other Schlumberger entities, including assignments in the New York headquarters and various international locations. Since May 2011, Mr. Monson has also served on the board of Seitel Holdings, Inc. (“Holdings”). Mr. Monson’s qualifications to serve on our board of directors (the “Board”) include his long tenure as one of our directors, as well as his extensive background in the oil and gas industry and his many years of business experience.

Kevin P. Callaghan has been our Chief Operating Officer and Executive Vice President since June 2002 and one of our directors since January 2010. Since joining Seitel in 1995, Mr. Callaghan has held various positions with Seitel Data, Ltd. and Seitel Canada Ltd., both wholly-owned subsidiaries. He has been Executive Vice President of Seitel Data, Ltd. since May 2003 and has been Executive Vice President of Seitel Canada Ltd. since December 2004. Before joining us, he spent 24 years in the seismic industry in various operational and managerial positions in several companies, including his last position as Vice President of North and South American Operations for Digicon Geophysical Corporation. He has been a director of Wandoo Energy LLC (“Wandoo”), a privately owned oil and gas prospecting company in which Seitel has a 20% ownership interest, since November 2005. Since May 2011, Mr. Callaghan has also served on the board of Holdings. Mr. Callaghan’s extensive seismic industry experience and his various operational and management positions bring valuable managerial and corporate governance skills to the full Board.

Marcia H. Kendrick, CPA, has been our Chief Financial Officer and Executive Vice President since October 2009, and our Treasurer since May 2005. She has been our Assistant Secretary since February 2012 and was Secretary from October 2009 to January 2012. She was our Chief Accounting Officer and Assistant Secretary from August 1993 to October 2009 and Senior Vice President from September 2001 to October 2009. Ms. Kendrick also served as our interim Chief Financial Officer from December 2004 to July 2005 and from June 2002 to May 2004. Prior to joining Seitel in 1993, she was employed by Arthur Andersen LLP, where her last position was Director of Finance and Administration.

Stephen G. Hallows joined Seitel in April 2013 as our HSSE & SD Senior Vice President. From January 2011 to April 2013, Mr. Hallows held the title of HSSE Specialist, Western Hemisphere at BP America Inc., Subsurface (“BP”), an oil and gas exploration company. Prior to joining BP, Mr. Hallows held a number of strategic health, safety and environmental (“HSE”) positions with CGG, a global provider of seismic services. These positions included Group Senior Vice President, Sustainable Development and Health Safety Environment (SD & HSE) and Vice President QHSES. Prior to his 11 year tenure with CGG, Mr. Hallows served as Principal OHS Advisor for Santos Limited, an Australian hydrocarbon production company. Mr. Hallows’ international industry experience also includes service as a geophysical and HSE consultant/manager with hydrocarbon exploration companies including Geophysical Consultants Limited in Axminster, UK, and Geosource/Halliburton Geophysical Services.

JoAnn Lippman joined Seitel as our General Counsel, Senior Vice President and Secretary in February 2012, bringing more than 25 years of legal experience to the Company, including 11 years in private practice with the international law firm Haynes & Boone, LLP. Prior to joining Seitel, from 2006 to 2012, Ms. Lippman gained extensive international seismic expertise at CGG where she held a number of key strategic legal roles including her last position as General Counsel, Head of Legal Affairs-North America.

David A. Richard has been President of Seitel Canada Ltd. since July 2009. From June 2008 to July 2009, he was our Senior Vice President responsible for corporate business development activities in both the United States and Canada. Prior to joining us in June 2008, Mr. Richard was co-founder, President and Chief Executive Officer of FX Energy Ltd, a private junior oil and gas company, from 2005 to 2008. He was President and Chief Executive Officer of Kelman Technologies Inc., an oil and gas technology company which performs seismic data processing and data management services, from 1999 to 2005. In addition, Mr. Richard was Chief Executive Officer of IHS Energy Group, a global energy information and software company, from 1996 to 1999. Mr. Richard was a director of Boyd Exploration Consultants Ltd., a seismic interpretation and field operations consulting company, from June 2006 until September 2010, at which time it was sold.

Randall A. Sides has been President of Seitel Data, Ltd. since July 2009. He joined us in July 1996 as Manager of Onshore Operations for Seitel Data, Ltd. In November 2002, he was promoted to Vice President-Onshore Operations for Seitel Data, Ltd. and in January 2005 he was promoted to Senior Vice President-Operations for Seitel Data, Ltd.

He was appointed President of Seitel Canada Ltd. in May 2007, where he served until becoming president of Seitel Data, Ltd. Prior to joining Seitel, he was a geophysical analyst with Western Geophysical, Inc. from 1991 to 1996.

Allison A. Bennington has been one of our directors since January 2010 and one of Holdings' directors since May 2011. She is the General Counsel and a Partner of ValueAct Capital Management, L.P. ("ValueAct Capital Management"), the investment manager of ValueAct Capital Master Fund, L.P. ("ValueAct Capital"). Ms. Bennington is a member of the Advisory Board of Harvard Law School's Program on Corporate Governance. Prior to joining ValueAct Capital Management in April 2004, Ms. Bennington was the General Counsel of Atriax, Ltd., a joint venture of Deutsche Bank, J.P. Morgan Chase, Citibank and Reuters that was formed to establish a global foreign exchange internet trading market. From January 1999 to May 2000, Ms. Bennington was a Managing Director of Robertson Stephens, a full service investment bank. Previous to joining Robertson Stephens, she was an associate, and then a partner in the London office of Brobeck Hale and Dorr International, where she specialized in cross-border mergers and acquisitions and corporate finance transactions. Ms.

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Bennington was with Brobeck Hale and Dorr International from January 1993 to November 1998. Before joining Brobeck Hale and Dorr International, Ms. Bennington was an Associate with Brobeck Phleger and Harrison in San Francisco from 1990 to 1993. Ms. Bennington's qualifications to serve on our Board include her extensive background in legal, corporate and governance matters.

Ryan M. Birtwell, CFA, has been one of our directors since January 2010 and one of Holdings' directors since May 2011. He is a Partner at ValueAct Capital Management, having joined in June 2004. Mr. Birtwell has been a director of KAR Auction Services, Inc. since June 2013. He received a B.A. from Middlebury College in 2004 and is a CFA charterholder. Mr. Birtwell's qualifications to serve on our Board include his extensive experience in the financial services industry, together with his background in advising portfolio companies of ValueAct Capital.

Dalton J. Boutte has been one of our directors and one of Holdings' directors since July 2011. He retired from Schlumberger in February 2013 after 32 years of service. Most recently, he was Executive Vice President from 2004 to 2010, and President of WesternGeco, Schlumberger's seismic data services subsidiary, from 2003 to 2009. Prior to this, he was worldwide Vice President of Operations for Schlumberger's Oilfield Services from 2001 to 2003 and President of Europe/Africa/CIS from 2000 to 2001. Mr. Boutte's qualifications to serve on our Board include his extensive and varied experience in the seismic industry.

Kyle N. Cruz has been one of our directors and one of Holdings' directors since May 2011. Mr. Cruz joined Centerbridge Partners, L.P. ("Centerbridge Partners") in 2007 and is a Senior Managing Director. He currently focuses on investments in the Industrials and Energy & Power sectors. Prior to joining Centerbridge Partners, Mr. Cruz was a Vice President at Diamond Castle Holdings ("Diamond Castle"), a private equity firm founded by former senior professionals of DLJMB. Prior to Diamond Castle, Mr. Cruz had worked as an Associate at DLJMB and J.W. Childs Associates, a Boston-based private equity firm. Mr. Cruz began his career as an Analyst in the Mergers & Acquisitions department of Goldman Sachs. Mr. Cruz serves on the Boards of Directors of Patriot Container Corp., Aquilex Holdings LLC, and Penhall Holding Company. Mr. Cruz's qualifications to serve on our Board include his experience as a director of other companies, his advisory experience with Centerbridge Partners' investments as well as his extensive financial services industry experience generally.

Jay H. Golding has been one of our directors since April 2007 and one of Holdings' directors since May 2011. He was also previously one of our directors from December 2004 until February 2007. Mr. Golding currently serves as President of Port Chester Industries, a privately held merchant banking entity. From 1981 to 1989, he served as either president or chairman and chief executive officer of Hi-Port Industries. Mr. Golding serves on the boards of multiple privately held companies and is a former director of publicly traded companies Sterling Electronics, Data Transmission Network Corp. and Falcon Oil & Gas. Mr. Golding serves on the boards of several non-profit organizations and previously served on the board of the Congregation Beth Israel. Mr. Golding's qualifications to serve on our Board include his varied experience as a director on the boards of several private companies, his financial literacy and his extensive business experience in the financial industry.

John E. Jackson has been one of our directors since August 2007. Mr. Jackson has also served on the board of Holdings since May 2011. Mr. Jackson is currently President and Chief Executive Officer of Spartan Energy Partners, LP, a gas gathering, treating and processing company. Mr. Jackson was Chairman, Chief Executive Officer and President of Price Gregory Services, Inc., a pipeline-related infrastructure service provider in North America, from February 2008 until its sale in October of 2009. He served as a director of Hanover Compressor Company ("Hanover"), now known as Exterran Holdings, Inc., from July 2004 until May 2010. Mr. Jackson served as Hanover's President and Chief Executive Officer from October 2004 to August 2007 and as Chief Financial Officer from January 2002 to October 2004. Mr. Jackson has been a director of Select Energy Services, a privately owned total water management company for oil and gas companies, since January 2012, RSH Energy, a privately owned engineering, survey and inspection firm since September 2013 and Main Street Capital, a publicly traded specialty investment company since

August 2013. He also serves on the board of a non-profit organization. Mr. Jackson's qualifications to serve on our Board include his many years as an executive and director with companies in the oil and gas industry, his financial literacy and his in-depth knowledge of our business.

Daniel R. Osnoss has been one of our directors and one of Holdings' directors since May 2011. Mr. Osnoss joined Centerbridge Partners in 2009 and is a Managing Director. He focuses on investments in a variety of industry sectors. Prior to joining Centerbridge Partners, Mr. Osnoss was an Associate at Berkshire Partners LLC ("Berkshire"), a private equity firm from 2005 to 2007. Prior to Berkshire, he was an Investment Banking Analyst in the Leveraged Finance Group at Goldman Sachs from 2003 to 2005. Mr. Osnoss graduated with a B.A. in Economics, summa cum laude, Phi Beta Kappa from Yale College in 2003. He received his M.B.A. with distinction from the Harvard Business School in 2009. Mr. Osnoss serves on the Boards of Directors of Champion Enterprises Holdings, LLC and Focus Financial Partners, L.L.C. and is a former

director of Culligan Newco Ltd. Mr. Osnos's qualifications to serve on our Board include his extensive experience in the financial services industry, together with his advisory experience with Centerbridge Partners' investments.

