

NABORS INDUSTRIES LTD
Form PRE 14A
April 13, 2015

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☒ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☐ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under §240.14a-12

NABORS INDUSTRIES LTD.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:
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NOTICE OF 2015 ANNUAL GENERAL MEETING OF SHAREHOLDERS

**Tuesday, June 2, 2015, 11 a.m. ADT
Fairmont Hamilton Princess Hotel, 76 Pitts Bay Road, Hamilton, Bermuda**

April 23, 2015

Fellow Shareholder:

On behalf of the Board of Directors (the "Board") of Nabors Industries Ltd. (the "Company"), we cordially invite you to attend the Company's 2015 annual general meeting of shareholders (the "meeting"). You are entitled to vote at the meeting if you were a shareholder of record at the close of business on April 6, 2015. This year, shareholders will consider the:

1. Election of seven directors for a one-year term (Item 1);
2. Approval and appointment of PricewaterhouseCoopers LLP as the Company's independent auditor for the year ending December 31, 2015, and authorization for the Audit Committee of the Board of Directors to set the independent auditor's remuneration (Item 2);
3. Approval of an Amendment to the Company's Bye-Laws related to broker non-votes (Item 3);
4. A nonbinding, advisory "Say-on-Pay" vote regarding the compensation paid by the Company to its named executive officers as disclosed in the Proxy Statement (Item 4);
5. Five shareholder proposals, if properly presented by the shareholder proponents (Items 5-9); and
6. Such other business as may properly come before the meeting.

The Company's annual audited financial statements will also be presented at the meeting.

Further information regarding the meeting and the above proposals is set forth in the Proxy Statement. We are mailing most of our shareholders a Notice of Internet Availability of Proxy Materials (the "Notice"), rather than a paper copy of the Proxy Statement and the Company's 2014 Annual Report. The Notice contains instructions on how to access the proxy materials, vote online and obtain a paper copy of the proxy materials.

YOUR VOTE IS VERY IMPORTANT. PLEASE SUBMIT YOUR PROXY OR VOTING INSTRUCTIONS AS SOON AS POSSIBLE. We hope you will read the Proxy Statement and submit your proxy, or use telephone or Internet voting, prior to the meeting. Even if you plan to attend the meeting, please submit a proxy as soon as possible to ensure that your shares are voted at the meeting in accordance with your instructions.

On behalf of the Board and our management team, thank you for your continued support.

Sincerely yours,

ANTHONY G. PETRELLO

Chairman, President and Chief Executive Officer

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April 23, 2015

Fellow Shareholder:

Since last year's annual general meeting of shareholders, the Board of Directors (the "Board") of Nabors Industries Ltd. (the "Company") and senior management have continued to focus on enhancing communications with shareholders and evaluating the Company's corporate governance and executive compensation programs. We engaged in extensive dialogue with a broad base of our shareholders, which provided valuable insight into the rationale for voting outcomes from last year's meeting and the key governance priorities of shareholders. We also undertook important initiatives in light of the recent industry downturn to maintain the Company's ability to maximize long-term shareholder value and deliver on strategic business objectives.

Over the past 15 months, we have:

Reduced the annual base salaries of our Chief Executive Officer, Chief Financial Officer and senior management for an interim period commencing January 1, 2015 through to June 30, 2015, subject to renewal;

Reduced the annual compensation of nonemployee directors of the Board by 10% effective January 1, 2015, while increasing their equity ownership threshold to three times the annual cash retainer paid to such directors, in line with benchmarks for other public companies;

Rescheduled the annual grant of restricted share awards to nonemployee directors to occur shortly after the annual general meeting of shareholders, ensuring that such awards are granted only to directors for the current year;

Appointed a new, independent director recommended by our largest shareholder at the time;

Increased our quarterly dividend by 50%, resulting in a return to shareholders of \$59.1 million during 2014, an increase of 25% from 2013;

Repurchased Company common shares for a total aggregate amount of approximately \$250 million; and

Transitioned to a fully declassified Board with annual election of directors, resulting in a reduction in the average tenure of nonemployee directors to 2.3 years, compared to 10 years in 2011.

I am also pleased to report on the successful completion of the merger of our Completion & Production Services business line with C&J Energy Services, Inc. in March 2015, which was made possible by the proactive leadership and relentless efforts of our Chairman and Chief Executive Officer and the rest of our management team. This noteworthy transaction exceeded the initial goal of our strategic review process, resulting in increased liquidity for the Company with the receipt at closing of \$688 million in cash and transforming the Company into a pure-play drilling and rig global leader. The additional upside of this innovative transaction is that we will continue to participate in the completion and production services market with our 53% equity-method investment in the combined company C&J Energy Services Ltd. and are fully committed to participating in its long-term growth for maximum return to our shareholders.

Looking forward, we are poised to streamline our management structure to reflect our sharper business focus and to capitalize on our renewed strengths by delivering value-enhancing technologies, including next-generation rigs, while maintaining reduced capital spending. With these strategies in play, we expect to emerge from the current environment in a much stronger competitive position in addition to an improved growth profile.

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We remain committed to the values of effective corporate governance, which we believe are key to the Company's strong performance, and look forward to continuing the constructive dialogue with our shareholders and the successful execution of our strategic initiatives.

Sincerest regards,

JOHN YEARWOOD

Lead Director

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This summary provides highlights of information contained in this Proxy Statement. It does not contain all of the information that you should consider before voting. We encourage you to read the entire Proxy Statement. For more complete information regarding our 2014 performance, please read our Annual Report. The annual meeting will take place:

Date: June 2, 2015
Time: 11 a.m. ADT

Place: Fairmont Hamilton Princess Hotel
 76 Pitts Bay Road
 Hamilton, Bermuda

Please vote your shares promptly, as this will save the expense of additional proxy solicitation. You may submit your vote by Internet, telephone, mail or in person. If you need assistance with voting your shares, please call Georgeson Shareholder Communications Inc. at (888) 613-3524.

Visit the website listed on your proxy card/voting instruction form to vote via the Internet.

Call the telephone number on your proxy card/voting instruction form to vote by telephone.

Sign, date and return your proxy card/voting instruction form to vote by mail.

Vote in person at the annual meeting. Owners with shares held through a bank or broker may vote in person at the meeting if they have a legal proxy from the bank or broker and bring it to the meeting.

VOTING ITEMS AND BOARD RECOMMENDATIONS

Item		Votes required for approval	Board's voting recommendation	Page reference
Item 1	Elect directors	Plurality of votes cast	FOR	15
Item 2	Approve and appoint PricewaterhouseCoopers LLP as our independent auditor for the year ending December 31, 2015 and authorize the Board's Audit Committee to set the independent auditor's remuneration	Majority of votes present	FOR	28
Item 3	Approve Amendment of Company's Bye-laws related to broker non-votes	Majority of votes present	FOR	56
Item 4	Advisory vote regarding the compensation paid to the named executive officers	Nonbinding	FOR	57
Item 5	Shareholder Proposal: Senior Executive Share Retention Policy	Nonbinding	AGAINST	59
Item 6	Shareholder Proposal: Specific Performance Metrics in Equity Compensation Plans	Nonbinding	AGAINST	63
Item 7	Shareholder Proposal: Sustainability Reporting	Nonbinding	AGAINST	66
Item 8	Shareholder Proposal: Proxy Access Bye-Law	Nonbinding	AGAINST	68
Item 9	Shareholder Proposal: Majority Vote on Directors	Nonbinding	AGAINST	71

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You are being asked to vote on the directors listed below, which comprise 7 of our 8 current directors. Dr. Lombardi plans to retire at the meeting in accordance with the age limitations in our Governance Guidelines. The Board has voted to reduce the size of the Board to seven upon his retirement. Detailed information about each director, including their background, skills and experience, can be found under "Corporate Governance Director Nominees".

