

NABORS INDUSTRIES LTD
Form DEF 14A
April 28, 2016

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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.
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**NOTICE OF 2016 ANNUAL GENERAL
MEETING OF SHAREHOLDERS**

Tuesday, June 7, 2016, 11 a.m. ADT
Fairmont Hamilton Princess Hotel, 76 Pitts Bay Road, Hamilton, Bermuda

April 28, 2016

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 2016 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 8, 2016. 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, 2016, and authorization for the Audit Committee of the Board to set the independent auditor's remuneration (Item 2);
3. Approval of the Company's 2016 Stock Plan (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. A shareholder proposal regarding adopting a proxy access bye-law, if properly presented by the shareholder proponents (Item 5); 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 2015 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 2015 Annual Report 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 28, 2016

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 discussions with a number of institutional 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, as well as to respond to shareholder feedback. During 2015, we:

Reduced by 10% the annual base salaries of our Chief Executive Officer, Chief Financial Officer and senior management for an interim period commencing January 1, 2015 through June 30, 2016, subject to renewal;

Reduced by 10% the annual cash retainer of nonemployee directors;

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;

Maintained our quarterly dividend to shareholders in the face of challenging market and economic conditions, resulting in a return to shareholders of \$69.4 million, an increase of over 17% from 2014;

Repurchased 10.6 million of the Company's common shares for a total aggregate amount of approximately \$99.6 million through a \$400 million Board-authorized share repurchase program; and

Published our inaugural corporate sustainability report for the year ended December 31, 2014, enhancing existing disclosure on environmental, social and governance practices.

As I reported in the 2015 Proxy Statement, we successfully completed the merger of our Completion & Production Services business with C&J Energy Services, Inc. in March 2015 thanks to the proactive leadership and valuable efforts of our Chief Executive Officer, Chief Financial Officer and the rest of our management team. This noteworthy transaction exceeded the initial goal of the Board's strategic review process, resulting in increased liquidity for the Company with the receipt of \$693.5 million in cash and a majority equity interest at closing as part of the consideration and transforming the Company into a pure-play global leader in drilling and rig services.

In addition, we delivered on significant strategic initiatives in 2015 with a focus on maintaining a solid financial position throughout the industry downturn. We enhanced our liquidity by increasing the borrowing capacity under our revolving credit facility by \$750.0 million to a total capacity of \$2.25 billion and extending its maturity to 2020. We also aggressively defended our margins by reducing our direct costs as activity and pricing fell, and achieved significant reductions in SG&A and capital spending in our continuing business with a total decrease of \$85.6 million and \$0.9 billion, respectively, as compared to 2014. With prospects for a continued unfavorable environment, we remain strategically focused on preserving capital and liquidity to generate free cash flow through 2016. For example, we began repurchasing outstanding debt in 2015, an effort we have redoubled in 2016. As a result of the Merger, we also streamlined our management structure and business operations to reflect our renewed focus as a drilling and rig services provider and capitalized on existing strengths by delivering value-enhancing technologies, including next-generation rigs, through prudent investments. With these strategies in place, we expect to emerge from the current environment with a strengthened competitive position and poised to take advantage of growth opportunities.

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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PROXY SUMMARY

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 2015 performance, please read our 2015 Annual Report. The annual meeting will take place:

Date: June 7, 2016
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 LLC 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 1	Elect directors	Plurality of votes cast	FOR	13
Item 2	Approve and appoint PricewaterhouseCoopers LLP as our independent auditor for the year ending December 31, 2016 and authorize the Board's Audit Committee to set the independent auditor's remuneration	Majority of votes present	FOR	25
Item 3	Approve Company's 2016 Stock Plan	Majority of votes present	FOR	57
Item 4	Advisory vote regarding the compensation paid to the named executive officers	Nonbinding	FOR	65
Item 5	Shareholder Proposal: Proxy Access Bye-Law	Nonbinding	AGAINST	67

This Proxy Statement and our 2015 Annual Report are available electronically on our hosted website at www.edocumentview.com/NBR and accessible via the QR code at the right. The Notice and proxy materials are first being made available to our shareholders on or about April 28, 2016.

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DIRECTOR NOMINEES

You are being asked to vote on the directors listed below, which comprise all of our seven current directors. Detailed information about each director, including their background, skills and experience, can be found under "Corporate Governance Director Nominees".