Gregory P. Spivy has been one of our directors since March 2006 and Chairman of the Board since October 2011. Mr. Spivy has also served on the board of Holdings since February 2007. He is a Partner of ValueAct Capital Management, having joined in September 2004. Prior to joining ValueAct Capital Management, Mr. Spivy worked with Gryphon Investors, a private equity fund with \$500 million in investments. Previously, Mr. Spivy was a Managing Director at Fremont Partners ("Fremont"), a private equity firm. Prior to joining Fremont, Mr. Spivy was a Director with The Bridgeford Group, and began his career in the mergers and acquisitions department of Lehman Brothers. Mr. Spivy is the former chairman of MSD Performance, Inc. and a former director of KAR Auction Services, Inc., MDS, Inc., MSC Software Corp. and PRA International. Mr. Spivy's qualifications to serve on our Board include his tenure as a director here, his experience as a director of other public and private corporations, his advisory experience with ValueAct Capital's portfolio companies as well as his extensive financial services industry experience generally.

Board Composition

The Board is composed of ten directors. Each director serves for annual terms until his or her successor is elected and qualified. We do not have a standing nominating committee, as decisions related to the composition of the Board are made pursuant to the terms of the Securities Holders Agreement described under "Item 13. Certain Relationships and Related Party Transactions, and Director Independence." Due to this, and due to the fact that we are a wholly-owned subsidiary of Holdings, there is no need for policies or procedures regarding the recommendations of security holders for nominees to the Board.

Committees of the Board of Directors

Although we are a privately owned company that is not required to have a formal compensation committee in place, our compensation decisions have been made by a committee consisting of two members of the Board, Messrs. Spivy and Cruz. This committee is empowered to review and approve the annual compensation and compensation structure of our executive officers and management compensation generally.

We continue to have a standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act, of which Mr. Jackson is the chairman and Mr. Golding is a member. The audit committee reviews and monitors our financial reporting, external audits, internal control functions and compliance with laws and regulations that could have a significant effect on our financial condition or results of operations. In addition, the audit committee has the responsibility to consider and appoint, and to review fee arrangements with, our independent registered public accounting firm. Messrs. Jackson and Golding each qualify as an audit committee financial expert, within the meaning of Item 407(d)(5) of Regulation S-K promulgated by the SEC. Messrs. Jackson and Golding are each "independent" (as that term is defined in Section 303A of the New York Stock Exchange's Listed Company Manual), and are each able to read and understand fundamental financial statements.

Section 16(a) Beneficial Ownership Reporting Compliance

Our officers, directors and 10% beneficial owners are not subject to Section 16(a) of the Exchange Act as we did not have a class of equity securities registered pursuant to Section 12 of the Exchange Act during the year ended December 31, 2013.

Code of Ethics

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We have adopted a Code of Ethics that applies to our principal executive officer, principal financial officer and principal accounting officer or any person performing similar functions (the “Code of Ethics”). The Code of Ethics is available on the Corporate Governance page of our website at www.seitel.com/investor-relations/Pages/Corporate-Governance.aspx. If we ever were to amend or waive any provision of the Code of Ethics, we intend to satisfy our disclosure obligations with respect to any such waiver or amendment by posting such information on our internet website set forth above rather than by filing a Form 8-K.

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Item 11. Executive Compensation

Compensation Discussion and Analysis

Overview

The compensation committee of the Board (the “Committee”) is empowered to review and approve the annual compensation and compensation structure of our executive officers and management compensation generally. The Committee approves and recommends to the Board the compensation for all executive officers and does not delegate any of its functions to others. The Chief Executive Officer, however, makes recommendations to both the Committee and the Board with respect to the compensation of the Company's senior management (other than with respect to the Chief Executive Officer).

The principal objectives of our compensation program are to provide an overall compensation package that will attract and retain the most highly qualified executives and provide incentives to create value for our stockholders. In 2013, the total compensation program for our executive officers consisted of five primary components: base salary, annual cash incentive bonuses, equity awards under the Seitel Holdings, Inc. 2007 Non-Qualified Stock Option Plan, as amended (the “Holdings 2007 Stock Option Plan”), long-term cash incentive bonuses under the Long-Term Incentive Plan (the “LTIP”) and personal benefits. While accounting treatment is considered when structuring the components of our compensation program, these considerations are secondary to the overall objectives of the compensation program described above.

The Committee does not engage in benchmarking or conduct peer group comparisons or studies in approving the compensation of our executive officers. In addition, the Committee did not engage a compensation consultant during 2013 to assist in determining appropriate levels of compensation. Instead, the type and amount of compensation paid to our executive officers is determined based on the extensive industry experience of the members of the Committee, with the goal of setting compensation at levels that are sufficient to attract and retain the most highly qualified executives who will help create shareholder value. In determining appropriate levels of compensation, the Committee may consider overall past compensation and incentives. Furthermore, the Committee does not target a specified percentage of compensation as short-term or long-term compensation, or cash or equity-based compensation.

The disclosure that follows relates to the compensation of our Chief Executive Officer, our Chief Financial Officer and our three highest compensated executive officers during 2013 other than our Chief Executive Officer and Chief Financial Officer. We refer to these individuals throughout the disclosure as our “named executive officers.” This disclosure contains statements regarding certain performance targets and goals we have used or may use to determine appropriate compensation. These targets and goals are disclosed in the limited context of our compensation program and should not be understood to be statements of management's expectations or estimates of financial results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Risk Assessment

The Company has reviewed its compensation policies and practices for all employees and has concluded that any risks arising from such policies and practices are not reasonably likely to have a material adverse effect on the Company. We believe that our compensation policies and practices (x) provide an appropriate mix of short-term and long-term compensation and (y) promote a focus on strategic goals and long-term success, and therefore limit the incentive of our employees to take excessive risks.

Compensation Elements

As described above, during 2013, the compensation of our named executive officers consisted of five primary elements: base salary, annual cash incentive bonuses, equity awards, long-term cash incentive bonuses and personal benefits. Each of these elements of compensation is described in detail below. 2013 base salaries and bonus opportunities for the named executive officers were determined pursuant to the terms of their employment agreements with the Company.

Base Salaries

We believe that base salaries for named executive officers should adequately compensate them for their day-to-day work for us and should be set at levels that allow us to compete for, and retain, executive talent. During 2013, the base salaries for the named executive officers were determined in accordance with the terms of their employment agreements, which allows for increases by the Board or the Committee when appropriate. The Committee continues to evaluate our named executive

officers' base salaries to ensure that they are competitive and that we are able to attract and retain talented executives. During 2013, Ms. Lippman's base salary was increased to \$300,000 in order to better align her salary with the Company's other named executive officers. Effective as of January 1, 2014, the base salaries of the named executive officers were increased as follows: Mr. Monson (\$668,000 to \$688,000); Ms. Kendrick (\$319,000 to \$329,000); Mr. Callaghan (\$497,000 to \$512,000); Mr. Hallows (\$300,000 to \$309,000); and Ms. Lippman (\$300,000 to \$309,000). These increases were made in recognition of the named executive officers contributions to the Company, as well as to provide a cost-of-living increase to the named executive officers.

Annual Bonuses

We pay cash bonuses to our named executive officers pursuant to the terms and conditions of an annual incentive plan approved by the Committee. Under this plan, company-wide financial performance goals are pre-established and a named executive officer's bonus is based on our performance in relation to these pre-established goals. Bonuses are based on a percentage of the executive's base salary. If the target financial performance goal is achieved, the executive is entitled to a "target bonus." If the maximum financial performance goal is achieved or exceeded, the executive is eligible to earn the "maximum bonus." The percentages of base salary payable to each named executive officer with respect to 2013 performance under the "threshold bonus," the "target bonus" and the "maximum bonus" are set forth in the table below.

Name	Threshold Bonus %	Target Bonus %	Maximum Bonus %
Mr. Monson	0%	100%	158%
Ms. Kendrick	0%	70%	110%
Mr. Callaghan	0%	80%	120%
Mr. Hallows	0%	50%	90%
Ms. Lippman	0%	50%	90%

For 2013, the Committee determined that the annual bonus for the named executive officers would be based on Cash EBITDA as defined and calculated under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Measures, Cash EBITDA" in our Annual Report on Form 10-K for the year ended December 31, 2013 before consideration of 2013 bonus expense ("Cash EBITDA before bonus"). The Committee determined that Cash EBITDA before bonus was an appropriate performance goal because it reflects the level of cash generated by the Company available for debt service and growing the business.

In determining the financial performance levels under the annual incentive plan, the Committee established a threshold, target and maximum level of performance for the performance goal. Where the level achieved under the performance goal falls between the threshold level and target or target and maximum level, the bonus is determined by interpolation (specifically, if performance exceeds target but is less than maximum, the bonus equals the target bonus, plus the product of (x) the difference between the maximum bonus and the target bonus and (y) a fraction, the numerator of which equals the excess of actual performance over target performance and the denominator of which equals the excess of the maximum performance goal over the target performance goal). No bonuses are payable with respect to a performance goal if the level of performance attained is below the threshold level. The chart below contains the threshold, target and maximum performance goals established by the Committee for 2013 under our annual incentive plan (in thousands):

Performance Measure	Threshold	Target	Maximum
Cash EBITDA before bonus	\$ 114,000	\$ 127,000	\$ 140,000

During 2013, the Company achieved Cash EBITDA before bonus of \$75.4 million. Accordingly, each of the named executive officers were not eligible to receive the 2013 bonuses.

While the Company did not pay bonuses to our named executive officers pursuant to our annual incentive plan, a discretionary bonus was paid to Mr. Hallows and Ms. Lippman equal to 3% of their base salary earned in 2013 (or \$6,410 and \$8,380, respectively). Neither of these named executive officers were participants in the Company's long-term incentive plan due to their employment with the Company beginning after the 2010 and 2011 plans were established. Therefore, they did not receive a payout under the 2011 LTIP in 2014 as the other named executive officers did. As a result, a small discretionary bonus was paid to Mr. Hallows and Ms. Lippman to reward them for their contributions to the Company.

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Equity-Based Compensation

Holdings, our parent company, maintains the Holdings 2007 Stock Option Plan, the Seitel Holdings, Inc. Amended and Restated 2008 Restricted Stock and Restricted Stock Units Plan (the "Holdings Restricted Stock Plan") and the Seitel Holdings, Inc. 2012 Non-Qualified Stock Option Plan (the "Holdings 2012 Stock Option Plan"). Pursuant to the terms of these plans, our key employees and non-employee directors are eligible to receive awards of stock options, restricted stock and restricted stock units. In April 2013, Mr. Hallows was granted 3,000 options under the Holdings 2007 Stock Option Plan which vest 25% on each anniversary date. Also in April 2013, Ms. Lippman was granted 1,000 options under the Holdings 2007 Stock Option Plan in which 25% vested immediately and the remaining options will vest 25% on February 1 in years 2014, 2015 and 2016. The Company did not utilize the other two equity plans during the 2013 year, but certain named executive officers do have outstanding equity awards under each of these two plans.

See "Grants of Plan-Based Awards Table" below for more on the stock options granted under the Holdings 2007 Stock Option Plan in the 2013 year.

Long-Term Incentive Bonuses

In 2011, we adopted the Long-Term Incentive Plan. Under the LTIP, our named executive officers at the time of adoption of the LTIP, as well as other participants, were eligible to receive additional cash bonuses from a bonus pool based on the Company's achievement of target levels of Cash EBITDA before bonuses related to the LTIP less net cash capital expenditures ("Fiscal Year Net Cash") over a three year period. Although the LTIP was formally adopted in 2011, the LTIP and the applicable targets under the LTIP for the 2010 fiscal year were selected in 2010 prior to the formalization of the LTIP; therefore, the first three-year period for the LTIP ran from 2010 to 2012. In 2012, the Board suspended new awards under the LTIP because 2012 long-term compensation was granted to certain of the named executive officers under the Holdings 2012 Stock Option Plan. However, the LTIP awards granted in 2010 and 2011 remained in place, with payouts for the 2010 - 2012 performance period being made in January 2013, and payouts for the 2011 - 2013 performance period being made in January 2014.