Name	Age	Director Since	Independent	Primary Occupation
James R. Crane	61	2012	Yes	Chairman and CEO of Crane Capital Group Inc.
John P. Kotts	64	2013	Yes	Private investor and entrepreneur
Michael C. Linn	63	2012	Yes	President and CEO of MCL Ventures, LLC
Anthony G. Petrello	60	1991	No	Chairman of the Board, President and Chief Executive Officer
Dag Skattum	54	2014	Yes	Vice Chairman, Europe, the Middle East and Africa at JP Morgan
Howard Wolf	80	2013	Yes	Attorney
John Yearwood	55	2010	Yes	Retired President, CEO and COO of Smith International, Inc.

BUSINESS HIGHLIGHTS

In 2014, we pursued initiatives to further streamline business operations and enhance long-term shareholder value. As a result, we were well-positioned to manage the initial effects of the weakening environment experienced during the latter part of the year, resulting in sequential improvements in our drilling operations, improved financial liquidity and an enhanced competitive position as a high-performance driller. We continued these efforts into 2015 by significantly scaling our operational footprint to better fit the current environment, while maintaining our strong commitment to strategic objectives. The comprehensive strategic review process undertaken in 2013 and aimed at unlocking long-term shareholder value and improving core operational performance resulted in our most notable achievement for 2014 the agreement to combine our Completion & Production Services business line with C&J Energy Services, Inc. ("C&J Energy"). With the strong leadership of our Chairman and CEO and the rest of our management team, we accomplished our strategic objectives and more, improving our financial flexibility with the receipt of \$688 million in cash at the closing of the transaction in March 2015 and transforming the Company into a pure-play drilling business with a 53% equity interest in a larger, more focused public company in the completion and production space. In addition, we:

Maintained a solid financial position in 2014, with a 10% increase in revenue to \$6.8 billion and only a 4.6% increase in SG&A to \$549.7 million, both compared to 2013, with leverage of 2.2x and coverage of 9.8x;

Continued to divest non-core business assets, realizing over \$150 million in net proceeds in 2014 for a total of nearly \$1 billion since 2011;

Strengthened the technology portfolio of our drilling and rig business;

Achieved the best annual safety performance in our history with a total recordable incidence rate of 0.93 in 2014;

Ensured adequate liquidity during an industry downturn by expanding our borrowing capacity by \$225 million, effectively bringing our available capacity to approximately \$1.3 billion as of March 31, 2015;

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Deployed 36 new or substantially upgraded drilling rigs and received awards for 23 newbuild rigs in 2014, including 16 new PACE®-X Rigs in U.S. Drilling; and

Returned over \$59.1 million in dividends to our shareholders in 2014, reflecting our commitment to adding shareholder value.

CORPORATE GOVERNANCE HIGHLIGHTS

We made the following changes to our corporate governance practices during 2014 and/or effective in 2015, reflecting our ongoing dialogue with shareholders and commitment to transparency and good governance:

Appointed a new, independent director suggested by our then-largest shareholder, providing an additional element of independent oversight;

Recommending for approval at the meeting a bye-law amendment that has the effect of disregarding broker non-votes in determining the results of matters submitted to shareholders for approval;

Adopted a policy to separate the roles of Chairman of the Board and CEO following the tenure of our current Chairman and CEO, in accordance with shareholder requests;

Adopted a proxy access policy allowing eligible shareholders to include director nominees with those nominated by the Board in the Company's proxy materials;

Implemented a policy requiring public announcement of the Board's reasoning if any resignation tendered pursuant to our director resignation policy is not accepted;

Changed the composition of the Compensation Committee to replace Messrs. Yearwood and Lombardi in light of shareholders' response to last year's annual election of directors;

Clarified in our governance guidelines that the Lead Director may add agenda items for Board meetings and that the Board includes gender and race in its diversity considerations for director nominees;

Increased the nonemployee directors' equity ownership threshold to 3x the annual cash retainer paid to such directors, in line with benchmarks for other public companies; and

Transitioned to a fully declassified Board with annual election of directors, resulting in a reduction in the average tenure of non-employee directors to 2.3 years, compared to 10 years in 2011.

CREATING SHAREHOLDER VALUE

As part of our commitment to generating shareholder value, we:

Increased our quarterly dividend to shareholders from \$0.04 to \$0.06 in the second half of 2014, for an increase of 25% year-over-year, returning \$59.1 million to shareholders compared to \$47.2 million in 2013; and

Executed buybacks by purchasing 10.375 million of our common shares, at \$24.10 per share, for a total aggregate amount of approximately \$250 million during 2014.

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In addition, we initiated efforts to unlock long-term shareholder value through the transaction with C&J Energy, which was completed in March 2015 for a total consideration valued at approximately \$1.4 billion (based on C&J Energy's share price on March 23, 2015), comprised of approximately 62.5 million common shares in the combined company C&J Energy Services Ltd. and approximately \$688 million in cash. We expect that our 53% equity interest in the larger, more focused public company will yield long-term benefits for our shareholders.

We will continue to identify and consider opportunities to increase returns to our shareholders in the future.

COMPENSATION HIGHLIGHTS

The Compensation Committee strongly believes that executive compensation should be set at levels appropriate to attract and retain talented leaders and should be closely aligned to Company performance. Since 2011, we significantly updated our compensation practices, including restructuring executive compensation to better align with business performance. For example, in 2014, we adopted a policy limiting severance payments to 2.99 times the sum of an executive's average base salary and bonus for 3 years prior to termination, formalizing an initiative already implemented in the CEO's new employment agreement in 2013. Our CFO's employment agreement, which became effective March 3, 2014, also reflected previously implemented measures to address shareholder concerns regarding executive compensation, including:

Subjected significant percentages of target annual compensation (75%) and maximum annual compensation (over 85%) to financial and operational objectives set by the Compensation Committee on an annual basis;

Capped severance payments at 2.99x the sum of average base salary and bonus for 3 years prior to termination; and

Required significant equity ownership of Company shares of at least 3x base salary.

In addition, we reduced our CEO's total compensation by 78% from 2013 to 2014. Also, in light of the worsening market conditions experienced during the second half of the year, the Board took proactive measures to reduce the annual base salary of both our CEO and CFO from \$1.75 million to \$1.53 million and from \$650,000 to \$585,000, respectively, effective January 1, 2015. These reductions are effective until June 30, 2015, and are subject to renewal. Corresponding reductions were also made to the cash compensation of our Corporate Secretary, senior management and nonemployee directors. The Compensation Committee believes that these actions were necessary in light of the current challenging environment and consistent with the Company's overall compensation philosophy.

In addition, in 2014, we eliminated the CEO's automobile allowance in line with perquisites reductions across the Company, and, in 2015, we rescheduled the annual grant of restricted share

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awards to nonemployee directors to occur shortly after the annual general meeting of shareholders, ensuring that such awards are granted only to directors for the current year and not any directors who are retiring or otherwise not continuing in service.

MANAGEMENT OWNERSHIP

Management share ownership remains an important mechanism in our executive compensation structure for aligning the interests of our executives with those of shareholders. Accordingly, we require our executives to maintain equity ownership in the Company based on acquisition-date value of shares and stock options. For shares, the acquisition-date value is the market closing price on the date of the grant or purchase. For stock options, the acquisition-date value is the Black Scholes value on the date of grant. Our CEO owns more than 22 times the required equity value of 5x his base salary, and our CFO owns 4.5 times his required ownership of 3x his base salary.

Even with the significant decline in stock prices throughout our industry beginning in the latter part of 2014, the equity value of our CEO's shareholdings as of the record date is \$107 million, which is over 61 times his base salary or 12 times his contractual requirement.