James R. Crane	62	2012	Yes	Chairman and CEO of Crane Capital Group Inc.
John P. Kotts	65	2013	Yes	Private investor and entrepreneur
Michael C. Linn	64	2012	Yes	President and CEO of MCL Ventures, LLC
Anthony G. Petrello	61	1991	No	Chairman of the Board, President and CEO
Dag Skattum	55	2014	Yes	Vice Chairman, Europe, the Middle East and Africa of JP Morgan
Howard Wolf	81	2013	Yes	Attorney
John Yearwood	56	2010	Yes	Retired President, CEO and COO of Smith International, Inc.

BUSINESS HIGHLIGHTS

In 2015, 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 throughout the industry, resulting in solid financial liquidity maintenance and an enhanced competitive position as a high-performance driller and rig services provider. The Board's comprehensive strategic review process undertaken in 2013 aimed at unlocking long-term shareholder value and improving core operational performance resulted in our most notable achievement for 2015 the combination of our Completion & Production Services business with C&J Energy Services, Inc. ("C&J Energy") (the "Merger"). With the strong leadership of our Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the rest of our management team, we accomplished our strategic objectives and more through this noteworthy transaction, improving our financial flexibility with the receipt of \$693.5 million in cash at closing and transforming the Company into a pure-play drilling business with a continuing equity interest in a larger, more focused public company in the completion and production services space. In addition, we:

Achieved significant cost reductions, with a 20% decrease in SG&A to \$337.7 million and a 50% decrease in capital spending to \$877.5 million (in each case, excluding the impact of the historical Completion & Production Services business) compared to 2014;

Strengthened the technology portfolio of our Drilling and Rig Services business, most notably by the addition of a next-generation, fast-moving land rig, and deployed 17 state-of-the-art drilling rigs throughout the world;

Augmented the provision of complementary services to our traditional rig offering;

Achieved the best annual safety performance in our history with a total recordable incidence rate of 0.82 in 2015, which represents an improvement in safety performance of 50.6% over the last 5 years;

Ensured adequate liquidity during the industry downturn by expanding our borrowing capacity under our revolving credit facility by \$750 million, effectively bringing its total capacity to \$2.25 billion, with an extended maturity date of July 2020;

Reduced net debt by over 10% to under \$3.4 billion, while maintaining a net debt to capital ratio of 0.44:1 in a declining market⁽¹⁾;

Right-sized and optimized the Company's financial and organizational structure in light of our renewed business focus and changing market conditions; and

Returned nearly \$69.4 million in dividends to our shareholders in 2015, reflecting our commitment to delivering shareholder value.

(1) The net debt to capital ratio is calculated by dividing (x) net debt by (y) net capital. Net debt is total debt minus the sum of cash and cash equivalents and short-term investments. Net capital is the sum of net debt plus shareholders' equity. The net debt to capital ratio is not a measure of operating

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performance or liquidity defined by GAAP and may not be comparable to similarly titled measures presented by other companies.

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CORPORATE GOVERNANCE HIGHLIGHTS

We made the following changes to our corporate governance practices during 2015 and/or effective in 2016, reflecting our ongoing, constructive dialogue with shareholders and commitment to transparency and good governance:

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

Published the Company's first corporate sustainability report for the year ended December 31, 2014 (the "2014 Corporate Sustainability Report") in order to enhance existing disclosure on environmental, social and governance practices;

Performed a review of the Company's existing proxy access policy ahead of the Board's scheduled review in 2017 in proactive response to the results of last year's annual general meeting of shareholders; and

Engaged in comprehensive development and succession planning to ensure long-term stability in the Company's key management positions.

CREATING SHAREHOLDER VALUE

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

Maintained our quarterly dividend to shareholders of \$0.06 per common share in the face of challenging market and economic conditions, returning \$69.4 million to shareholders compared to \$59.1 million in 2014; and

Executed share buybacks by purchasing 10.6 million of our common shares, at an average price of \$9.44 per share, for a total aggregate amount of approximately \$99.6 million during 2015.

In addition, we initiated efforts to unlock long-term shareholder value through the Merger, 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 \$693.5 million in cash at closing. We expect that our continuing 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.

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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 have 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.