The bonus pool for each three-year bonus period under the LTIP equals 15% of the difference between the Company's actual Fiscal Year Net Cash for the first year of the bonus period and the target Fiscal Year Net Cash for such year. Each participant's bonus under the LTIP for a three-year bonus period equals the product of (x) the total bonus pool for such bonus period and (y) the ratio of the participant's target bonus under our annual cash incentive plan for the first fiscal year of the bonus period to the aggregate target bonuses of all participants under our annual cash incentive plan for the first fiscal year of the bonus period, provided that each participant's bonus for the three-year bonus period is limited to his or her target bonus under our annual cash incentive plan for the first fiscal year of the bonus period.

One-third of the bonus, if any, determined as provided above for a three-year bonus period is earned immediately upon completion of the first year of the bonus period, one-third of such bonus is earned if the cumulative Fiscal Year Net Cash after the first two years of the bonus period equals or exceeds the cumulative target Fiscal Year Net Cash for such two-year period and one-third of such bonus is earned if the cumulative Fiscal Year Net Cash during the entire bonus period equals or exceeds the cumulative target Fiscal Year Net Cash for the entire bonus period. If the cumulative Fiscal Year Net Cash after two or three years does not equal or exceed target cumulative Fiscal Year Net Cash for years two or three of the bonus period, respectively, then the portion of the bonus scheduled to be earned for such period will be forfeited. Bonuses earned under the LTIP will be paid within 60 days following the end of the three-year bonus period, provided that the participant remains employed on such date. If a participant in the LTIP is not employed on such date for any reason, the bonus applicable to such individual will be forfeited.

The year one Fiscal Year Net Cash target under the LTIP for the three-year bonus period commencing in 2011 (the “2011 Plan Year”) was \$32,640,000. The Company's 2011 actual results exceeded the goal resulting in a bonus pool for eligible participants for the 2011 Plan Year of approximately \$1,796,000. One-third of the bonus pool, or approximately \$599,000, was earned in 2011 and was paid in January 2014. Because the Company's cumulative actual Fiscal Year Net Cash for 2011 - 2012 was less than the pre-established cumulative target Fiscal Year Net Cash for 2011 - 2012, one-third of the bonus pool for the 2011 Plan Year, or approximately \$599,000, was forfeited in 2012. The remaining one-third of the 2011 Plan Year bonus pool, or approximately \$599,000, was forfeited in 2013 because the Company's cumulative actual Fiscal Year Net Cash for 2011 - 2013 was less than the pre-established cumulative target Fiscal Year Net Cash for 2011 - 2013.

For each named executive officer who was a participant in the LTIP, his or her share of the 2011 Plan Year bonus pool, as well as the portion of such share (i) earned in 2011, (ii) forfeited during 2012 and (iii) forfeited in 2013, is as follows:

Name	Share of 2011 Plan Year Bonus Pool	Bonus Earned in 2011	Forfeited Bonus in 2012	Forfeited Bonus in 2013
Mr. Monson	\$500,796	\$166,932	\$166,932	\$166,932
Ms. Kendrick	166,932	55,644	55,644	55,644
Mr. Callaghan	260,412	86,804	86,804	86,804

Mr. Hallows and Ms. Lippman were not employed with the Company at the time of the 2011 Plan Year grants and therefore were not participants in such plan.

Other Benefits

All employees, including named executive officers, are eligible to participate in our health and welfare benefit programs and to participate in and receive employer matching contributions under our 401(k) plan in the U.S. or the Registered Retirement Savings Plan (“RRSP”) in Canada.

Named executive officers were provided with company-paid life and supplemental disability insurance during the 2013 year.

Attributed costs of the personal benefits described above for the named executive officers for the fiscal year ended December 31, 2013, are included in the Summary Compensation Table below.

Employment and Severance Arrangements

Each of the named executive officers is party to an employment agreement with the Company that provides certain severance benefits in the event of a termination of the named executive officer’s employment in limited circumstances. These employment agreements, including the severance provisions, are described below in “Potential Payments Upon Termination of Employment or Change in Control.”

In addition, if applicable, each of our named executive officers is entitled to receive payment of his or her vested restricted stock units in the event of disability or any termination of employment, and is entitled to receive accelerated vesting of his or her unvested stock options other than those granted under the Holdings 2012 Stock Option Plan (those stock options not granted under the Holdings 2012 Stock Option Plan, the “Non-2012 Stock Option Plan Options”) in the event of certain terminations of employment. For more on these arrangements, see “Potential Payments upon Termination of Employment or Change in Control” below.

IRS Limits on Deductibility

Our equity securities are not publicly held. Accordingly, Section 162(m) of the Internal Revenue Code, which limits the deductibility by publicly held corporations of certain compensation in excess of \$1,000,000 paid to certain employees, does not apply to us and as a result, our compensation program is not structured to comply with it.

Compensation Committee Interlocks and Insider Participation

None of the current members of the Board serving on the Committee are or have been at any time one of the Company’s officers or employees. None of the Company’s executive officers currently serves, or have served during

the last completed fiscal year, as a member of the compensation committee of an entity that has one or more executive officers serving as a member of the Board. Two of the Company's executive officers, Mr. Monson and Mr. Callaghan, serve on the board of directors of Holdings, and Mr. Spivy, one of the members of the Board currently serving on the Committee, is the President and a director of Holdings.

Compensation Committee Report

The members of the Board currently serving on the Committee have reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, have recommended to the Board that the Compensation Discussion and Analysis be included in this annual report. The Board members serving as the Committee:

Gregory P. Spivy
Kyle N. Cruz

Summary Compensation Table

The following table reflects amounts earned by our named executive officers for the 2013, 2012 and 2011 fiscal years, as applicable to each executive's service with the Company.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan	All Other Compen- sation (\$) ⁽³⁾	Total (\$)
					Compen- sation (\$) ⁽²⁾		
Robert D. Monson, President and Chief Executive Officer	2013	667,965	—	—	—	17,252	685,217
	2012	648,900	—	849,150	297,663	12,282	1,807,995
	2011	630,000	—	—	1,142,219	12,032	1,784,251
Marcia H. Kendrick, Chief Financial Officer and Executive Vice President	2013	318,986	—	—	—	15,653	334,639
	2012	309,000	—	424,575	99,221	11,802	844,598
	2011	297,083	75,000	⁽⁴⁾ —	375,894	11,552	759,529
Kevin P. Callaghan, Chief Operating Officer and Executive Vice President	2013	496,998	—	—	—	15,064	512,062
	2012	482,040	—	641,556	176,897	12,834	1,313,327
	2011	468,000	—	—	591,300	12,032	1,071,332
Stephen G. Hallows, HSSE & SD Senior Vice President ⁽⁵⁾	2013	213,654	6,410	⁽⁶⁾ 343,680	—	13,963	577,707
JoAnn Lippman, General Counsel and Senior Vice President ⁽⁵⁾	2013	279,346	8,380	⁽⁶⁾ 109,560	—	16,415	413,701

These amounts represent the grant date fair value of stock options granted by Holdings, as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification (“ASC”) Topic 718. The grant date fair value of the options that vest only upon continued service were estimated using the Black-Scholes option pricing model. The grant date fair value of the portion of the options containing both a market and a service condition were valued using the Monte Carlo simulation method. For a discussion of valuation assumptions, see ⁽¹⁾ “Note H - Stock-Based Compensation” in the Notes to the Consolidated Financial Statements in our 2013 Annual Report on Form 10-K. The amounts disclosed in 2012 in the “Option Awards” column assume the maximum achievement of the performance goals under the 2012 stock options.

⁽²⁾

Includes for 2013, 2012 and 2011, the performance-based cash bonus earned pursuant to the annual incentive plan. The threshold level of performance was not achieved in 2013; therefore, no bonuses were paid to our named executive officers pursuant to the annual incentive plan with respect to 2013. Also includes for 2011, the long-term incentive bonuses earned under the LTIP in 2011. Under the LTIP, no portion of the bonus for the 2010 - 2012 bonus period was earned in 2011 or 2012 and no portion of the bonus for the 2011 - 2013 bonus period was earned in 2012 or 2013.

(3) See the table below, titled “Details of All Other Compensation” for details regarding the amounts reported in this column and see the discussion of personal benefits in the Compensation Discussion and Analysis section above for an explanation of these benefits.

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(4) Ms. Kendrick received a \$75,000 discretionary cash bonus related to the successful completion of the May 2011 minority equity investment in Seitel by Centerbridge Capital Partners II, L.P. and Centerbridge Capital Partners SBS II, L.P. (together with Centerbridge Capital Partners II, L.P. "Centerbridge").

(5) This is the first year that Mr. Hallows and Ms. Lippman were named executive officers of the Company and information for prior years is not required to be presented.

(6) As described in the Compensation Discussion and Analysis above, Mr. Hallows and Ms. Lippman received discretionary cash bonuses equivalent to 3% of their base salaries in 2013.

Details of All Other Compensation

Name	Life Insurance Premiums ⁽¹⁾	Supplemental Disability Premiums ⁽²⁾	401(k) Matching Contributions
Robert D. Monson	\$2,322	\$3,430	\$11,500
Marcia H. Kendrick	1,242	2,911	11,500
Kevin P. Callaghan	3,564	—	11,500
Stephen G. Hallows	1,645	818	11,500
JoAnn Lippman	3,564	1,351	11,500

(1) Effective March 1, 2013, the named executive officers were entitled to life insurance coverage which, when combined with the \$50,000 of minimum coverage the Company provided to all U.S. employees, totaled \$500,000. Accordingly, they had \$450,000 in supplemental life insurance protection. Prior to this increase in coverage, the named executive officers received \$200,000 in supplemental life insurance protection.

(2) Effective April 1, 2013, employees with an annual income in excess of \$270,000 were eligible to apply for supplemental individual disability insurance. If approved for such coverage by the insurance provider, the Company pays the employees' premiums associated with this benefit.

Grants of Plan-Based Awards Table

The following table represents the threshold, target and maximum bonus award that each named executive officer was eligible to earn in 2013 under the annual incentive plan and summarizes the grants of stock options during 2013 to certain named executive officers under the Holdings 2007 Stock Option Plan.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			All Other Option Awards; Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
		Threshold	Target	Maximum			
Robert D. Monson		(\$) ⁽²⁾	(\$) ⁽²⁾	\$ ⁽²⁾	(#)	(\$/Sh)	(\$)
Robert D. Monson		\$—	\$668,000	\$1,055,440			
Marcia H. Kendrick		—	223,300	350,900			
Kevin P. Callaghan		—	397,600	596,400			
Stephen G. Hallows		—	106,827	192,289			
	4/15/2013				3,000	258.37	343,860
JoAnn Lippman		—	139,673	251,411			
	4/1/2013				1,000	258.37	109,560

(1) The threshold, target and maximum amounts in these columns have been provided in accordance with Item 402(d) of Regulation S-K of the Exchange Act and show the range of potential payouts.