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PROXY STATEMENT

**Nabors Industries Ltd.
Crown House
4 Par-la-Ville Road
Second Floor
Hamilton, HM 08 Bermuda**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of Nabors Industries Ltd. for the 2015 annual general meeting of shareholders (the "meeting"). In this Proxy Statement, "Nabors", the "Company", "we", "us" and "our" refer to Nabors Industries Ltd. Where the context requires, these references also include our consolidated subsidiaries and predecessors.

We have retained Georgeson Shareholder Communications Inc., 480 Washington Blvd., 26th Floor, Jersey City, New Jersey 07310, to solicit proxies on behalf of the Board by mail, in person and by telephone. We will pay the expenses of this solicitation and preparation of proxy materials, which are expected to be approximately \$40,000. Proxy materials will also be provided for distribution through brokers, custodians and other nominees and fiduciaries. We will reimburse these parties for their reasonable out-of-pocket expenses for forwarding the proxy materials.

ANNUAL GENERAL MEETING INFORMATION

We will hold the meeting at the Fairmont Hamilton Princess, 76 Pitts Bay Road, Hamilton, Bermuda at 11:00 a.m. Atlantic Daylight Time on Tuesday, June 2, 2015, unless adjourned or postponed. Directions to the meeting can be found under the Investor Relations tab of our website at www.nabors.com or by calling our Investor Relations department at 281-775-8063.

Only record or beneficial owners of the Company's common shares may attend the meeting in person. If you are a shareholder of record, you may be asked to present proof of identification, such as a driver's license or passport. Beneficial owners must also present evidence of share ownership, such as a recent brokerage account or bank statement. All attendees must comply with our standing rules, which are available on our website and will be distributed upon entrance to the meeting.

IMPORTANT NOTICE REGARDING ELECTRONIC AVAILABILITY OF MATERIALS

Pursuant to the Securities and Exchange Commission (the "SEC") "notice and access" rules, we may furnish proxy materials, including this Proxy Statement and our 2014 Annual Report for the year ended December 31, 2014, to our shareholders by providing access to such documents on the Internet instead of mailing printed copies. Most shareholders will not receive printed copies of the proxy materials unless they request them. Instead, a Notice of Internet Availability of Proxy Materials (the "Notice"), which was mailed to most of our shareholders, will explain how you may access and review the proxy materials and how you may submit your proxy on the Internet. We believe that this makes the proxy distribution process more efficient, less costly and helps to conserve natural resources. If you would like to receive a paper or electronic copy of our proxy materials, please follow the instructions included in the Notice. Shareholders who requested paper copies of the proxy materials or previously elected to receive proxy materials electronically did not receive the Notice and are receiving the proxy materials in the format requested.

The SEC permits a single set of annual reports and proxy statements or a notice of internet availability of proxy materials, as applicable, to be sent to any household at which two or more shareholders reside if they appear to be members of the same family. Each shareholder continues to receive a separate proxy card. This procedure, referred to as householding, reduces the volume of duplicate information shareholders receive and reduces mailing and printing expenses. A number of

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brokerage firms have instituted householding. As a result, if a shareholder holds shares through a broker and resides at an address at which two or more shareholders reside, that shareholder will likely be receiving only one annual report and proxy statement or notice, as applicable, unless any shareholder at that address has given the broker contrary instructions. However, if any such shareholder residing at such an address wishes to receive a separate annual report and proxy statement or notice, as applicable, in the future, or if any such shareholder that elected to continue to receive such materials wishes to receive a single set of materials in the future, that shareholder should contact their broker or send a request to the Corporate Secretary at the Company's principal executive offices. The Company will deliver, promptly upon written or oral request to the Corporate Secretary, a separate copy of the annual report and proxy statement or notice to a shareholder at a shared address to which a single copy of the documents was delivered.

This Proxy Statement and our 2014 Annual Report are available electronically on our hosted website at www.edocumentview.com/NBR. The Notice and proxy materials are first being made available to our shareholders on or about April 23, 2015.

[QR Code]

The Proxy Statement is available at
www.edocumentview.com/NBR

[QR Code]

The Annual Report is available at
www.edocumentview.com/NBR

VOTING INFORMATION

Record date and quorum. Shareholders of record at the close of business on April 6, 2015, the record date, are entitled to vote on each matter voted on at the meeting. On the record date, 329,557,195 of the Company's common shares were outstanding. A majority of the shares outstanding on the record date, represented in person or by proxy, will constitute a quorum to transact business at the meeting. Abstentions and withheld votes will be counted for purposes of establishing a quorum.

Submitting voting instructions for shares held in your name. As an alternative to voting in person at the meeting, you may direct your vote for the meeting by telephone or via Internet, which saves the Company money, or, for those shareholders that receive a paper proxy card in the mail, by mailing a completed and signed proxy card. A properly submitted proxy will be voted in accordance with your instructions, unless you subsequently revoke your instruction. If you submit a signed proxy without indicating your vote, the person voting the proxy will vote your shares according to the Board's recommendation unless they lack the discretionary authority to do so.

Submitting voting instructions for shares held in street name. If you hold your shares through your broker, follow the instructions you receive from your broker. If you want to vote in person, you must obtain a legal proxy from your broker and bring it to the meeting. If you do not submit voting instructions to your broker, your broker may still be permitted to vote your shares. New York Stock Exchange ("NYSE") member brokers may vote your shares on the approval and appointment of the Company's independent auditor, which is a "discretionary" item. The election of directors, approval of the broker non-vote bye-law amendment, Say-on-Pay vote and consideration of shareholder proposals are "nondiscretionary" items. Absent specific voting instructions from the beneficial owners, NYSE member brokers may not vote on these proposals. If your broker does not have discretion to vote your shares on a matter, your shares will not be voted on that matter, resulting in a "broker nonvote". Broker nonvotes will be counted for purposes of establishing a quorum and, because of the vote required to approve "nondiscretionary" items (discussed below), will have the same effect as a vote *against* a proposal.

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Withholding your vote or voting to "abstain". You may withhold your vote for any nominee for election for director. Withheld votes will be excluded from the vote. On the other proposals, you may vote to "abstain". If you vote to "abstain", your shares will be counted as present at the meeting, and your abstention will have the effect of a vote *against* the proposal.

Revoking your proxy. You may revoke your proxy at any time before it is actually voted by (1) delivering a written revocation notice prior to the meeting to the Corporate Secretary in person or by courier at the address on the first page of this Proxy Statement or by mail to P.O. Box HM3349, Hamilton, HMPX Bermuda; (2) submitting a later-dated proxy that we receive no later than the conclusion of voting at the meeting; or (3) actually voting in person at the meeting. Please note that merely attending the meeting will not, by itself, constitute a revocation of a proxy.

Votes Required / Abstentions and Broker Nonvotes. The following chart provides information on the votes required to elect or approve a proposal and the treatment of abstentions and broker nonvotes:

Voting Item	Vote Required to Elect or Approve	Treatment of Abstentions and Broker Nonvotes
Directors	Each director must receive a plurality of the votes cast; however, a nominee who does not receive the affirmative vote of a majority of the shares voted in connection with his election must promptly tender his resignation from the Board, which the Board will accept unless it determines that it would not be in the Company's best interests to do so.	No effect
Independent Auditor	Requires the affirmative vote of the holders of a majority of shares present in person or represented by proxy.	Abstentions have the same effect as a vote against the proposal; brokers may vote undirected shares
Amendment of Company's Bye-Laws	Requires the affirmative vote of the holders of a majority of shares issued and entitled to vote.	Have the same effect as a vote against the proposal
Say-on-Pay	Requires the affirmative vote of the holders of a majority of shares present in person or represented by proxy. The vote on these items is nonbinding, but the Board will consider the results of the votes in making future decisions.	Have the same effect as a vote against the proposal
Shareholder Proposals		

CORPORATE GOVERNANCE

The Company's Board and management share an ongoing commitment to the highest standards of corporate governance. The Board reviews all aspects of our governance policies and practices, including the "Board Guidelines on Significant Corporate Governance Issues" (the "Governance Guidelines") and the "Code of Business Conduct", at least annually and makes changes as necessary. As part of this ongoing commitment, the Board has undertaken a review of its corporate governance practices against the framework of the Organisation for Economic Co-Operation and Development Principles of Corporate Governance and concluded that Nabors is compliant with such principles. The Governance Guidelines and the Code of Business Conduct along with all committee charters are available on the Company's website at www.nabors.com.