In light of the worsening market conditions experienced since late 2014, the Board took proactive measures to reduce by 10% the annual base salaries of both our CEO and CFO from \$1.75 million to \$1.58 million and from \$650,000 to \$585,000, respectively, effective January 1, 2015. These reductions are effective until June 30, 2016 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 industry environment and consistent with the Company's overall compensation philosophy.

In addition, in 2014, we eliminated the CEO's automobile allowance in line with perquisite reductions across the Company, and, in 2015, we 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 and not any directors who are retiring or otherwise not continuing in service.

What We Do:

What We Don't Do:

Have oversight by independent Compensation Committee

No excessive perquisites or perquisites without a specific business rationale

Receive guidance from an independent compensation consultant

No repricing of underwater stock options without shareholder approval

Tie a majority of executive compensation to performance with specific, measurable financial and operational objectives

No excise tax gross-ups in connection with a change-of-control, and it is our policy not to include any such tax gross-ups in any future executive officer agreements

Subject some earned performance-based equity awards to further time-based vesting requirements

No cash severance payments in the event of death, disability or termination for cause

Require significant share ownership for our CEO and CFO

Cap severance payments in our executive officer agreements

Conduct annual say-on-pay advisory votes

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MANAGEMENT SHARE OWNERSHIP

Management share ownership remains an important mechanism in our executive compensation structure for aligning the interests of our executives with those of our other shareholders. Accordingly, we require our executives to maintain equity ownership in the Company based on acquisition-date value. As of the record date, our CEO owns more than 23 times the required equity value of 5x his base salary, and our CFO owns over 5 times his required ownership of 3x his base salary.

*

Excludes stock options and common shares for which the executive disclaims beneficial ownership. See "Corporate Governance - Beneficial Ownership of Company Common Shares."

Even with the significant decline in stock prices throughout our industry which commenced in the latter part of 2014 and has continued into 2016, the equity value of our CEO's shareholdings based on our share price as of the record date is \$71.7 million, which is nearly 41 times his base salary or over 8 times his contractual requirement, and the equity value of our CFO's shareholdings based on our share price as of the record date is \$6.0 million, which is over 9 times his base salary or over 3 times his contractual requirement. These figures also demonstrate the direct impact our executives' practice of holding shares for long periods of time has on pay alignment to Company performance.

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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 2016 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 LLC 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 Hotel, 76 Pitts Bay Road, Hamilton, Bermuda at 11:00 a.m. Atlantic Daylight Time on Tuesday, June 7, 2016, 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 281-775-8038.

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 INTERNET 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 2015 Annual Report for the year ended December 31, 2015, 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

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receive and reduces mailing and printing expenses. A number of 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 receive 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, as applicable, to a shareholder at a shared address to which a single copy of the documents was delivered.

VOTING INFORMATION

Record date and quorum. Shareholders of record at the close of business on April 8, 2016 (the "record date"), are entitled to vote on each matter voted on at the meeting. On the record date, 331,669,400 of the Company's common shares were outstanding, the holders of which are entitled to one vote per share on all matters. We have no other class of securities entitled to vote at the meeting. A majority of the common 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 who 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 and authorization for the Audit Committee to set the independent auditor's remuneration, which is a "discretionary" item. The election of directors, approval of the Company's 2016 Stock Plan, Say-on-Pay vote and consideration of shareholder proposal on proxy access 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, but will not be counted in determining the outcome of "non-discretionary" items. In other words, broker non-votes will have no effect on the proposal.

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.

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

Election of 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
Approval of Company's 2016 Stock Plan	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; broker nonvotes will have no effect
Say-on-Pay; Shareholder Proposal	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.	Abstentions have the same effect as a vote against the proposal; broker nonvotes will have no effect

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.

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" below, 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 2015, other than our CEO, Mr. Petrello, is independent. The Board has also determined that each member of our Audit, Compensation and

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Governance and Nominating Committees meets the independence standards established for these committees by the NYSE.