(2)

Represents the range of payouts under the annual incentive plan as discussed in further detail in the “Compensation Discussion and Analysis.” Due to the fact that the Company did not exceed the threshold level for Cash EBITDA, none of the named executive officers earned a bonus under the plan for 2013.

Outstanding Equity Awards at Fiscal Year End

The following table summarizes certain information regarding option awards outstanding as of December 31, 2013 for each of the named executive officers.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards:		
			Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date
Robert D. Monson	32,787	—			
	600	2,400	(1) 6,000	(2) 258.37	02/15/2017 05/01/2022
Marcia H. Kendrick	4,372	—		193.13	02/15/2017
	3,937	1,313	(3)	193.13	05/03/2020
	300	1,200	(1) 3,000	(2) 258.37	05/01/2022
Kevin P. Callaghan	10,929	—		193.13	02/15/2017
	453	1,813	(1) 4,534	(2) 258.37	05/01/2022
Stephen Hallows	—	3,000	(4)	258.37	04/15/2023
JoAnn Lippman	500	1,500	(5)	258.37	02/01/2022
	166	667	(1) 1,667	(2) 258.37	05/01/2022
	250	750	(5)	258.37	04/01/2023

The unexercisable options will vest and become exercisable in four equal increments on May 1, 2014; May 1,

(1) 2015; May 1, 2016 and May 1, 2017.

One-half of these options vest based on achieving the first level of shareholder return on investment (the “First Level Portion”) and one-half of these options vest based on achieving the second level of shareholder return on investment (the “Second Level Portion”). The First Level Portion will become vested based on ValueAct Capital and certain of its affiliates and Centerbridge Partners and certain of its affiliates realizing both (x) a 2x cash on cash (or equivalent) return on their investment in securities in Holdings (based on the value of such investment as of, and (2) future investments made after, May 23, 2011) and (y) an internal rate of return with respect to their securities in Holdings since May 23, 2011 of at least 15%. If only one of ValueAct Capital and its affiliates or Centerbridge Partners and its affiliates achieves their cash on cash and internal rate of return goals, then the First Level Portion will vest in a percentage equal to the ownership interest of the applicable investor as of May 23, 2011. The Second Level Portion vests in the same manner as the First Level Portion, except that the cash on cash and internal rate of return goals are 2.5x and 20%, respectively.

As a condition to vesting with respect to the First Level Portion and the Second Level Portion, continued employment is required on the date on which the vesting determination is made (which is generally any date on which there is an inflow or outflow of cash in respect of securities held by ValueAct Capital and certain of its affiliates or Centerbridge Partners and certain of its affiliates). However, if the optionholder's employment is terminated without cause, then a specified percentage of both the First Level Portion and the Second Level Portion will remain outstanding for six months following such termination and will be eligible to vest as if no termination of employment had occurred.

(3) The unexercisable options will vest and become exercisable on May 3, 2014.

The unexercisable options will vest and become exercisable in four equal increments on April 15, 2014; April 15, (4) 2015; April 15, 2016 and April 15, 2017.

The unexercisable options will vest and become exercisable in three equal increments on February 1, 2014; (5) February 1, 2015 and February 1, 2016.

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Non-Qualified Deferred Compensation

Name	Aggregate Earnings in Last Fiscal Year ⁽¹⁾	Aggregate Balance at Last Fiscal Year End ^{(1), (2)}
Robert D. Monson	\$ (16,850) \$ 148,248
Marcia H. Kendrick	(4,219) 37,120
Kevin P. Callaghan	(9,071) 79,808

The amounts above are not based upon a traded share price because the Company does not have publicly held equity. The amounts are based upon a share price calculated using an internal valuation model.

The following portion of the amounts described in the “Aggregate Balance at Last Fiscal Year End” column were reported in our Summary Compensation Table (2008) for the named executive officers: Mr. Monson - \$164,862; Ms. Kendrick - \$41,280; and Mr. Callaghan - \$88,752.

Holdings maintains the Holdings Restricted Stock Plan, pursuant to which it is authorized to grant restricted stock units to certain eligible individuals. In 2008, each of the named executive officers was granted a certain number of restricted stock units under the Holdings Restricted Stock Plan except for Mr. Hallows and Ms. Lippman whose employment with the Company began after the restricted stock units issuance. The value of those restricted stock units as of December 31, 2013 is set forth in the table above.

A restricted stock unit is not an actual share of Holdings’ common stock, and thus does not confer any shareholder rights on its holder. Rather, a restricted stock unit represents the right to receive one share of Holdings’ common stock on the settlement date, which is generally the earlier of a termination of employment for any reason, death, disability or a change in control. Following a grantee’s termination of employment, all shares of Holdings’ common stock received in settlement of restricted stock units are subject to Holdings’ repurchase right. Until restricted stock units are settled, they are credited to a book-keeping account and track the value of Holdings’ common stock. In addition, each time a dividend is declared on Holdings’ common stock, the Committee may credit each outstanding restricted stock unit with dividend equivalents that are deemed to be reinvested in restricted stock units. As of December 31, 2013, Messrs. Monson and Callaghan and Ms. Kendrick were credited with 639, 344 and 160 restricted stock units, respectively.

For purposes of the restricted stock units, a “change in control” generally means (i) the acquisition by any person or group of more than 50% of the voting power of Holdings, (ii) a sale of more than 40% of Holdings’ assets during any period of 12 consecutive months or (iii) a change in the composition of a majority of the Board during any period of 12 consecutive months. “Disability” generally means a grantee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering the Company's employees.

Potential Payments upon Termination of Employment or Change in Control

In 2007, we entered into employment agreements with Messrs. Monson and Callaghan. In February 2012, we entered into an employment agreement with Ms. Kendrick. Ms. Lippman and Mr. Hallows signed employment agreements when they began their employment with Seitel in February 2012 and April 2013, respectively. These employment agreements provide for certain payments upon termination of employment as described below. In addition, if applicable, each of our named executive officers is entitled to receive payment of his or her restricted stock units upon a termination of employment, death, disability or a change in control, and is entitled to receive accelerated vesting of his or her Non-2012 Stock Option Plan Options upon certain terminations of employment and upon a change in

control. The amount that each named executive officer would have received with respect to his or her restricted stock units in the event of a termination of employment, death, disability or change in control, in any case, on December 31, 2013, is set forth in the “Aggregate Balance at Last Fiscal Year End” column in the Non-Qualified Deferred Compensation Table above.

Robert D. Monson

On January 30, 2007, the Company entered into an employment agreement with Mr. Monson that was effective February 14, 2007. The agreement provides for Mr. Monson to continue as our President and Chief Executive Officer for an initial term of two years with a mechanism providing automatic one-year extensions. The agreement provides an initial annual base salary of \$600,000, subject to increase by the Board or the Committee, and an annual cash bonus of up to 158% of his base salary under the Company's annual incentive plan. Under the agreement, Mr. Monson received options to purchase 3% of the then outstanding Holdings common stock. The options vested 25% annually.

Upon a termination without cause or a resignation by Mr. Monson with or without good reason following a change in control, Mr. Monson would be entitled to receive three times his base salary and target bonus payable in a lump sum, all of his Non-2012 Stock Option Plan Options would immediately vest and he and his eligible dependents would continue to participate in group medical and dental plans for twelve months. Upon a termination without cause, or resignation by Mr. Monson for good reason prior to a change in control, he would receive two times his base salary plus target bonus payable in a lump sum, all of his Non-2012 Stock Option Plan Options would immediately vest and he and his eligible dependents would continue to participate in group medical and dental plans for twelve months. Upon a termination of Mr. Monson's employment for disability, he would be entitled to receive his base salary and annual bonus through the earlier of the end of the term of his employment agreement or one year, reduced by disability insurance payments, if any, received by him, and all of his unvested Non-2012 Stock Option Plan Options would vest in full. Upon a termination of Mr. Monson's employment for death, all of his unvested Non-2012 Stock Option Plan Options would vest in full. Receipt of severance benefits is contingent upon the execution of a release of claims. Mr. Monson is also subject to non-competition and non-solicitation covenants for one year after termination.

In the event that payments and benefits payable upon a change in control subject Mr. Monson to a 20% excise tax under section 4999 of the Internal Revenue Code, Mr. Monson would receive a "gross-up" payment so that he receives the same amount after-taxes that he would have received had the excise tax not applied.

"Cause" is generally defined in Mr. Monson's employment agreement as Mr. Monson's (i) willful misconduct or gross negligence, (ii) breach of the employment agreement, (iii) failure to perform his duties, (iv) material violation of the Company's Code of Business Conduct or other policies or procedures, (v) conviction of a felony or (vi) misconduct that injures the Company.

A "change in control" is generally defined in Mr. Monson's employment agreement as (i) the acquisition by any person or entity of more than 50% of the voting stock of the Company, (ii) a change in the composition of a majority of the Board during any period of two consecutive years, (iii) a sale of all or substantially all of the Company's assets, (iv) a merger or consolidation of the Company or (v) the Company or its stockholders approve a plan of liquidation or dissolution.

"Disability" is generally defined in Mr. Monson's employment agreement as Mr. Monson's inability to substantially perform his duties for a period of 90 days during any 12 month period.

"Good reason" is generally defined in Mr. Monson's employment agreement as any of the following actions without Mr. Monson's consent: (i) a material diminution in his title or duties, (ii) a reduction in his base salary, (iii) a change in his reporting structure, (iv) the relocation of his principal place of employment to a location that is more than 50 miles from his principal place of employment as of the date of the employment agreement or (v) the failure of the Company to extend his employment agreement.

Marcia H. Kendrick

On February 15, 2012, the Company entered into an employment agreement with Ms. Kendrick that was immediately effective. The agreement provides for Ms. Kendrick to continue as our Chief Financial Officer for an initial term of two years with a mechanism providing automatic one-year extensions. The agreement provided an initial annual base salary of \$309,000, subject to increase by the Board or the Committee, and an annual cash bonus of up to 110% of her base salary under the Company's annual incentive plan.

Upon a termination without cause prior to or following a change in control or a resignation by Ms. Kendrick with good reason following a change in control, Ms. Kendrick would be entitled to receive one times her base salary payable in a lump sum and all of her Non-2012 Stock Option Plan Options would immediately vest. Upon a resignation by Ms. Kendrick for good reason prior to a change in control, she would receive one times her base salary payable in a lump sum. Upon a

termination of Ms. Kendrick's employment due to death, all of her Non-2012 Stock Option Plan Options would immediately vest. Upon a termination of Ms. Kendrick's employment for disability, she would be entitled to receive her base salary through the earlier of the end of the term of her employment agreement or one year, reduced by disability insurance payments, if any, received by her, and all of her Non-2012 Stock Option Plan Options would immediately vest. In addition, Ms. Kendrick is entitled to a pro-rata bonus for the year of termination in the event of any termination of employment described in this paragraph; provided that in the case of termination due to disability, such bonus will not be prorated but will be reduced by disability insurance payments, if any, received by her. Receipt of severance benefits is contingent upon the execution of a release of claims. Ms. Kendrick is also subject to non-competition and non-solicitation covenants for one year after termination.