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KEY GOVERNANCE TOPICS

Director Independence

The Governance and Nominating Committee conducts a review at least annually of the independence of each of the members of the Board and its committees and reports its findings to the full Board. As permitted by the rules of the NYSE, the Board has adopted categorical standards to assist it in making determinations of director independence. These standards incorporate and are consistent with the independence requirements of the NYSE and are set forth in our Governance Guidelines available on our website at www.nabors.com. In addition to these standards, the Board also reviews each of the transactions, relationships and arrangements described under "Certain Relationships and Related-Party Transactions", as well as social and other relationships in determining whether a director is independent.

The Board has determined that each director of the Board during 2014, other than our Chief Executive Officer ("CEO"), Mr. Petrello, is independent. The Board has also determined that each member of our Audit, Compensation and Governance and Nominating Committees meets the independence standards established for these committees by the NYSE.

Director Nominations

The Governance and Nominating Committee, in consultation with the CEO, recommends director candidates to the full Board. The Governance and Nominating Committee considers the entirety of each candidate's credentials and does not have specific minimum qualifications or requirements that nominees must meet. In addition to the selection criteria set forth under "Item 1: Election of Directors", the Governance and Nominating Committee gives consideration to industry background and specialized expertise in the context of the Company's needs as a whole. The Governance and Nominating Committee attempts to balance the composition of the Board to promote comprehensive consideration of issues and diversity of experience and talent that is complementary to those of other Board members. The widely varying levels of industry experience among Board members reflect the Governance and Nominating Committee's strategy of balancing extensive industry knowledge with relevant experience in other businesses. The Governance and Nominating Committee has the authority to engage consultants, including search firms, to identify director candidates.

Shareholder Nominations and Proxy Access Policy

The Governance and Nominating Committee accepts shareholder recommendations of director candidates and evaluates such candidates in the same manner as other candidates. Shareholders who wish to submit a candidate for consideration by the Governance and Nominating Committee for election at our 2016 annual general meeting of shareholders may do so by submitting in writing the candidate's name, together with the information described in the Board's "Policy Regarding Direct Candidates Recommended by Shareholders" available at www.nabors.com. In addition, shareholders beneficially owning more than 5% of the Company's outstanding shares for at least 3 consecutive years beginning on or after June 3, 2014 may nominate a single candidate for inclusion in the Company's proxy materials by following the procedures set forth in such policy. Submissions to the Board should be delivered in person or by courier to the address on the first page of this Proxy Statement or by mail to P.O. Box HM3349, Hamilton, HMPX Bermuda, prior to April 3, 2016, but no earlier than March 4, 2016.

Shareholder Communications with the Board

Shareholders and other interested parties may contact any of the Board's directors, as a group or individually, committees, or nonemployee directors as a group, by writing to them at Nabors Industries Ltd., c/o Corporate Secretary. Communications should be delivered in person or by courier

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to the address on the first page of this Proxy Statement or by mail to P.O. Box HM3349, Hamilton, HMPX Bermuda. Shareholder communications received in this manner will be handled in accordance with the Board's "Policy Regarding Shareholder Communications with the Board of Directors" which is available at www.nabors.com.

Annual Meeting Attendance Policy

The Company encourages directors to attend the annual general meeting of the shareholders. All eight directors then comprising the full Board attended the 2014 annual general meeting of shareholders.

Executive Sessions of Nonemployee Directors

Our nonemployee directors, each of whom is independent, meet in executive session at each regular meeting of the Board, and any executive sessions convened by the Lead Director during the year, without the CEO or any other member of management present. The Lead Director presides over these executive sessions.

Board Leadership Structure

Our Governance Guidelines were modified in 2014 to provide for an independent chairman of the Board following the tenure of our current Chairman and CEO, Mr. Petrello, whose employment agreement provides that he will serve in both roles. Until such time, the Board believes that the current coupling of the chairmanship with an experienced, independent Lead Director creates an effective Board leadership structure for the Company. Accordingly, Mr. Yearwood continues to serve as our Lead Director, which he has done since 2011. The Lead Director's primary responsibility is to preside over executive sessions of nonemployee directors and to call meetings of the nonemployee directors as desirable. In addition, the Lead Director:

chairs certain portions of Board meetings;

serves as liaison between the Chairman and the nonemployee directors;

develops and approves, together with the Chairman, the agenda for Board meetings, adding agenda items where he deems appropriate; and

performs other duties delegated by the Board from time to time.

The Board believes that the Company's corporate governance and leadership structures, including the composition of the Board, its committees, and the presence of a strong Lead Director, provide effective independent oversight of the Board itself and management. Both the Chairman and Lead Director serve on the Board's Executive Committee, and any director may raise a matter for consideration by the Board. This past year, our Lead Director:

partnered with our Chairman in extensive communications with significant shareholders regarding the appointment of additional independent directors and other governance matters; and

conducted numerous executive sessions of the independent directors.

The Board believes that Mr. Yearwood's extensive management experience in the industry and effective performance in the role of Lead Director qualify him to continue to serve in that capacity.

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Board's Role in Risk Oversight

Our full Board is responsible for risk oversight and has designated the Risk Oversight Committee to provide assistance in fulfilling its oversight responsibilities with respect to the Company's processes and policies regarding risk assessment and risk management, including the Company's enterprise risk management, compliance and operational control activities. The Risk Oversight Committee is comprised of all nonemployee directors on the Board and meets on a quarterly basis to evaluate the Company's risk exposure and tolerance.

At each meeting, the Risk Oversight Committee receives information from management regarding a variety of matters, including operations, legal, regulatory, finance, risk management, internal audit, cyber-security, information technology, and strategy, as well as any material risks associated with each matter. In addition, the Risk Oversight Committee receives an update from the chairman of each of the Company's committees and in turn provides a comprehensive quarterly risk report to the Board. The Board has also adopted a procedure for employees and shareholders to report concerns about the Company's conduct, accounting, internal controls and other matters directly to certain members of the Board. In addition, the Board oversees management as management fulfills its responsibilities for the assessment and mitigation of risks and for taking appropriate risks.

CODE OF ETHICS

All of our employees, including our CEO, CFO and other senior executives and management, and our nonemployee directors are required to abide by our Code of Business Conduct to ensure that our business is conducted in a consistently legal and ethical manner. The Code of Business Conduct is posted on our website at www.nabors.com. We intend to disclose on our website any amendments to or waivers from any provision of the Code of Business Conduct that apply to our CEO and CFO.