For example, in February 2016, the Governance and Nominating Committee reviewed Mr. Crane's independence in light of his position as an executive officer of an investment management company (Crane Capital Group, or "CCG") that indirectly owns a majority interest in certain operating companies that provided transportation, logistic and electricity services to the Company during 2015 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. In making its determination, the Governance and Nominating Committee considered that (1) the Company's aggregate payments for services to CCG, exclusive of contract carrier charges, were immaterial to both CCG and the Company and are expected to decrease for 2016, (2) Mr. Crane was not and is not involved in the commercial decisions of either the Company or CCG related to the provision of services to the Company, (3) the charges involved in a significant amount of the transactions either represent pass-through costs only or were determined by competitive bids, and (4) the transactions were in the ordinary course of business and conducted at arm's length. See "Corporate Governance Certain Relationships and Related-Party Transactions".

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" below, 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, race, gender 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 2017 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 (the "Proxy Access 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 8, 2017, but no earlier than March 9, 2017.

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 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.

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Annual Meeting Attendance Policy

The Company encourages directors to attend the annual general meeting of the shareholders. Seven of the eight directors then comprising the full Board attended the 2015 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 and others in extensive communications with significant shareholders regarding 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.

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

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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. Since the 2015 annual general meeting of shareholders, we have engaged in dialogue with 50 shareholders collectively holding over 70% of our outstanding shares. The Board considered input from these and other shareholders, as well as the level of support for each proposal, as part of its overall decision-making process on each issue raised and took actions consistent with many of the proposals. The table below summarizes the Board's response to each shareholder and other proposal presented at the 2015 annual general meeting of shareholders.

Shareholder proposal to require the Company to prepare a sustainability report on environmental, social and governance issues	44.3%	While shareholder support remained low at the 2015 meeting, the Company undertook to publish its inaugural corporate sustainability report in order to enhance its existing disclosure on environmental, social and governance practices. A copy of our 2014 Corporate Sustainability Report can be found in the "Corporate Responsibility" section of our website.
Shareholder proposal to allow proxy access to shareholders who have held 3% of Company's shares continuously for 3 years	66.7%	Because the Company is now a member of the Russell 3000® index, where the overwhelming majority of companies do not have a proxy access policy, and the majority of the Company's peer group does not have a proxy access policy akin to the proposed policy, no action taken to change its Proxy Access Policy, which allows proxy access to shareholders who have held 5% of Company's shares continuously for 3 years.
Company proposal to amend the bye-laws to provide that all matters except director elections be calculated by majority of votes cast, excluding broker nonvotes	88.8%	In addition, 2 of the 7 directors nominated for election this year were initially proposed by our then-largest shareholder. The Company has enhanced its disclosure with respect to those directors in this Proxy Statement. In response to shareholder concerns, the Company submitted for approval a bye-law amendment to effect a policy in line with a shareholder proposal that received majority support at the 2014 meeting. The Company's proposal was approved by a large majority at the 2015 meeting.

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MEETINGS OF THE BOARD AND COMMITTEES

The Board met five times during 2015. The Board has six committees, which report their activities to the Board: (1) the Audit Committee, (2) the Compensation Committee, (3) the Executive Committee, (4) the Governance and Nominating Committee, (5) the Risk Oversight Committee and (6) the Technical and Safety Committee. 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 2015.

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 2015.

James R. Crane		X	X		X	Chairman
John P. Kotts	Chairman	X			X	
Michael C. Linn		Chairman		X	X	
Anthony G. Petrello			Chairman			
Dag Skattum	X				Chairman	
Howard Wolf				X	X	X
John Yearwood	X		X	Chairman	X	X
Number of Meetings	4	4	0	5	4	4

In addition, in 2015, the Audit Committee held two telephonic informational sessions.

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.

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.

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. The Board has also determined that Messrs. Kotts, Skattum and Yearwood are "audit committee financial experts" as defined under SEC rules.

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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.

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.

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 standards of the NYSE.

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

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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.

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

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

Effective February 19, 2016, this Committee was renamed the "Technology and Safety Committee" to better reflect its mission.

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 or until such later time as such director's successor is duly elected and qualified. In connection with the 2015 annual general meeting, the Board voted to reduce the size of the Board to seven members upon the retirement of former director Dr. Lombardi. At the meeting, proxies cannot be voted for a greater number of individuals than seven.