"Cause" is generally defined in Ms. Kendrick's employment agreement as Ms. Kendrick's (i) conviction of (or pleading nolo contendere to) a felony, crime of moral turpitude, or any crime involving the Company or its subsidiaries, (ii) willful or intentional misconduct or willful or gross neglect in connection with the performance of her duties to the Company or its subsidiaries, (iii) fraud, misappropriation or embezzlement, (iv) failure or refusal to substantially perform her duties properly assigned to her (other than any such failure resulting from her disability) after a demand for substantial performance is delivered by the Board specifically identifying the manner in which the Board believes she has not substantially performed such duties, and (v) breach in any material respect of the material terms and provisions of her employment agreement or any other agreement between her and the Company or any of its subsidiaries.

The term "change in control" generally has the same meaning in Ms. Kendrick's employment agreement as it does in Mr. Monson's employment agreement, as described above, except that certain transactions involving Centerbridge will not be considered for purposes of determining whether a change in control has occurred in Ms. Kendrick's employment agreement.

"Disability" is generally defined in Ms. Kendrick's employment agreement as Ms. Kendrick's inability to perform her duties for a continuous period of 180 days, or periods amounting to 240 days during any 365-day period.

"Good reason" is generally defined in Ms. Kendrick's employment agreement as any of the following actions without Ms. Kendrick's consent: (i) assignment of duties materially inconsistent with a senior executive-level employee, (ii) a material reduction in her base salary other than a reduction that applies to similarly-situated senior executive-level employees, or (iii) the relocation of her principal place of employment to a location more than 100 miles from her then principal place of employment with the Company.

Kevin P. Callaghan

On January 30, 2007, the Company entered into an employment agreement with Mr. Callaghan that was effective February 14, 2007. The agreement provides for Mr. Callaghan to continue as our Chief Operating Officer for an initial term of two years with a mechanism providing automatic one-year extensions. The agreement provides an initial annual base salary of \$446,000, subject to increase by the Board or the Committee, and an annual cash bonus of up to 110% of his base salary under the Company's annual incentive plan. Effective January 1, 2012, his maximum annual cash bonus percentage was increased to 120% of his base salary. Under the agreement, Mr. Callaghan received options to purchase 1% of the then outstanding Holdings common stock. The options vested 25% annually.

Upon a termination without cause or a resignation by Mr. Callaghan for good reason before a change in control and upon a termination without cause or a resignation by Mr. Callaghan with or without good reason following a change in control, Mr. Callaghan would be entitled to receive two times his base salary payable in a lump sum, all of his Non-2012 Stock Option Plan Options would immediately vest and he and his eligible dependents would continue to participate in group medical and dental plans for twelve months. Upon a termination of Mr. Callaghan's employment

for disability, he would be entitled to receive his base salary and annual bonus through the earlier of the end of the term of his employment agreement or one year, reduced by disability insurance payments, if any, received by him, and all of his unvested Non-2012 Stock Option Plan Options would vest in full. Upon a termination of Mr. Callaghan's employment for death, all of his unvested Non-2012 Stock Option Plan Options would vest in full. Receipt of severance benefits is contingent upon the execution of a release of claims. Mr. Callaghan is also subject to non-competition and non-solicitation covenants for one year after termination.

The terms "cause," "change in control," "disability" and "good reason" generally have the same meanings in Mr. Callaghan's employment agreement as they do in Mr. Monson's employment agreement, as described above.

Stephen G. Hallows

On April 1, 2013, the Company entered into an employment agreement with Mr. Hallows that was immediately effective. The agreement provides for Mr. Hallows to serve as HSSE & SD Senior Vice President beginning April 15, 2013 (“start date”) for an initial term of two years from his start date with a mechanism providing automatic one-year extensions. The agreement provides an initial annual base salary of \$300,000, subject to increase by the Board or the Committee, and an annual cash bonus of up to 90% of his base salary under the Company’s annual incentive plan.

Upon a termination without cause prior to or following a change in control or a resignation by Mr. Hallows with good reason following a change in control, Mr. Hallows would be entitled to receive one times his base salary payable in a lump sum and all of his Non-2012 Stock Option Plan Options would immediately vest. Upon a resignation by Mr. Hallows for good reason prior to a change in control, he would receive one times his base salary payable in a lump sum. Upon a termination of Mr. Hallows’ employment due to death, all of his Non-2012 Stock Option Plan Options would immediately vest. Upon a termination of Mr. Hallows’ employment for disability, he would be entitled to receive his base salary through the earlier of the end of the term of his employment agreement or one year, reduced by disability insurance payments, if any, received by him, and all of his Non-2012 Stock Option Plan Options would immediately vest. In addition, Mr. Hallows is entitled to a pro-rata bonus for the year of termination in the event of any termination of employment described in this paragraph; provided that in the case of termination due to disability, such bonus will not be prorated but will be reduced by disability insurance payments, if any, received by him. Receipt of severance benefits is contingent upon the execution of a release of claims. Mr. Hallows is also subject to non-competition and non-solicitation covenants for one year after termination.

The terms “cause,” “change in control,” “disability” and “good reason” generally have the same meaning in Mr. Hallows’ employment agreement as they do in Ms. Kendrick’s employment agreement, as described above.

JoAnn Lippman

On February 1, 2012, the Company entered into an employment agreement with Ms. Lippman that was immediately effective. The agreement provides for Ms. Lippman to serve as General Counsel, Senior Vice President and Secretary for an initial term of two years. The agreement provides an initial annual base salary of \$260,000, subject to increase by the Board or the Committee, and an annual cash bonus of up to 90% of her base salary under the Company’s annual incentive plan.

Upon a termination without cause prior to or following a change in control or a resignation by Ms. Lippman with good reason following a change in control, Ms. Lippman would be entitled to receive one times her base salary payable in a lump sum and all of her Non-2012 Stock Option Plan Options would immediately vest. Upon a resignation by Ms. Lippman for good reason prior to a change in control, she would receive one times her base salary payable in a lump sum. Upon a termination of Ms. Lippman’s employment due to death, all of her Non-2012 Stock Option Plan Options would immediately vest. Upon a termination of Ms. Lippman’s employment for disability, she would be entitled to receive her base salary through the earlier of the end of the term of her employment agreement or one year, reduced by disability insurance payments, if any, received by her, and all of her Non-2012 Stock Option Plan Options would immediately vest. In addition, Ms. Lippman is entitled to a pro-rata bonus for the year of termination in the event of any termination of employment described in this paragraph; provided that in the case of termination due to disability, such bonus will not be prorated but will be reduced by disability insurance payments, if any, received by her. Receipt of severance benefits is contingent upon the execution of a release of claims.

The terms “cause,” “change in control,” “disability” and “good reason” generally have the same meaning in Ms. Lippman’s employment agreement as they do in Ms. Kendrick’s employment agreement, as described above.

The following table sets forth the estimated cash and in-kind payments and benefits to which the named executive officers would be entitled under their employment agreements if their employment was terminated for the reasons set forth in the table as of December 31, 2013. Such table also includes the estimated value that each named executive officer would receive upon the vesting of his or her unvested Non-2012 Stock Option Plan Options, if any, upon a termination of employment or change in control as of December 31, 2013. Actual payments and benefits that each named executive officer could receive in any given situation cannot be known with any certainty until the termination event or change in control event were to occur.

	Severance	Medical and Dental Benefits ⁽¹⁾	Supplemental Life Insurance Benefits ⁽²⁾	280G Gross-Up	Total
Mr. Monson					
Termination without Cause or for Good Reason, in either case, prior to a Change in Control	\$2,672,000	\$6,549	\$—	\$—	\$2,678,549
Termination without Cause or with or without Good Reason, in either case, following a Change in Control	4,008,000	6,549	—	1,507,247	5,521,796
Death	—	—	450,000	—	450,000
Disability	83,500	⁽³⁾ —	—	—	83,500
Change in Control	—	—	—	—	—
	Pro-Rata Termination Bonus ⁽⁴⁾	Severance	Value of Accelerated Options ⁽⁵⁾	Supplemental Life Insurance Benefits ⁽²⁾	Total
Ms. Kendrick					
Termination without Cause, prior to or following a Change in Control or for Good Reason, following a Change in Control	\$—	\$319,000	\$51,036	\$—	\$370,036
Termination with Good Reason, prior to a Change in Control	—	319,000	—	—	319,000
Death	—	—	51,036	450,000	501,036
Disability	—	39,875	⁽³⁾ 51,036	—	90,911
Change in Control	—	—	51,036	—	51,036
	Severance	Medical and Dental Benefits ⁽¹⁾	Supplemental Life Insurance Benefits ⁽²⁾	Total	
Mr. Callaghan					
Termination without Cause or for Good Reason, in either case, prior to a Change in Control; termination without Cause or with or without Good Reason, in either case, following a Change in Control	\$994,000	\$12,782	\$—	\$1,006,782	
Death	—	—	450,000	450,000	
Disability	62,125	⁽³⁾ —	—	62,125	
Change in Control	—	—	—	—	

	Pro-Rata Termination Bonus ⁽⁴⁾	Severance	Value of Accelerated Options ⁽⁵⁾	Supplemental Life Insurance Benefits ⁽²⁾	Total
Mr. Hallows Termination without Cause, prior to or following a Change in Control or for Good Reason, following a Change in Control	\$—	\$300,000	\$—	\$—	\$300,000
Termination with Good Reason, prior to a Change in Control	—	300,000	—	—	300,000
Death	—	—	—	450,000	450,000
Disability Change in Control	—	300,000 ⁽³⁾	—	—	300,000
	—	—	—	—	—

	Pro-Rata Termination Bonus ⁽⁴⁾	Severance	Value of Accelerated Options ⁽⁵⁾	Supplemental Life Insurance Benefits ⁽²⁾	Total
Ms. Lippman Termination without Cause, prior to or following a Change in Control or for Good Reason, following a Change in Control	\$—	\$300,000	\$—	\$—	\$300,000
Termination with Good Reason, prior to a Change in Control	—	300,000	—	—	300,000
Death	—	—	—	450,000	450,000
Disability Change in Control	—	25,000 ⁽³⁾	—	—	25,000
	—	—	—	—	—

For purposes of calculating the value of medical and dental benefits that may be received upon termination of employment, we have provided the Company's cost of the coverage elected by the named executive officer as of

(1) December 31, 2013, less the employee's required contribution for such coverage.

(2) Represents supplemental life insurance benefits not made available to all U.S. employees.

(3) Represents (x) continued base salary and annual bonus (based on 2013 actual cash bonus) through the end of the term of the employment agreements for Messrs. Monson and Callaghan (February 14, 2014); Ms. Kendrick (February 15, 2014) and Ms. Lippman (February 1, 2014) and (y) one year for Mr. Hallows. The actual amount to be paid would be reduced by disability insurance payments, if any.

(4) Represents the named executive officers' earned 2013 bonus under our annual incentive bonus plan. Due to the fact that the threshold level of performance was not achieved in 2013, the bonus amounts reflected in the tables above equal zero as of December 31, 2013.

(5) Represents the estimated spread on the named executive officers' Non-2012 Stock Option Plan Options as of December 31, 2013. The Company used an internal valuation model to calculate the market price of its stock as of December 31, 2013. These amounts were zero for Mr. Hallows and Ms. Lippman due to the fact that the strike price of their unvested Non-2012 Stock Option Plan Options exceeded the estimated market price.