RESPONSE TO SHAREHOLDER CONCERNS

In making decisions regarding corporate governance issues, the Board considers shareholder opinions and input, which it obtains in several ways. One way is through advisory votes on shareholder and other proposals at our annual general meetings. In addition, our Chairman and Lead Director both maintain contact with a number of significant shareholders on key governance issues, including those related to executive compensation. Our other directors and certain members of management also participate in those discussions on occasion. Among other benefits, that continuous dialogue affords our directors deeper insight into shareholder concerns than is provided by a vote on individual topics, which enables a more effective response to issues of most importance to shareholders. After the 2014 annual general meeting of shareholders, the Board considered the level of support for each proposal as part of its overall decision-making process on each issue raised and took action consistent with many of

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the proposals. The table below summarizes the Board's response to each shareholder and other proposal presented at the 2014 annual general meeting of shareholders.

Proposal	2014 Vote	Company Response
Shareholder proposal to provide that all matters except director elections be calculated by majority of votes cast, excluding broker nonvotes	57.7%	Adopted bye-law amendment to effect proposed policy and are presenting amendment to shareholders for vote at the meeting, which is subject to shareholder approval at the meeting.
Shareholder proposal to provide director nominees be elected by majority of votes cast	58.3%	Adopted policy requiring public announcement of the Board's reasoning if any resignation tendered pursuant to our director resignation policy is not accepted. Changed composition of the Compensation Committee to replace Messrs. Yearwood and Lombardi in light of shareholder's vote on the election of directors.*
Shareholder proposal to adopt a requirement that senior executives retain 75% of net after-tax shares	22.4%	Due to low level of support, which decreased in 2014 from 2013, CEO's significant share ownership, and requirement that CEO and CFO own shares with an acquisition-date value of at least 5x and 3x base salary, respectively, no action taken.
Shareholder proposal to require shareholder approval of specific performance metrics in equity compensation plans	23.4%	In light of the same low level of support at both 2013 and 2014 meetings, together with 86.5% approval of 2013 Incentive Bonus Plan and 67.9% approval of 2013 Share Plan (both of which confer to the Compensation Committee broad discretion to establish performance metrics), no action taken.
Shareholder proposal to require the Company to prepare a sustainability report on environmental, social and governance issues	36.9%	In light of low level of support and the Company's existing disclosure on environmental, social and governance practices, no action taken.
Shareholder proposal to allow proxy access to shareholders who have held 3% of Company's shares continuously for 3 years	48.3%	Given less than majority support to change existing proxy access policy, which allows proxy access to shareholders who have held 5% of Company's shares continuously for 3 years and requires review of ownership threshold in 2017, no action taken. In addition, 2 of the 7 directors nominated for election this year were initially proposed by our then-largest shareholder.
Company proposal to extend term of shareholder rights plan to July 2017	35.2%	Absent a compelling change in circumstances, the Board intends to allow the current shareholder rights plan to expire in the end of its current term, thereby implementing results of vote.

*

Mr. Linn was retained as a member of the Compensation Committee to maintain some functional continuity in operations and because he received a significant percentage of "FOR" votes compared to Mr. Yearwood and Dr. Lombardi at last year's annual general meeting of shareholders. In addition, Dr. Lombardi will retire at the meeting.

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The Board met five times during 2014 and held three additional informational sessions by telephone. The Board has six committees, which report their activities to the Board. Appointments to and chairmanships of the committees are recommended by the Governance and Nominating Committee and approved by the Board. Directors are expected to attend all meetings of the Board and committees on which they serve. Each of our incumbent directors attended over 75% of all meetings of the Board and committees on which he served during 2014.

The following chart shows the membership and chairmanship of each Board committee and the number of meetings held by each committee of the Board during 2014.

	Audit	Compensation	Executive	Governance & Nominating	Risk Oversight	Technical & Safety
James R. Crane		X	X		X	Chairman
John P. Kotts	Chairman	X			X	
Michael C. Linn		Chairman		X	X	
John V. Lombardi*	X			X	Chairman	
Anthony G. Petrello			Chairman			
Dag Skattum**	X				X	
Howard Wolf				X	X	X
John Yearwood	X		X	Chairman	X	X
Number of Meetings	4	5	1	5	4	4

*

Dr. Lombardi will retire at the conclusion of the meeting in accordance with the age limitation set forth in the Governance Guidelines.

**

Mr. Skattum was nominated to the Board on June 3, 2014, subsequent to the 2014 annual general meeting.

In addition, in 2014, the Audit Committee held five telephonic informational sessions, and the Compensation Committee held one informational call.

Key Committee Responsibilities

The following table shows the key responsibilities of each Board Committee. The respective charters of each Board committee are available on our website at www.nabors.com.

Audit Committee

Oversees the integrity of our consolidated financial statements, system of internal controls, internal audit, financial risk management, and compliance with legal and regulatory requirements.

Selects, determines the compensation of, evaluates and, when appropriate, replaces the independent auditor, and preapproves audit and permitted nonaudit services.

Determines the qualifications and independence of our independent auditor and evaluates the performance of our internal auditors and independent auditor.

After review, recommends to the Board the acceptance and inclusion of the annual audited consolidated financial statements in our annual report on Form 10-K.

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Conducts information sessions in connection with the Company's quarterly earnings releases and other matters.

All members of the Audit Committee were determined to meet the independence, financial literacy and experience requirements of the NYSE listing standards. The Board has determined that

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Messrs. Kotts, Skattum and Yearwood are "audit committee financial experts" as defined under SEC rules.

Compensation Committee

Reviews and approves the compensation of our executive officers and other senior leaders.

Oversees the administration of our equity-based compensation plans.

All members of the Compensation Committee were determined to meet the independence standards of the NYSE.

Executive Committee

As necessary between meetings of the Board, exercises all power and authority of the Board overseeing the management of the business and affairs of the Company.

Governance and Nominating Committee

Identifies and recommends candidates for election to the Board.

Establishes procedures for the committee's oversight of the evaluation of the Board.

Recommends director compensation.

Reviews corporate governance policies annually.

Reviews and approves any related-party transactions involving directors and executive officers.

All members of the Governance and Nominating Committee were determined to meet the independence listing standards of the NYSE.

Risk Oversight Committee

Monitors management's identification and evaluation of major strategic, operational, regulatory, information and external risks inherent in the Company's business.

Reviews the integrity of the Company's systems of operational controls, regarding legal and regulatory compliance.

Reviews the Company's processes for managing and mitigating operational and enterprise risk.

Technical and Safety Committee

Monitors the Company's compliance with health, safety and environmental standards.

Reviews the Company's safety performance and strategic technology position.

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ITEM 1: ELECTION OF DIRECTORS

Each of the directors elected at the meeting will serve a one-year term, expiring at the next annual meeting of shareholders. On June 3, 2014, the Board expanded to eight members from seven and appointed Mr. Skattum to fill the newly created vacancy. Dr. Lombardi will retire at the conclusion of the meeting in accordance with the age limitation in the Governance Guidelines, and the Board has voted to reduce the size of the Board to seven members upon his retirement. At the meeting, proxies cannot be voted for a greater number of individuals than the seven nominees named in this Proxy Statement.

The directors standing for election have been nominated by the Board, upon the recommendation of the Governance and Nominating Committee, to serve until the 2016 annual general meeting, or until such later time as their successors are duly elected and qualified. Each of the nominees has agreed to serve as a director if elected, and we do not anticipate that any will be unable or unwilling to stand for election. If that were to occur, your proxy will be voted for another person nominated by the Board.

In identifying and recommending director nominees, the Governance and Nominating Committee places primary emphasis on the following criteria:

Reputation, integrity and independence (for nonemployee directors);

Judgment, age and diversity of viewpoints, backgrounds and experience, including gender and race;

Business or other relevant experience;

The extent to which the interplay of the nominee's expertise, skills, knowledge and experience with that of the other members of the Board will result in an effective board that is responsive to the Company's needs; and

For current directors, history of attendance at Board and committee meetings, as well as preparation for, participation in and contributions to the effectiveness of those meetings.