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The directors standing for election have been nominated by the Board, upon the recommendation of the Governance and Nominating Committee, to serve until the 2017 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, former directors Dr. Lombardi and Messrs. Sheinfeld and Payne retired upon completion of their terms at the 2015, 2014 and 2013 annual general meeting of shareholders, respectively. 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 nominated to the Board by our then-largest shareholder; (2) he has served on the Board for only three 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 2017 annual general meeting. Mr. Wolf had initially indicated his intent to retire at the 2016 annual general meeting, but stands for re-election at the request of the Board due to his strong oversight role and valuable contributions to the Company's strategic direction since his initial appointment in 2013. In addition, in June 2014, the Board added Mr. Skattum as director. Our largest shareholder at the time suggested that the Governance and Nominating Committee consider Mr. Skattum for nomination to the Board.

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.

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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 has invested 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 105 offices in 30 countries and Crane Freight & Cartage. 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, as well as Cargojet Inc.

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

Director since 2012
Age: 62

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. Mr. Kotts previously served on the board of directors for C&J Energy Services Ltd. from March 2015 to September 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.

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.

Director since 2013
Age: 65

Michael C. Linn

President and CEO of MCL Ventures, LLC, an oil, gas and real estate investment firm, since 2012. Director of LINN Energy, LLC ("LINN") since 2003.

Mr. Linn founded LINN, 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. Mr. Linn currently serves as a member of the National Petroleum Council and acts as a senior adviser to the board of directors of Quantum Energy Partners, LLC. He also serves on the board of directors of Black Stone Minerals, L.P. and Western Refining Logistics GP, LLC. Mr. Linn previously served on the board of directors of C&J Energy Services Ltd. from March 2015 to June 2015 and as Non-Executive Director and Chairman of the SHESEC Committee for Centrica plc, chairman and director of the Natural Gas Council, chairman of the Education Committee of the Independent Petroleum Association of America and director of the Natural Gas Supply Association. Mr. Linn holds a B.A. in Political Science from Villanova University and a J.D. from the University of Baltimore School of Law.

Director since 2012
Age: 64

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.

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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 CEO of Nabors and Nabors Industries, Inc. since 2011; President and Chief Operating Officer of Nabors and Nabors Industries, Inc. from 1991-2011. 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.

Director since 1991

Age: 61

Dag Skattum

Mr. Skattum serves as Vice Chairman, Europe, the Middle East and Africa of JP Morgan since January 2015.

Previously, he served as Partner of TPG, a leading global private investment firm, based in London from 2007 until 2013. Prior to that, Mr. Skattum worked for JP Morgan for 21 years in a variety of roles in New York and London until his departure as Managing Director and Co-head of Global Mergers and Acquisitions in 2007. He currently serves on the board of Sonae SGPS S.A. in Portugal, 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.

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. Mr. Skattum has derived valuable experience throughout his investment banking career working with a variety of different industries throughout the world and advising other boards.

Director since 2014

Age: 55

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 previously served 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.

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 three years and has already indicated his intent to retire from the Board at the 2017 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.

Director since 2013

Age: 81

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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 Partners LLC. Until August 2010, he served as the Chief Executive Officer, President and Chief Operating Officer of Smith International, Inc. ("Smith"). 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 Limited 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.

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.

Director since 2010

Age: 56

OTHER EXECUTIVE OFFICERS

William J. Restrepo

CFO 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 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 Arabian Gulf markets, as well as senior financial executive roles in Corporate Treasury and worldwide controller positions with international posts 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: 56

Mark D. Andrews

Corporate Secretary of Nabors 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: 43

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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 cash retainers and equity incentive awards. Our annual cash retainer is set at \$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 is \$100,000); and an additional \$50,000 for the Lead Director. In recognition of the significant additional time commitment requested of committee members, the non-Chairman committee members of the Audit Committee and of all other committees (other than the Executive Committee) receive additional retainers of \$20,000 and \$10,000, 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 annual cash retainer 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. In 2015, each nonemployee director was awarded 15,000 restricted shares, which vest in three equal annual installments over a three-year period. The Board has historically believed 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, the value of director compensation may vary 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 and is currently reviewing this practice in light of current market, industry and peer group practices.

Beginning in 2015, we rescheduled the annual grant of restricted share awards to nonemployee directors, 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. In addition, directors who retire from the Board may maintain previously issued equity awards outstanding upon approval by the Governance and Nominating Committee.

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The following table sets forth information concerning total director compensation in 2015 for each nonemployee director.