Director Compensation

The Company may use a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on the Board. The Company sets director compensation at a level that reflects the amount of time and skill required of directors in performing their duties to the Company and to its stockholders. Directors typically are granted stock options when they join the Board and may receive additional grants if their role on the Board is expanded or increased. Directors who are employees receive no additional compensation for serving on the Board. Additionally, ValueAct Capital and Centerbridge representatives receive no additional compensation for serving on the Board.

Except as provided above, non-employee members of the Board receive an annual cash retainer of \$75,000 per year. The annual cash retainer is paid quarterly in arrears. No additional compensation is paid for serving as a chair or on any additional committees, or for attending Board or committee meetings.

Director Compensation Table

In 2013, we provided the following compensation to directors who were not employees:

Name	Fees Earned or Paid in Cash	Total
Allison A. Bennington	\$—	\$—
Ryan M. Birtwell	—	—
Dalton J. Boutte	75,000	75,000
Kyle N. Cruz	—	—
Jay H. Golding	75,000	75,000
John E. Jackson	75,000	75,000
Daniel R. Osnoss	—	—
Gregory P. Spivy	—	—

The table below sets forth the grant date, expiration date, number of shares and exercise price for outstanding options held by directors as of December 31, 2013.

Director Compensation - Outstanding Options

Name	Date of Grant	Number of Options Outstanding	Exercise Price	Expiration Date
Dalton J. Boutte	7/1/2011	1,000	\$258.37	7/1/2021
Jay H. Golding	4/24/2007	641	193.13	4/24/2017
Jay H. Golding	6/30/2008	3,970	193.13	6/30/2018
John E. Jackson	8/1/2007	641	193.13	8/1/2017

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plans

The table below provides information relating to Holdings' equity compensation plans as of December 31, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column) ⁽¹⁾
Equity compensation plans approved by security holders	131,108	\$218.38	34,023
Equity compensation plans not approved by security holders	—	—	—
Total	131,108	\$218.38	34,023

(1) Of these securities, 5,859 could be issued as stock options under the Holdings 2007 Stock Option Plan, 5,505 could be issued as stock options under the Holdings 2012 Stock Option Plan and 22,659 could be issued as restricted stock or restricted stock units under the Holdings Restricted Stock Plan.

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Equity compensation plans approved by Holdings' stockholders include the Holdings 2007 Stock Option Plan, the Holdings 2012 Stock Option Plan and the Holdings Restricted Stock Plan. During 2013, we granted 4,000 non-qualified stock options under the Holdings 2007 Stock Option Plan with an exercise price of \$258.37 per share. 1,000 options were granted on April 1, 2013, with 25 percent vesting immediately upon grant date and 25 percent vesting on February 1 in years 2014, 2015 and 2016 provided continued service. 3,000 options were granted on April 15, 2013 and these options vest 25 percent on each anniversary of the grant date for four years provided continued service. The options will expire ten years from their grant dates.

The securities issued in the transactions described above were deemed exempt from registration under the Securities Act in reliance upon Section 4(2) or Rule 701 of the Securities Act as transactions by an issuer not involving a public offering, or transactions pursuant to compensatory benefit plans and contracts relating to compensation. The employees received the securities described above in exchange for the performance of services by them for us.

Security Ownership of Certain Beneficial Owners and Management

We are a wholly-owned subsidiary of Holdings and all of the capital stock of Holdings is owned by an investor group that includes ValueAct Capital, Centerbridge, our management investors, our outside directors and certain former management investors and directors. The following table sets forth certain information regarding the beneficial ownership as of March 24, 2014 by (i) each person or entity who owns more than 5% of the outstanding securities of Holdings, (ii) each member of the Board and each of our named executive officers and (iii) all members of the Board and all of our executive officers as a group. To our knowledge, each of such stockholders has sole voting and investment power as to the stock shown unless otherwise noted. Beneficial ownership of the securities listed in the table has been determined in accordance with the applicable rules and regulations promulgated under the Exchange Act.

	Shares	Options ⁽¹⁾	Total	Percentage ⁽²⁾	
Greater than 5% Stockholders:					
ValueAct Capital Master Fund, L.P.	995,430	⁽³⁾ —	995,430	67.1	%
Centerbridge Capital Partners, L.P.	483,803	⁽⁴⁾ —	483,803	32.6	%
Named Executive Officers and Directors:					
Robert D. Monson	1,115	33,987	35,102	2.3	%
Kevin P. Callaghan	672	11,835	12,507	*	
Marcia H. Kendrick	184	10,222	10,406	*	
Jay H. Golding	641	⁽⁵⁾ 4,611	5,252	*	
JoAnn Lippman	—	1,832	1,832	*	
John E. Jackson	513	641	1,154	*	
Stephen G. Hallows	—	750	750	*	
Dalton J. Boutte	193	400	593	*	
Allison A. Bennington	—	—	—	-	
Ryan M. Birtwell	—	—	—	-	
Kyle N. Cruz	—	—	—	-	
Daniel R. Osnoss	—	—	—	-	
Gregory P. Spivy	—	—	—	-	
All executive officers and directors as a group (15 persons)	3,494	73,129	76,623	4.92	% ⁽⁶⁾

* Indicates less than 1%.

(1)

Pursuant to Rule 13d-3 under the Exchange Act, a person has beneficial ownership of any securities as to which such person, directly or indirectly, through any contract, arrangement, undertaking, relationship or otherwise has or shares voting power and/or investment power and as to which such person has the right to acquire such voting and/or investment power within 60 days of March 24, 2014.

(2) Based on 1,484,154 outstanding shares of Holdings as of March 24, 2014.

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- A total of 995,430 shares are owned directly by ValueAct Capital Master Fund, L.P. and may be deemed to be beneficially owned by (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund L.P.; (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P.; (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P.; (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC; and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P. Jeffrey W. Ubben, George F. Hamel, Jr. and G. Mason Morfit are members of the Management Board of ValueAct Holdings GP, LLC and disclaim beneficial ownership of these shares except to the extent of their pecuniary interest therein.
- (3) A total of 483,803 share are deemed beneficially owned by Centerbridge Capital Partners, L.P., including (i) 481,906 shares owned by Centerbridge Capital Partners II, L.P. and (ii) 1,897 shares owned by Centerbridge Capital Partners SBS II, L.P.
- (4) Shares held by Golding Brothers 1996 Partners, Ltd. Mr. Golding owns a 100% interest in the general partner of Golding Brothers 1996 Partners, Ltd. The limited partnership interests are 99% owned in trust for the benefit of lineal descendants of Mr. Golding with the remaining 1% owned by the general partner.
- (5) Includes options to purchase an aggregate of 73,129 shares of common stock that are currently exercisable or exercisable within 60 days of March 24, 2014.
- (6)

Item 13. Certain Relationships and Related Transactions, and Director Independence

The Company has several written policies applicable to the review and approval of related party transactions. Pursuant to the Company's Audit Committee Charter, the Audit Committee reviews reports and disclosures of insider and affiliated party transactions. The Company's Code of Ethics and Business Conduct provides that no officer, director or employee of the Company or a family member of such officer, director or employee shall personally benefit, directly or indirectly, or derive any other personal gain from any business transaction or activity of the Company, except when the transaction or activity has been fully disclosed to and approved in writing by the Audit Committee.

Director Independence

Applying the New York Stock Exchange's independence standard in Section 303A of the Listed Company Manual, Messrs. Boutte, Golding and Jackson each met the applicable independence standard. When making an independence determination, the Board endeavors to consider all relevant facts and circumstances.

Securities Holders Agreement

In May 2011, Centerbridge purchased a minority interest in Holdings (the "Minority Interest Purchase"). In connection with the Minority Interest Purchase, Holdings, ValueAct Capital, Centerbridge and each of the named management investors entered into the Amended and Restated Securities Holders Agreement (the "Securities Holders Agreement"), which contains certain agreements described below with respect to the capital stock and corporate governance of Holdings.

Governance Provisions

The Securities Holders Agreement provides that each stockholder agrees that it shall take all action necessary to ensure that the board of directors of Holdings (the "Holdings Board") is composed of ten directors.

The Securities Holders Agreement designates the initial members of the Holdings Board and provides that (A) while ValueAct Capital's ownership percentage in Holdings is greater than or equal to (i) 50%, ValueAct Capital is entitled

to designate five members of the Holdings Board (one of whom shall be the chairman of the Holdings Board and two of whom shall be individuals not employed by or affiliated with ValueAct Capital or its affiliates or Holdings); (ii) 40% but less than 50%, ValueAct Capital is entitled to designate four members of the Holdings Board (two of whom shall be individuals not employed by or affiliated with ValueAct Capital or its affiliates or Holdings); (iii) 25% but less than 40%, ValueAct Capital is entitled to designate three members of the Holdings Board (one of whom shall be an individual not employed by or affiliated with ValueAct Capital or its affiliates or Holdings); (iv) 10% but less than 25%, ValueAct Capital shall be entitled to designate two members of the Holdings Board; and (v) 5% but less than 10%, ValueAct Capital shall be entitled to designate one member of the Holdings Board; (B) while Centerbridge's ownership percentage in Holdings is greater than or equal to (i) 25%, Centerbridge is entitled to designate three members of the Holdings Board (one of whom shall be an individual not employed by or affiliated with Centerbridge or its affiliates or Holdings), provided that for so long as Centerbridge has not

transferred any shares, Centerbridge shall be entitled to elect three members of the Holdings Board and clauses (ii) and (iii) of this clause (B) shall not apply; (ii) 10% but less than 25%, Centerbridge is entitled to designate two members of the Holdings Board; (iii) 5% but less than 10%, Centerbridge is entitled to designate one member of Holdings Board; and (C) the management investors as a group are entitled to designate two members of the Holdings Board, one of whom shall be the Chief Executive Officer of Holdings. The Securities Holders Agreement provides that each stockholder agrees that it will not vote any of its stock in favor of the removal of any member of the Holdings Board as designated above unless the stockholder entitled to designate such member of Holdings Board shall have consented to such removal in writing. The Securities Holders Agreement also provides that the Company's Board shall consist of directors designated by the stockholders in proportion to their right to designate members of Holdings Board. No stockholder shall consent in writing or vote or cause to be voted any shares of Holdings common stock currently or in the future owned or controlled by it in favor of any amendment, repeal, modification, alteration or rescission of, or the adoption of any provision in the certificate of incorporation or bylaws of Holdings inconsistent with certain provisions of the Securities Holders Agreement unless the Holdings Board (including at least one member of the Holdings Board designated by Centerbridge) consents in writing thereto.

Pursuant to the Amended and Restated Certificate of Incorporation of Holdings filed on May 23, 2011, so long as ValueAct Capital's ownership percentage in Holdings is greater than or equal to 50%: (i) the chairman of the Holdings Board is entitled to cast three votes on every matter presented to the Holdings Board for consideration; (ii) each of the directors who are employed by or affiliated with ValueAct Capital, its affiliates or Holdings, is entitled to cast two votes on every matter presented to the Holdings Board for consideration; and (iii) all other directors are entitled to cast one vote each on every matter presented to the Holdings Board for consideration.

Centerbridge has veto rights over certain material activities and transactions for so long as it maintains a 15% ownership percentage.