These criteria include those set forth in our Governance Guidelines, which are available on our website at www.nabors.com and to any shareholder who requests them in writing. Requests should be addressed to the Corporate Secretary and delivered in person or by courier to the address on the first page of this Proxy Statement or by mail to P.O. Box HM3349, Hamilton, HMPX Bermuda.

The Governance and Nominating Committee believes that each nominee should be evaluated on his or her individual merits, taking into account the needs of the Company and the composition of the Board, and therefore does not set specific, minimum qualifications that nominees must meet to be recommended to the Board. The Board identifies skills and qualifications that the Governance and Nominating Committee utilizes to determine that the director nominees are qualified to serve on our Board. Members of the Governance and Nominating Committee discuss and evaluate possible candidates in detail and suggest individuals to explore in greater depth. The Governance and Nominating Committee has discretion to engage outside consultants to help identify candidates and also considers suggestions from shareholders, as described in our Governance Guidelines.

Over the past several years, the Governance and Nominating Committee has sought to add qualified new independent directors to provide fresh perspectives to the Board. In furtherance of this goal, in 2012 the Board removed the exemption previously applied to directors in office since 2002 from its policy against directors running for election after attaining age 72. Accordingly, Messrs. Sheinfeld and Payne retired upon completion of their terms at the 2014 and 2013 annual general meeting of shareholders, respectively, and Dr. Lombardi will retire upon completion of his current term at the conclusion of the meeting. Mr. Wolf has been nominated by the Board for re-election at this year's meeting despite this age limitation for several reasons: (1) he was initially

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nominated to the Board by our then-largest shareholder; (2) he has served on the Board for only two years, thus negating the "director entrenchment" concern underlying the policy; and (3) he has already indicated his intent to retire from the Board at the 2016 annual general meeting.

The Board added Mr. Skattum as director in June 2014. Our largest shareholder at the time suggested that the Governance and Nominating Committee consider Mr. Skattum for nomination to the Board. After reviewing his qualifications and a series of interviews, the Board unanimously approved Mr. Skattum's appointment.

In the business descriptions that follow, except as otherwise noted, the companies for which directors have worked are not a parent, subsidiary or otherwise affiliated with the Company.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE *FOR* EACH OF THESE NOMINEES FOR DIRECTOR WITH A TERM
ENDING AT THE 2016 ANNUAL GENERAL MEETING.**

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DIRECTOR NOMINEES

James R. Crane

Chairman and CEO of Crane Capital Group Inc., an investment management company, since 2006.

Mr. Crane was Founder, Chairman and Chief Executive Officer of Eagle Global Logistics, Inc., a NASDAQ-listed global transportation, supply chain management and information services company, from 1984 until its sale in August 2007. Crane Capital Group currently invests in transportation, power distribution, real estate and asset management. Its holdings include Crane Worldwide Logistics, a premier global provider of customized transportation and logistics services with 75 offices in 21 countries, and Champion Energy Services, a retail electricity provider. Mr. Crane also led an investor group that in November 2011 purchased the Houston Astros. He holds a B.S. in Industrial Safety from Central Missouri State University and serves on the board of directors of Western Gas Holdings, LLC, a subsidiary of Anadarko Petroleum Corporation.

Mr. Crane's experience in marketing, logistics, global operations and creating shareholder value provide a valuable resource to the Board.

Age: 61
Director since 2012

John P. Kotts

Mr. Kotts is a private investor and entrepreneur. Through his management company, J.P. Kotts & Co., Inc., Mr. Kotts also operates a private investment fund focused on the trading of U.S. and international securities and other financial instruments. He also invests in real estate and private equities. Mr. Kotts is currently the owner and CEO of Vesco/Cardinal, an oil tool rental and service company, as well as several manufacturing companies. Mr. Kotts previously held various financial, banking and investment banking positions in companies specializing in leveraged buyouts, venture capital and turnaround transactions. From 1990 to 1998, he owned and operated Cardinal Services, Inc., a leading supplier of liftboat rentals and other production-related services, including mechanical wireline services and plug and abandonment services, to oil companies operating in the Gulf of Mexico. After selling the company to a group led by First Reserve Corporation in 1998, Mr. Kotts retained a significant partnership interest and continued to be involved as a member of that company's board of directors until the time of its merger with Superior Energy Services. Mr. Kotts also serves on the board of directors for C&J Energy Services Ltd. since March 2015. He holds a B.A. in Philosophy and an MBA in Finance from Hofstra University and completed additional post-graduate work at McGill University in Montréal, New York University and Harvard Business School.

Age: 64
Director since 2013

Mr. Kotts' industry background and knowledge, business acumen and financial expertise were the primary factors considered by the Board in deciding to appoint him as a director and nominate him for election to the Board.

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Michael C. Linn

President and CEO of MCL Ventures, LLC, an investment company, since 2012. Director of LINN Energy, LLC since 2003.

Mr. Linn founded LINN Energy, a NASDAQ-listed independent oil and natural gas company, in 2003. He served as LINN's Executive Chairman from January 2010 to December 2011, Chairman and Chief Executive Officer from June 2006 to January 2010, and President and Chief Executive Officer from March 2003 to June 2006. He serves on the National Petroleum Council and on the board of the Independent Petroleum Association of America. Mr. Linn is a Texas Representative for the Legal and Regulatory Affairs Committee of the Interstate Oil and Gas Compact Commission. He was previous chairman and currently serves on the Natural Gas Council. He acts as an adviser to the board of directors of Quantum Energy Partners, LLC, serves on the board of directors of C&J Energy Services Ltd. since March 2015, Black Stone Minerals Company, LP and Western Refining Logistics GP, LLC and serves as a Non-Executive Director of Centrica plc. Mr. Linn holds a B.A. in Political Science from Villanova University and a J.D. from the University of Baltimore School of Law.

Age: 63

Director since 2012

Mr. Linn's broad understanding of the energy landscape and insight into the needs of our customers, together with his extensive industry knowledge and relationships, provide valuable resources to the Board.

Anthony G. Petrello

Chairman of the Board of Nabors and its subsidiary, Nabors Industries, Inc., since 2012 and director of each since 1991; Deputy Chairman of Nabors 2003-2012; President and Chief Executive Officer of Nabors and Nabors Industries, Inc. since 2011; President and Chief Operating Officer of Nabors and Nabors Industries, Inc. from 1991-2011.

From 1979 to 1991, Mr. Petrello was with the law firm Baker & McKenzie, where his practice focused on international arbitration, corporate taxation and general corporate law. He served as Managing Partner of the firm's New York office from 1986 until he left the firm in 1991. Mr. Petrello holds a J.D. degree from Harvard Law School and B.S. and M.S. degrees in Mathematics from Yale University. Mr. Petrello also serves as a director of Stewart & Stevenson LLC and Hilcorp Energy Company.

In addition to his operating functions, Mr. Petrello provides strategic planning initiative and direction enabling the Company to adapt and prosper in our dynamic competitive environment.

Age: 60

Director since 1991

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Dag Skattum

Mr. Skattum serves as Vice Chairman, Europe, the Middle East and Africa of JP Morgan, where he also chairs a newly formed global strategic advisory group, since January 2015.

Mr. Skattum served as Managing Director of One Thousand & One Voices, a family-backed investment firm focused on Sub-Saharan African investments from March 2014 to December 2014 and was previously the head of their London office in 2013. Previously, he served as Partner of TPG, a leading global private investment firm, based in London from 2007 until 2013. He worked in the London and New York offices of JP Morgan from 1986 until 2007, serving most recently as Managing Director and Co-head of Global Mergers and Acquisitions. He serves on the advisory board of the UAMS Myeloma Institute for Research and Therapy, Little Rock, Arkansas; the board of trustees of Allegheny College; and the International Board of Directors of Right To Play, a global organization leveraging sports and play to support children in troubled parts of the world. He received a B.A. in History from Allegheny College and an MBA from the Simon Graduate School of Business at the University of Rochester.