2015 Director Compensation Table

James R. Crane	153,000	226,950	0	0	0	0	379,950
John P. Kotts	0	226,950	198,000	0	0	0	424,950
Michael C. Linn	153,000	226,950	0	0	0	0	379,950
John V. Lombardi ⁽⁵⁾	68,538	0	0	0	0	0	68,538
Dag Skattum	0	226,950	137,770	0	0	0	364,720
Howard Wolf	117,000	226,950	0	0	0	0	343,950
John Yearwood	216,000	226,950	0	0	0	0	442,950

- (1) Mr. Petrello, who was an employee of the Company throughout 2015, is not included in this table. His compensation is reflected in the Summary Compensation Table under "Executive Compensation" below.
- (2) The amounts shown in the "Stock Awards" column reflect the grant-date fair value of restricted share awards. On June 2, 2015, each nonemployee director then on the Board received an award of 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 \$15.13.
- (3) As of December 31, 2015, the aggregate numbers of outstanding restricted share awards held by nonemployee directors were: Mr. Crane 30,000 shares; Mr. Kotts 34,000 shares; Mr. Linn 30,000 shares; Dr. Lombardi 15,000 shares; Mr. Skattum 33,000 shares; Mr. Wolf 34,000 shares; and Mr. Yearwood 30,000 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 2015 were to Mr. Kotts and Mr. Skattum, who received them in lieu of one or more of their quarterly cash retainers. As of December 31, 2015, the aggregate numbers of stock options outstanding were: Mr. Crane 58,463; Mr. Kotts 79,853; Dr. Lombardi 28,704; and Mr. Skattum 48,198, all of which are fully vested.
- (5) Dr. Lombardi retired from the Board on June 2, 2015.

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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 the Company's common 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. We require our directors to own common shares valued at three times the annual cash retainer paid to nonemployee directors, in line with our peers.

As of April 8, 2016, Nabors had 331,669,400 common 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 8, 2016, by each of our current directors and named executive officers, both individually and as a group:

James R. Crane ⁽³⁾	127,463	*
John P. Kotts ⁽³⁾	274,837	*
Michael C. Linn	69,000	*
Anthony G. Petrello ⁽³⁾⁽⁴⁾	10,394,479	3.11%
Dag Skattum ⁽³⁾	104,095	*
Howard Wolf	75,000	*
John Yearwood	93,000	*
Mark D. Andrews ⁽³⁾	35,138	*
William J. Restrepo	636,516	*
All Directors/Executive Officers as a group ⁽³⁾	11,809,528	3.53%

*

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 8, 2016.
- (3) We have included in the table common shares underlying stock options that are vested or scheduled to vest within 60 days of April 8, 2016. 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 97,837; Mr. Petrello 2,450,153; Mr. Skattum 62,095; and all directors/executive officers as a group 2,674,691. Restricted share awards are considered outstanding shares and therefore are included in the table above regardless of vesting schedule.
- (4) The shares listed for Mr. Petrello include 310,236 shares owned by a charitable foundation for which Mr. Petrello has shared voting and dispositive power. Mr. Petrello disclaims beneficial ownership of those shares.

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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 8, 2016, based on Schedule 13G filings.

BlackRock, Inc. ⁽²⁾ 55 East 52 nd Street New York, NY 10055	21,870,539	6.6%
The Vanguard Group ⁽³⁾ 100 Vanguard Blvd. Malvern, PA 19355	21,029,158	6.3%
Morgan Stanley ⁽⁴⁾ 1585 Broadway New York, NY 10036	20,513,269	6.2%