Approved Sale

So long as ValueAct Capital ownership percentage in Holdings is greater than or equal to 50%, ValueAct Capital shall have the right, by delivery of a written notice to Holdings and Centerbridge, to elect to require that Holdings be sold to a person or group that is not an affiliate of ValueAct Capital, whether by merger, consolidation, sale of outstanding capital stock, sale of all or substantially all of its assets or otherwise, or consummate an initial public offering, in each case, if such transaction is effected prior to the fourth anniversary of the Minority Interest Purchase, certain financial conditions have been satisfied, and each stockholder will be obligated to consent to, vote for and raise no objections against, and will waive dissenters and appraisal rights (if any) with respect to, such approved sale, and, as applicable, will sell, exchange, redeem, agree to cancel or otherwise dispose of its securities, options, warrants or other rights relating to Holdings on the terms and conditions approved by ValueAct Capital.

Requested Sale

Following the fifth anniversary of the Minority Interest Purchase, so long as Centerbridge and its affiliates own at least 50% of the common stock purchased in the Minority Interest Purchase, Centerbridge shall have the right, by delivery of a written notice to Holdings and ValueAct Capital, to elect to require that Holdings be sold to a person or group that is not an affiliate of Centerbridge, whether by merger, consolidation, sale of outstanding capital stock, sale of all or substantially all of its assets or otherwise, or consummate an initial public offering, and each stockholder will be obligated to consent to, vote for and raise no objections against, and will waive dissenters and appraisal rights (if any) with respect to, such approved sale, and, as applicable, will sell, exchange, redeem, agree to cancel or otherwise dispose of its securities, options, warrants or other rights relating to Holdings on the terms and conditions approved by Centerbridge.

Right of First Offer

In the event that ValueAct Capital or Centerbridge desires (i) to sell any common stock of Holdings to a third party or (ii) to cause Holdings to effect an Approved Sale or a Requested Sale (other than a public offering), as applicable, both of which are defined in the Securities Holders Agreement and described above, ValueAct Capital or Centerbridge, as applicable, must provide the other party with the first opportunity to purchase such shares or acquire Holdings on the same terms and conditions applicable to the third party.

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Call and Put Options

If a management investor of Holdings is no longer an employee or director, as applicable, of Holdings or any of its subsidiaries for any reason, all of the securities held by that management investor (whether held directly by the management investor or by one or more of his or her affiliates or permitted transferees, other than Holdings, ValueAct Capital or a ValueAct Capital Affiliate, Centerbridge or a Centerbridge affiliate), will be subject to repurchase by ValueAct Capital and Centerbridge, in the first instance, and Holdings, in the second instance, at their option, pursuant to certain terms and conditions set forth in the Securities Holders Agreement. If the repurchase option is not exercised with regard to all applicable securities consisting of common stock or other shares of capital stock of Holdings following a termination, then all, but not less than all, of such remaining securities consisting of common stock or other shares of capital stock of Holdings held by such management investor will be required to be repurchased by ValueAct Capital and Centerbridge, on a pro-rata basis (based upon their respective ownership percentages in Holdings at the time of repurchase), if so elected by such holder (which option may only be exercised with respect to all such securities held by the holder), pursuant to certain terms and conditions set forth in the Securities Holders Agreement.

Tag-along rights

After the first anniversary of the Minority Interest Purchase, neither ValueAct Capital nor Centerbridge nor their respective permitted transferees or assignees, shall sell or otherwise effect the transfer of any common stock or other securities of Holdings, in either one or a series of transactions, to a third-party other than a permitted transferee unless the other stockholders of Holdings at such time are offered an opportunity to participate ratably in such transaction on the same terms as are to be received by the selling stockholder.

Corporate Opportunity

To the fullest extent permitted by any applicable law, the doctrine of corporate opportunity, or any other analogous doctrine, does not apply with respect to ValueAct Capital or Centerbridge or their respective affiliates or representatives, including any directors of Holdings designated by such persons with respect to their relationship with Holdings and its subsidiaries. ValueAct Capital, Centerbridge and any of their respective representatives shall have the right to engage in business activities, whether or not in competition with Holdings, any of its subsidiaries or their respective business activities, without consulting any other stockholder, and ValueAct Capital and Centerbridge do not have any obligation to any other stockholder with respect to any opportunity to acquire property or make investments at any time.

Transfer Restrictions

Generally, no stockholder or permitted transferee other than ValueAct Capital and Centerbridge may transfer common stock or securities of Holdings, other than in connection with a redemption of shares of common stock or securities of Holdings, unless such transfer is to a person approved in advance in writing by the Holdings Board, and such transfer complies with the notice and other covenants and representations requirements contained in the Securities Holders Agreement.

Each of Centerbridge and ValueAct Capital may in certain circumstances without prior approval of the other, assign their rights under the Securities Holders Agreement in connection with certain material transfers of shares of common stock of Holdings.

Registration Rights Agreement

In connection with the Minority Interest Purchase, Holdings, ValueAct Capital, Centerbridge and each of the management investors named therein entered into an Amended and Restated Registration Rights Agreement (the "Registration Rights Agreement"), which became effective upon consummation of the Minority Interest Purchase. Pursuant to the Registration Rights Agreement, if at any time after an initial public offering of Holdings' common stock, Holdings proposes or is required to register any offer or sale of the common stock of Holdings under the Securities Act of 1933, as amended ("Securities Act") (subject to certain exceptions), Holdings shall give at least 30 days' prior written notice to all holders of registrable securities. Upon written request by holders within 20 days of such notice, Holdings shall use its best efforts to effect the registration under the Securities Act of the offer and sale of all registrable securities which Holdings has been so requested to register by such security holders, to the extent required to permit the public distribution of such registrable securities subject to such requests and subject to customary cutback provisions; provided, however, that (i) if, any time after giving written notice of its intention to register the offer and sale of shares of common stock and prior to the effective date of the registration statement filed in connection with such registration, Holdings shall determine for any reason not to register the common stock of

Holdings, Holdings shall give written notice of such determination to each holder of registrable securities and, thereupon, shall be relieved of its obligation to register any offer and sale of registrable securities in connection with such registration; (ii) if a registration undertaken shall involve an underwritten offering, any holder of registrable securities requesting to be included in such registration may elect, in writing at least 20 days prior to the effective date of the registration statement filed in connection with such registration, not to register the offer and sale of such holder's registrable securities in connection with such registration; and (iii) if, at any time after a period of 180 days or a shorter period as specified in the Registration Rights Agreement, the sale of the securities has not been completed, Holdings may withdraw from the registration on a pro rata basis (based on the number of registrable securities requested by each holder of registrable securities to be subject to such registration) of the offer and sale of the registrable securities of which Holdings has been requested to register and which have not been sold.

Pursuant to the Registration Rights Agreement, after an initial public offering of Holdings common stock, each of ValueAct Capital and Centerbridge, so long as it, together with its affiliates, holds at least 15% of the outstanding common stock of Holdings, is entitled to make a written request to Holdings for registration with the SEC under and in accordance with the provisions of the Securities Act of the offer and sale of all or a part of the registrable securities owned by it, subject to customary cutback provisions. Each of ValueAct Capital and Centerbridge is entitled to three effective demand registrations, provided that Holdings shall not be required to effect a demand registration within 180 days of the effective date of any demand registration. Additionally, after completion of Holdings' initial public offering, subject to the availability of a registration by Holdings on Form S-3 (or any successor form), each of ValueAct Capital and Centerbridge, so long as it together with its affiliates holds at least 15% of the outstanding common stock of Holdings, has the right at any time, and from time to time, to request, in connection with the delivery of a demand registration request, that Holdings prepare and file with the SEC a "shelf" registration statement on the appropriate form for an offering to be made, covering the registrable securities requested to be included therein, on a continuous or delayed basis pursuant to Rule 415 under the Securities Act (or any successor rule or similar provision then in effect) in the manner or manners designed by ValueAct Capital or Centerbridge, as applicable.

Advisory Agreement

In connection with the Minority Interest purchase, ValueAct Capital Management, Centerbridge Advisors, II, L.L.C. ("Centerbridge Advisors"), the Company and Holdings entered into an Amended and Restated Advisory Agreement (the "Advisory Agreement"), dated May 23, 2011, pursuant to which ValueAct Capital Management and Centerbridge Advisors may provide financial, advisory and consulting services to the Company. There are no minimum levels of service required to be provided pursuant to the Advisory Agreement. The services that may be provided include executive and management services, support and analysis of financing alternatives and assistance with various finance functions. In exchange for these services, Holdings, ValueAct Capital Management and Centerbridge Advisors will be reimbursed for all of their reasonable out-of-pocket expenses. None of Holdings, ValueAct Capital Management or Centerbridge Advisors are liable for any losses, liabilities or damages under the Advisory Agreement unless resulting from their gross negligence, willful misconduct or bad faith. The Advisory Agreement has an initial term of ten years and automatically renews for successive one-year terms, subject to termination by ValueAct Capital Management or Centerbridge Advisors upon written notice 90 days prior to the expiration of the initial term or any extension thereof, in which case the Advisory Agreement shall terminate with respect to such requesting party only. The Advisory Agreement shall automatically terminate in its entirety upon the consummation of an initial public offering of Holdings and as to either ValueAct Capital Management or Centerbridge Advisors if such party's ownership percentage in Holdings is less than 5%. The Advisory Agreement includes customary indemnification provisions in favor of ValueAct Capital Management and Centerbridge Advisors.

Employment Agreements

For a description of the terms of our employment agreements with Messrs. Monson, Callaghan and Hallows and Mss. Kendrick and Lippman, see “Item 11. Executive Compensation – Potential Payments upon Termination of Employment or Change in Control.”

Other Related Party Transactions

Holdings does not maintain a cash account. Consequently, we make payments, as needed, on Holdings’ behalf for corporate expenditures such as taxes and share repurchases for employees that have left our employment and who held equity instruments in Holdings. We receive payments on the outstanding balance only when Holdings receives cash from stock issuances. In 2013, 2012 and 2011, we made payments of approximately \$256,000, \$13,000 and \$755,000, respectively on

behalf of Holdings. We received \$50,000 from Holdings in 2011 which was applied toward the outstanding balance. The balance due from Holdings as of December 31, 2013 and 2012 was \$1.1 million and \$0.9 million, respectively.

We received \$76,000, \$552,000 and \$67,000 in 2013, 2012 and 2011, respectively, in cash dividends from Wandoo. In 2011, we received \$335,000 for a licensing agreement with Texoz E&P, Inc., a wholly-owned subsidiary of Texon Petroleum Ltd. ("Texon"). Texon was formed in 2006 as a spinoff from Wandoo. We received shares and stock options in Texon in connection with its formation. During 2011 and 2012, we sold all of our Texon shares and stock options that had a strike price below market price prior to their expiration.

Item 14. Principal Accountant Fees and Services

BKD, LLP ("BKD") has been our independent auditor since October 2004. The Audit Committee has adopted a policy regarding the pre-approval of audit and permitted non-audit services to be performed by our independent registered public accounting firm. The Audit Committee will, on an annual basis, consider and approve the provision of audit and non-audit services by BKD. Thereafter, the Audit Committee will, as necessary, consider and, if appropriate, approve the provision of additional audit and non-audit services which are not encompassed by the Audit Committee's annual pre-approval and are not prohibited by law. The Audit Committee may delegate the authority to pre-approve, on a case-by-case basis, non-audit services to be performed by BKD which are not encompassed by the Audit Committee's pre-approval and not prohibited by law. A member with delegated authority must report back to the Audit Committee at the first Audit Committee meeting following any such pre-approvals.