Age: 54

Director since 2014

Mr. Skattum has valuable experience through his investment banking background working with a variety of different industries and advising other boards. Mr. Skattum was nominated to the Board in June 2014 upon the recommendation to the Governance and Nominating Committee of our largest shareholders at the time.

Howard Wolf

Since 2004, Mr. Wolf has practiced law as a sole practitioner. He also invests in and serves on the boards of directors of various private companies.

Mr. Wolf is a former senior partner with the law firm of Fulbright & Jaworski L.L.P. where he practiced in the Corporate Department from 1959 until his retirement from the firm in 2003. He is the former Chair of the Committee on Securities and Investment Banking, and the Section on Corporation, Banking and Business Law of the State Bar of Texas. Mr. Wolf has also served on or chaired a number of public, private and charitable boards of directors including Stewart & Stevenson and Offshore Logistics and as a partner of various companies. He currently serves on the board of Simmons & Company International, a private investment banking and securities firm specializing in the energy industry. He received a Bachelor of Business Administration and a J.D., with honors, from The University of Texas at Austin.

Age: 80

Director since 2013

The Company initially nominated Mr. Wolf for election to the Board in 2013 pursuant to an agreement with our largest shareholder at the time. The Board is voluntarily nominating Mr. Wolf for re-election this year and has waived the age limitation set forth in the Governance Guidelines because he has served only two years and has already indicated his intent to retire from the Board at the 2016 annual general meeting. Mr. Wolf's extensive legal and business experience in the energy industry, as well as in corporate and securities matters, mergers and acquisitions, finance and international law, were the primary factors considered by the Board in deciding to nominate him for re-election to the Board.

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John Yearwood

Mr. Yearwood currently serves on the board of directors of Sabine Oil & Gas LLC (formerly NFR Energy LLC, which was a joint-venture subsidiary of the Company until 2012), Sheridan Production Partners, Barra Energia, Premium Oilfield Services, LLC, Foro Energy LLC, Dixie Electric LLC, and Coil Tubing Solutions LLC. Until August 2010, he served as the Chief Executive Officer, President and Chief Operating Officer of Smith International, Inc. He was first elected to Smith's board of directors in 2006 and remained on the board until he successfully negotiated and completed the sale of Smith to Schlumberger Limited in August 2010. Before joining Smith, Mr. Yearwood spent 27 years with Schlumberger in numerous operations management and staff positions throughout Latin America, Europe, North Africa and North America, including as President and in financial director positions. Mr. Yearwood received a Bachelor of Science Honors Degree in Geology and the Environment from Oxford Brookes University in England.

Age: 55
Director since 2010

Mr. Yearwood brings significant executive management experience in the oilfield services industry to the Board. His extensive industry knowledge, combined with his keen insight into strategic development initiatives, operations and our competitive environment, have provided the basis for the extraordinary leadership and critical independent oversight Mr. Yearwood demonstrates as Lead Director.

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OTHER EXECUTIVE OFFICERS

William J. Restrepo

Chief Financial Officer of Nabors since March 2014. In this role, Mr. Restrepo has global oversight for finance and accounting, including the treasury, tax, risk management, internal audit and supply chain groups. He also works closely on Nabors' corporate development and investor relations initiatives.

Mr. Restrepo formerly served as Chief Financial Officer at Pacific Drilling S.A. from February 2011 to February 2014. He also previously served as Chief Financial Officer at Seitel from 2005 to 2009 and Smith International from 2009 to 2010 until its merger with Schlumberger Limited. Prior to that, from 1985 to 2005, Mr. Restrepo served in various senior financial and operational positions for Schlumberger Limited, including operational responsibility for all product lines in the Continental Europe and the Arabian Gulf markets, as well as senior financial executive roles in Corporate Treasury and worldwide controller positions with international postings in Europe, South America and Asia. Mr. Restrepo serves on the board of directors of C&J Energy Services Ltd. since March 2015 and Probe Technology Services since September 2008. He also served as director of Platinum Energy Solutions, Inc. from 2012 to 2013. Mr. Restrepo holds a B.A. in Economics and an MBA, both from Cornell University, as well as a B.S. in Civil Engineering from the University of Miami.

Age: 55

Mark D. Andrews

Mr. Andrews has served as Corporate Secretary of Nabors Industries Ltd. since September 2007. Prior to joining Nabors, Mr. Andrews served in various treasury and financial management positions with General Electric Company, a diversified technology and financial services company, beginning in December 2000. Mr. Andrews was employed by the public accounting firm of PricewaterhouseCoopers LLP from September 1996 to November 2000 in a number of capacities, including Tax Manager, within the firm's Mining and Resource Practice. Mr. Andrews holds a Bachelor of Business Administration degree from Wilfrid Laurier University and is also a Chartered Professional Accountant, Chartered Secretary and a CFA charterholder.

Age: 42

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CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

The Board has adopted a written policy regarding the review, approval and ratification of "related-party transactions". A "related person" is defined under the applicable SEC rule and includes our directors, executive officers, beneficial owners of 5% or more of our common shares and each of their immediate family members. Under the written policy, our Governance and Nominating Committee, which is comprised entirely of independent directors, is responsible for reviewing and approving in advance all transactions involving any related party of the Company. In making its determination, the Committee must consider the fairness of the transaction to the Company and the potential impact of the transaction on the director's independence.

Mr. Crane, an independent director of our Board, is Chairman and CEO of Crane Capital Group Inc. ("CCG"), an investment management company that indirectly owns a majority interest in several operating companies, some of which have provided services to the Company, including international logistics and electricity. For the year 2014, payments for services by the Company to the CCG companies totaled \$89.1 million, which the Governance and Nominating Committee considered immaterial to both CCG and the Company.

The Governance and Nominating Committee and the Board reviewed these transactions and determined that they were conducted at arm's length and concluded that Mr. Crane met both the objective and subjective standards of director independence established by the NYSE, as well as the Board's Governance Guidelines. The Governance and Nominating Committee and the Board also approved ongoing ordinary-course business transactions between the Company and the CCG companies. The Company expects to make aggregate payments to the CCG companies during 2015 in amounts substantially similar to those paid in 2014.

NONEMPLOYEE DIRECTOR COMPENSATION

We believe it is essential to attract outstanding nonemployee directors and align their economic interest in the Company with other shareholders. We accomplish this through a combination of annual retainers and equity incentive awards. For 2014, our annual retainer was \$100,000 for each nonemployee director; an additional \$50,000 for the chairman of each committee (except the chairman of the Audit Committee, whose additional retainer was \$100,000); and an additional \$50,000 for the Lead Director. In July 2014, in recognition of the significant additional time commitment requested of committee members, the Board approved additional retainers of \$20,000 and \$10,000 to be paid to non-Chairman committee members of the Audit Committee and of all other committees (other than the Executive Committee), respectively. No additional amounts are paid for attendance at Board and committee meetings. In light of recent market conditions and in line with management-driven initiatives to reduce costs, the Board reduced all cash retainer amounts by 10%, effective January 1, 2015. The cash component of nonemployee director compensation is paid on a pro rata basis at the end of each quarter. Any director may elect to receive immediately vested stock options, in lieu of any cash payments, valued at the amount of the payment.