- (1) Based upon the Company's total common shares outstanding as of April 8, 2016.
- (2) Based on a Schedule 13G filed on January 27, 2016, BlackRock, Inc. and certain of its affiliates have sole voting power with respect to 20,653,266 shares and sole dispositive power with respect to 21,870,539 shares.
- (3) Based on a Schedule 13G filed on February 10, 2016, The Vanguard Group and certain of its affiliates have sole voting power with respect to 211,877 shares, shared voting power with respect to 16,000 shares, sole dispositive power with respect to 20,817,881 shares and shared dispositive power with respect to 211,277 shares.
- (4) Based on a Schedule 13G filed on February 11, 2016, Morgan Stanley and certain of its affiliates have sole voting power with respect to 3,427,575 shares, shared voting power with respect to 562,546 shares and shared dispositive power with respect to 20,302,990 shares. With respect to 17,086,348 of those same shares, or 5.2% of total outstanding shares, and based on the same Schedule 13G, Morgan Stanley Smith Barney LLC has sole voting power with respect to 654 shares, shared voting power with respect to 562,546 shares and shared dispositive power with respect to 16,876,069 shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors and 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. On December 11, 2015, an amended Form 4 was filed in connection with 149 common shares purchased by Mr. Crane as part of a non-Company-sponsored dividend reinvestment plan that were inadvertently omitted from a Form 4 originally filed on April 2, 2013. Just prior to the filing of the amended Form 4, the Company became aware that this transaction was not reported in the initial Form 4 filed in April 2013. 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 2015, 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 2015 were timely filed.

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

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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 nonemployee 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 in the ordinary course of business, including transportation and international logistics and, through September 2015, electricity. In 2015, the Company's payments to the CCG companies totaled \$33.7 million exclusive of contract carrier charges, a significant decrease from \$89.1 million in 2014, which the Governance and Nominating Committee determined were immaterial to both CCG and the Company. In its determination, the Governance and Nominating Committee considered that:

- (1) the Company's aggregate payment for services to the CCG companies, excluding disbursements passed through at cost of \$5 million, constituted less than 1.8% of the consolidated revenue of the CCG companies;
- (2) Mr. Crane was not and is not involved in the commercial decisions of either the Company or CCG related to the provision of transportation, logistics and electricity services to the Company;
- (3) all commercial transactions between the Company and CCG were and are conducted at arm's length and in the ordinary course of business and involve charges determined by competitive bids; and
- (4) the Company expects to make aggregate payments to the CCG companies during 2016 in amounts less than those paid in 2015.

The Governance and Nominating Committee and the Board considered the totality of the information 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.

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AUDIT COMMITTEE REPORT

The Audit Committee operates under a written charter adopted by the Board. The charter is available on the Company's website at <http://nabors.com/audit-committee-charter>.

The Audit Committee is responsible for the oversight of the integrity of the Company's consolidated financial statements, the Company's system of internal controls over financial reporting, financial risk management, the qualifications and independence of the Company's independent registered public accounting firm (independent auditor), the performance of the Company's internal auditors and independent auditor, and the Company's compliance with legal and regulatory requirements. Subject to approval by the shareholders, the Audit Committee has the sole authority and responsibility to select, determine the compensation of, oversee, evaluate and, when appropriate, replace the Company's independent auditor.

The Audit Committee serves in an oversight capacity and is not part of the Company's managerial or operational decision-making process. Management is responsible for the financial reporting process, including the Company's system of internal controls, for the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States and for the report on the Company's internal control over financial reporting. The Company's independent auditor is responsible for auditing those financial statements and expressing an opinion as to (i) their conformity with such accounting principles and (ii) the effectiveness of the Company's internal controls over financial reporting. PricewaterhouseCoopers LLP was the Company's independent auditor in 2015. The Audit Committee's responsibility is to oversee the financial reporting process and to review and discuss management's report on the Company's internal controls over financial reporting. The Audit Committee relies, without independent verification, on the information provided to it and on the representations made by management, the internal auditors and the independent auditor.

During 2015, the Audit Committee, among other things:

Reviewed and discussed the Company's quarterly earnings releases, quarterly reports on Form 10-Q and annual report on Form 10-K, including the consolidated financial statements and the report on internal controls;

Reviewed and discussed the Company's policies and procedures for financial risk assessment and financial risk management and the major financial risk exposures of the Company and its business units, as appropriate;

Reviewed and discussed the annual plan and the scope of work of the internal auditors for 2015 and summaries of the significant reports to management by the internal auditors;

Provided input to the Compensation Committee regarding performance of key finance, internal control and risk management personnel;

Reviewed and discussed with management their reports on the Company's policies regarding applicable legal and regulatory requirements;

Reviewed, updated and approved the Audit Committee's charter; and

Met with the independent auditor and the internal auditors in executive sessions.