The following table presents fees and expenses billed by BKD for the fiscal years ended December 31, 2013 and 2012, all of which were preapproved by the Audit Committee in compliance with its policy.

	2013	2012
Audit Fees ⁽¹⁾	\$367,798	\$351,614
Audit-Related Fees ⁽²⁾	46,885	905
Tax Fees	—	—
All Other Fees	—	—
Total	\$414,683	\$352,519

⁽¹⁾ Includes fees billed for professional services rendered for (i) the audit of our consolidated financial statements included in our annual report on Form 10-K, (ii) reviews of the financial statements included in our quarterly reports on Form 10-Q, and (iii) consultation on accounting or disclosure treatment of various transactions in accordance with regulatory interpretations.

⁽²⁾ Includes fees billed for professional services rendered in connection with registration statements, debt offerings and debt restructurings.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this Report.

(1) Exhibits:

2.1 Agreement and Plan of Merger by and among Seitel Holdings, LLC (now known as Seitel Holdings, Inc.), Seitel Acquisition Corp. and Seitel, Inc., dated October 31, 2006 (incorporated by reference from Exhibit 2.1 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on November 2, 2006) (Seitel, Inc. agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request).

3.1

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- 3.2 Certificate of Incorporation of Seitel, Inc. (incorporated by reference from Exhibit 3.1 to the Registration Statement on Form S-4, No. 333-144844, as filed with the SEC on July 25, 2007).
Bylaws of Seitel, Inc. (incorporated by reference from Exhibit 3.2 to the Registration Statement on Form S-4, No. 333-144844, as filed with the SEC on July 25, 2007).
- 4.1 Indenture dated as of March 20, 2013, by and among Seitel, Inc., the Guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference from Exhibit 4.1 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on March 21, 2013).

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- 4.2 Form of 9½% Senior Note due 2019 (incorporated by reference from Exhibit 4.2 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on March 21, 2013).
- 4.3 Registration Rights Agreement, dated as of March 20, 2013, by and among Seitel, Inc., the Guarantors party thereto, and Deutsche Bank Securities Inc. and J.P. Morgan Securities LLC, as Initial Purchasers (incorporated by reference from Exhibit 4.3 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on March 21, 2013).
- 10.1 Support Agreement by and among Seitel, Inc., Seitel Holdings, Inc. and ValueAct Capital Master Fund, L.P., dated October 31, 2006 (incorporated by reference from Exhibit 2.2 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on November 2, 2006).
- 10.2 Credit Agreement, dated May 25, 2011, by and among Seitel, Inc. and Seitel Canada Ltd., formerly known as Olympic Seismic Ltd., as borrowers, and Wells Fargo Capital Finance, LLC and Wells Fargo Capital Finance Corporation Canada, as lenders (incorporated by reference from Exhibit 10.1 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on June 1, 2011).
- 10.3 Security Agreement, dated May 25, 2011, by and among the Grantors listed on the signature pages thereto and Wells Fargo Capital Finance, LLC, as administrative agent and collateral agent (incorporated by reference from Exhibit 10.2 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on June 1, 2011).
- 10.4 Trademark Security Agreement, dated May 25, 2011, by and among the Grantors listed on the signature pages thereto and Wells Fargo Capital Finance, LLC, as administrative agent and collateral agent (incorporated by reference from Exhibit 10.3 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on June 1, 2011).
- 10.5 Amendment No. 1 to Credit Agreement, dated November 28, 2011, by and among Seitel, Inc. and Seitel Canada Ltd., formerly known as Olympic Seismic Ltd., as borrowers, and Wells Fargo Capital Finance, LLC and Wells Fargo Capital Finance Corporation Canada, as lenders and agents (incorporated by reference from Exhibit 10.1 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on November 30, 2011).
- 10.6 Amendment No. 2 to Credit Agreement, dated March 1, 2013, by and among Seitel, Inc. and Seitel Canada Ltd., formerly known as Olympic Seismic Ltd., as borrowers, and Wells Fargo Capital Finance, LLC and Wells Fargo Capital Finance Corporation Canada, as lenders and agents (incorporated by reference from Exhibit 10.2 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on March 21, 2013).
- 10.7 Amended and Restated Advisory Agreement, dated May 23, 2011, by and among Seitel, Inc., Seitel Holdings, Inc., ValueAct Capital Management L.P., and Centerbridge Advisors II, L.L.C. (incorporated by reference from Exhibit 10.1 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on May 25, 2011).
- 10.8 Amended and Restated Securities Holders Agreement, dated May 23, 2011, by and among Seitel Holdings, Inc., ValueAct Capital Master Fund, L.P., Centerbridge Capital Partners II, L.P., Centerbridge Capital Partners SBS II, L.P. and each of the Management Investors named therein (incorporated by reference from Exhibit 10.2 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on May 25, 2011).
- 10.9 Amended and Restated Registration Rights Agreement, dated May 23, 2011 by and among Seitel Holdings, Inc., ValueAct Capital Master Fund, L.P., Centerbridge Capital Partners II, L.P., Centerbridge Capital Partners SBS II, L.P. and each of the Management Investors named therein (incorporated by reference from Exhibit 10.3 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on May 25, 2011).
- 10.10 † Seitel Holdings, Inc. 2007 Non-Qualified Stock Option Plan, effective February 14, 2007, as amended as of June 30, 2008 (incorporated by reference from Exhibit 10.3 to the quarterly report on Form 10-Q for the quarter ended June 30, 2008, as filed with the SEC on August 13, 2008).
- 10.11 †

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- Amendment to the 2007 Non-Qualified Stock Option Plan of Seitel Holdings, Inc., dated May 23, 2011 (incorporated by reference from Exhibit 10.7 to the quarterly report on Form 10-Q for the quarter ended June 30, 2011, as filed with the SEC on August 12, 2011).
- 10.12 † Form of Stock Option Agreement (incorporated by reference from Exhibit 10.12 to the Registration Statement on Form S-4, No. 333-144844, as filed with the SEC on July 25, 2007).
- 10.13 † Form of Stock Option Agreement (incorporated by reference from Exhibit 10.1 to the quarterly report on Form 10-Q for the quarter ended June 30, 2010, as filed with the SEC on August 9, 2010).
- 10.14 † Seitel Holdings, Inc. Amended and Restated 2008 Restricted Stock and Restricted Stock Unit Plan, dated July 24, 2012 (incorporated by reference from Exhibit 10.1 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on July 25, 2012).
- 10.15 † Form of Seitel Holdings, Inc. Restricted Stock Unit Award Agreement (incorporated by reference from Exhibit 10.2 to the quarterly report on Form 10-Q for the quarter ended June 30, 2008, as filed with the SEC on August 13, 2008).
- 10.16 † Seitel Holdings, Inc. 2012 Non-Qualified Stock Option Plan, dated May 1, 2012 (incorporated by reference from Exhibit 10.1 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on May 7, 2012).

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- 10.17 † Amendment to the 2012 Non-Qualified Stock Option Plan of Seitel Holdings, Inc., dated May 30, 2012 (incorporated by reference from Exhibit 10.2 to the quarterly report on Form 10-Q for the quarter ended June 30, 2012, as filed with the SEC on August 13, 2012).
- 10.18 † Form of Seitel Holdings, Inc. Stock Option Agreement for the 2012 Plan for Management Employees (incorporated by reference from Exhibit 10.2 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on May 7, 2012).
- 10.19 † Form of Seitel Holdings, Inc. Stock Option Agreement for the 2012 Plan for Employees (incorporated by reference from Exhibit 10.3 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on May 7, 2012).
- 10.20 † Summary of 2011 Long-Term Incentive Plan (incorporated by reference from Exhibit 10.19 to the annual report on Form 10-K for the year ended December 31, 2010, as filed with the SEC on March 16, 2011).
- 10.21 † Employment Agreement by and between Seitel, Inc. and Robert D. Monson, dated January 30, 2007 (incorporated by reference from Exhibit 10.13 to the Registration Statement on Form S-4, No. 333-144844, as filed with the SEC on July 25, 2007).
- 10.22 † First Amendment to Employment Agreement by and between Seitel, Inc. and Robert D. Monson, dated June 2, 2009.
- 10.23 † Second Amendment to Employment Agreement by and between Seitel, Inc. and Robert D. Monson, dated January 25, 2010.
- 10.24 † Employment Agreement by and between Seitel, Inc. and Kevin P. Callaghan, dated January 30, 2007 (incorporated by reference from Exhibit 10.15 to the Registration Statement on Form S-4, No. 333-144844, as filed with the SEC on July 25, 2007).
- 10.25 † First Amendment to Employment Agreement by and between Seitel, Inc. and Kevin P. Callaghan, dated June 2, 2009.
- 10.26 † Second Amendment to Employment Agreement by and between Seitel, Inc. and Kevin P. Callaghan, dated January 25, 2010.
- 10.27 † Third Amendment to Employment Agreement between Seitel, Inc. and Kevin P. Callaghan, dated July 27, 2012 (incorporated by reference from Exhibit 10.1 to the Seitel, Inc. current reports on Form 8-K/A, as filed with the SEC on August 6, 2012, and Form 8-K, as filed with the SEC on July 31, 2012).
- 10.28 † Employment Agreement by and between Seitel, Inc. and JoAnn Lippman, dated February 1, 2012 (incorporated by reference from Exhibit 10.1 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on February 7, 2012).
- 10.29 † Employment Agreement by and between Seitel, Inc. and Marcia Kendrick, dated February 15, 2012 (incorporated by reference from Exhibit 10.1 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on February 17, 2012).
- 10.30 † Employment Agreement by and between Seitel, Inc. and Randall Sides, dated February 15, 2012 (incorporated by reference from Exhibit 10.2 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on February 17, 2012).
- 10.31 † Employment Agreement by and between Seitel, Inc. and David Richard, dated February 15, 2012 (incorporated by reference from Exhibit 10.3 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on February 17, 2012).
- 10.32 † Employment Agreement between Seitel, Inc. and Stephen Graham Hallows, dated April 1, 2013 (incorporated by reference from Exhibit 10.1 to the Seitel, Inc. current report on Form 8-K, as filed with the SEC on April 4, 2013).
- 12.1 Computation of Ratio of Earnings to Fixed Charges
- 21.1 Subsidiaries of Seitel, Inc.
- 31.1 * Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 302 Of The Sarbanes-Oxley Act of 2002.

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31.2	*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 302 Of The Sarbanes-Oxley Act of 2002.
32.1	**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 Of The Sarbanes-Oxley Act of 2002.
32.2	**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 Of The Sarbanes-Oxley Act of 2002.
101.INS		XBRL Instance Document.
101.SCH		XBRL Taxonomy Extension Schema Document.
101.CAL		XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF		XBRL Taxonomy Extension Definition Linkbase Document.

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101.LAB XBRL Taxonomy Extension Label Linkbase Document.
101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.

† Management contract, compensation plan or arrangement.

* Filed herewith.

** Furnished, not filed.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SEITEL, INC.

By: /s/ Robert D. Monson
Robert D. Monson
Chief Executive Officer and President
(Duly Authorized Officer and Principal Executive
Officer)

Date: March 27, 2014