We also issue restricted shares to our nonemployee directors upon initial appointment or election to the Board, as well as annually, under our equity incentive plans. Each nonemployee director receives 15,000 restricted shares on an annual basis, which vest on a pro rata basis over a three-year period. The Board believes that awarding directors a predetermined number of shares, rather than a nonfluctuating dollar value, better aligns directors' interests with those of our other shareholders. Consequently, director compensation varies from year to year. Overall director compensation relative to a peer group also fluctuates to the extent other directors in that peer group receive equity of a predetermined value. The Board considers those fluctuations in deciding whether to follow past practice with respect to equity grants.

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In 2015, we rescheduled the annual grant of restricted share awards to nonemployee members of the Board, which historically occurred in the first quarter of each fiscal year, to be made shortly after the annual general meeting of shareholders, ensuring that such awards are granted only to shareholder-elected members for the current year and not to any directors who are retiring or otherwise not continuing as directors.

The following table sets forth information concerning total director compensation in 2014 for each nonemployee director.

2014 Director Compensation Table

Name ⁽¹⁾	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽²⁾⁽³⁾	Option Awards (\$) ⁽⁴⁾	Change in Pension Value and Non-Equity Nonqualified Incentive Plan Compensation			All Other Compensation (\$)	Total (\$)
				Deferred Compensation (\$)	Earnings (\$)			
James R. Crane	0	330,000	160,000	0	0	0	0	490,000
John P. Kotts	25,000	330,000	142,692	0	0	0	0	497,692
Michael C. Linn	160,000	330,000	0	0	0	0	0	490,000
John V. Lombardi	122,500	330,000	42,500	0	0	0	0	495,000
Dag Skattum	7,692	715,230	65,000	0	0	0	0	787,922
Howard Wolf	115,000	330,000	0	0	0	0	0	445,000
John Yearwood	220,000	330,000	0	0	0	0	0	550,000

(1) Mr. Petrello, who was an employee of the Company throughout 2014, is not included in this table. His compensation is in the Summary Compensation Table under "Compensation Discussion and Analysis".

(2) The amounts shown in the "Stock Awards" column reflect the grant-date fair value of restricted share awards. On February 21, 2014, each nonemployee director then on the Board received an award of 15,000 restricted shares as part of his annual compensation. On June 3, 2014, Mr. Skattum received an award of 12,000 restricted shares upon his initial appointment to the Board and 15,000 restricted shares as part of his annual compensation. Each award is scheduled to vest ratably over three years. The grant-date fair value of the restricted share award is based on the Company's closing share price on the grant date, which was \$22.00 on February 21, 2014 and \$26.49 on June 3, 2014.

(3) As of December 31, 2014, the aggregate numbers of outstanding restricted share awards held by nonemployee directors were: Mr. Crane 33,000 shares; Mr. Kotts 33,000 shares; Mr. Linn 33,000 shares; Dr. Lombardi 29,000 shares; Mr. Skattum 27,000 shares; Mr. Wolf 33,000 shares; and Mr. Yearwood 29,000 shares.

(4) The amount shown in the "Option Awards" column reflects the grant-date fair value of stock option awards. The only stock option awards granted to nonemployee directors during 2014 were to Mr. Crane, Mr. Kotts, Dr. Lombardi and Mr. Skattum, who received them in lieu of one or more of their quarterly cash retainers. As of December 31, 2014, the aggregate numbers of stock options outstanding were: Mr. Crane 58,463; Mr. Kotts 27,242; Dr. Lombardi 28,704; and Mr. Skattum 10,590, all of which are fully vested.

Table of Contents**BENEFICIAL OWNERSHIP OF COMPANY COMMON SHARES****Share Ownership of Directors and Executive Officers**

We encourage our directors, officers and employees to own our common shares in order to align their interests with those of other shareholders. Ownership of Company shares ties a portion of their net worth to the Company's share price and provides a continuing incentive for them to work toward superior long-term stock performance. In 2014, we increased the directors' common share ownership requirement to three times the annual cash retainer paid to nonemployee directors, in line with our peers.

As of April 6, 2015, Nabors had 329,557,195 shares outstanding and entitled to vote. For purposes of the following table, "beneficial ownership" is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") pursuant to which a person or group of persons is deemed to have "beneficial ownership" of any common shares that such person has the right to acquire within 60 days. The following table sets forth the beneficial ownership of common shares, as of April 6, 2015, by each of our current directors and named executive officers, and by all our current directors and executive officers as a group:

Beneficial Owner ⁽¹⁾	Common Shares Beneficially Owned	
	Number of Shares	Percent of Total ⁽²⁾
James R. Crane ⁽³⁾	170,463	*
John P. Kotts ⁽³⁾	199,417	*
Michael C. Linn	54,000	*
John V. Lombardi ⁽³⁾	118,704	*
Anthony G. Petrello ⁽³⁾⁽⁴⁾	11,399,614	3.42%
Dag Skattum ⁽³⁾	43,603	*
Howard Wolf	60,000	*
John Yearwood	78,000	*
Mark D. Andrews ⁽³⁾	24,237	*
William J. Restrepo ⁽⁵⁾	456,152	*
R. Clark Wood ⁽³⁾⁽⁵⁾	108,400	*
All Directors/Executive Officers as a group (11 persons) ⁽²⁾⁽³⁾	12,712,590	3.81%

*

Less than 1%

(1) The address of each of the directors and executive officers listed is in care of the Company at the address shown on the first page of this Proxy Statement.

(2) Based on the Company's total common shares outstanding as of April 6, 2015.

(3) We have included in the table common shares underlying stock options that are vested or scheduled to vest within 60 days of April 6, 2015. For purposes of computing the percentage of shares held by the persons named above, such option shares are not deemed to be outstanding for purposes of computing the ownership of any person other than the relevant option holder. The number of common shares underlying fully vested stock options, or those vesting within 60 days, included in the table are as follows: Mr. Andrews 6,143; Mr. Crane 58,463; Mr. Kotts 37,417; Dr. Lombardi 28,704; Mr. Petrello 3,783,487; Mr. Skattum 16,603; Mr. Wood 27,460; and all directors and named executive officers as a group 3,958,277. Restricted share awards are considered outstanding shares and therefore are included in the table above regardless of vesting schedule.

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- (4) The shares listed for Mr. Petrello include 425,236 shares owned by a foundation for which Mr. Petrello has shared voting and dispositive power. Mr. Petrello disclaims beneficial ownership of those shares.
- (5) Mr. Wood served as our principal financial and accounting officer through March 3, 2014 until Mr. Restrepo was appointed Chief Financial Officer. Mr. Wood remains employed as an officer of certain subsidiaries.

Share Ownership of Certain Beneficial Owners

The following table contains information regarding each person known to us to beneficially own more than 5% of our common shares as of April 6, 2015.

Beneficial Owner	Number of Shares	Percent of Total ⁽¹⁾
BlackRock, Inc. ⁽²⁾ 55 East 52 nd Street New York, NY 10022	17,147,253	5.2%
The Vanguard Group ⁽³⁾ 100 Vanguard Blvd. Malvern, PA 19355	25,260,112	7.7%

- (1) Based upon the Company's total common shares outstanding as of April 6, 2015.
- (2) Based on a Schedule 13G filed on February 9, 2015, BlackRock, Inc. and certain of its affiliates have sole voting power with respect to 14,917,525 shares and sole dispositive power with respect to 17,147,253 shares.
- (3) Based on a Schedule 13G filed on February 11, 2015, The Vanguard Group and certain of its affiliates have sole voting power with respect to 495,208 shares, sole dispositive power with respect to 24,793,010 shares and shared dispositive power with respect to 467,102 shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors, executive officers, and persons who own more than 10% of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the SEC. To our knowledge, and based solely on our review of the copies of Forms 3, 4 and 5 and amendments thereto furnished to us during 2014, and written representations from such persons that no other reports were required, we believe that all Section 16(a) filings required to be made by persons with respect to 2014 were timely filed.