The Audit Committee reviewed and discussed with management, the internal auditors and the independent auditor the audited consolidated financial statements for the year ended December 31, 2015, the critical accounting policies that are set forth in the Company's annual report on Form 10-K, management's annual report on the Company's internal controls over financial reporting, and PricewaterhouseCoopers LLP's opinion on the effectiveness of the internal controls over financial reporting.

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The Audit Committee discussed with the independent auditor matters that independent registered public accounting firms must discuss with audit committees under generally accepted auditing standards and standards of the Public Company Accounting Oversight Board ("PCAOB"), including, among other things, matters related to the conduct of the audit of the Company's consolidated financial statements and the matters required to be discussed by PCAOB AU 380 (Communications with Audit Committees). This review included a discussion with management and the independent auditor of the quality (not merely the acceptability) of the Company's accounting principles, the reasonableness of significant estimates and judgments, and the disclosures in the Company's consolidated financial statements, including the disclosures related to critical accounting policies.

The independent auditor also provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the PCAOB and represented that it is independent from the Company. The Audit Committee discussed with the independent auditor its independence from the Company, and considered whether services it provided to the Company beyond those rendered in connection with its audit of the Company's annual consolidated financial statements included in its annual report on Form 10-K, reviews of the Company's interim condensed consolidated financial statements included in its quarterly reports on Form 10-Q, and its opinion on the effectiveness of the Company's internal controls over financial reporting were compatible with maintaining its independence.

The Audit Committee also reviewed and preapproved, among other things, the audit, audit-related, tax and other services performed by the independent auditor. The Audit Committee received regular updates on the amount of fees and scope of audit, audit-related, tax and other services provided.

Based on the Audit Committee's review and these meetings, discussions and reports discussed above, and subject to the limitations on its role and responsibilities referred to above and in the Audit Committee charter, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements for the year ended December 31, 2015 be included in the Company's annual report on Form 10-K. The Audit Committee also selected PricewaterhouseCoopers LLP as the Company's independent auditor for the year ending December 31, 2016, which it believes is in the best interest of the Company and/or shareholders, and is presenting that selection to shareholders for approval at the meeting.

Respectfully submitted,

THE AUDIT COMMITTEE
John P. Kotts, Chairman
Dag Skattum
John Yearwood

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ITEM 2: APPROVAL AND APPOINTMENT OF INDEPENDENT AUDITOR AND AUTHORIZATION FOR THE AUDIT COMMITTEE TO SET THE INDEPENDENT AUDITOR'S REMUNERATION

Under Bermuda law, our shareholders have the responsibility to appoint the independent auditor of the Company to hold office until the close of the next annual general meeting and to authorize the Audit Committee of the Board to set the independent auditor's remuneration. At the meeting, the shareholders will be asked to approve the appointment of PricewaterhouseCoopers LLP as our independent auditor for the year ending December 31, 2016 and to authorize the Audit Committee to set the independent auditor's remuneration. PricewaterhouseCoopers LLP or its predecessor has been our independent auditor since May 1987.

Representatives of PricewaterhouseCoopers LLP will be present at the meeting with the opportunity to make a statement if they desire to do so and to respond to appropriate questions.

Preapproval of Independent Auditor Services

The Audit Committee preapproves all audit and permitted nonaudit services (including the fees and terms thereof) to be performed for the Company by the independent auditor. The Chairman of the Audit Committee may preapprove permissible proposed nonaudit services that arise between committee meetings, provided that the decision to preapprove the service is reported to the full committee at the next regularly scheduled meeting.

INDEPENDENT AUDITOR FEES

The following table summarizes the aggregate fees for professional services rendered by PricewaterhouseCoopers LLP. The Audit Committee preapproved all 2015 and 2014 services.

Audit Fees	\$ 4,570,143	\$ 9,652,339
Audit-Related Fees	1,800	1,800
Tax Fees	892,487	37,893
All Other Fees	6,000	83,326
Total	\$ 5,470,430	\$ 9,775,358

Audit Fees for the years ended December 31, 2015 and 2014, respectively, include fees for professional services rendered for the audits of the consolidated financial statements of the Company, the audits of the Company's internal control over financial reporting and fees for audit services related to the Merger, in each case as required by Section 404 of the Sarbanes-Oxley Act of 2002 and applicable SEC rules, statutory audits, consents, and accounting consultation attendant to the audit. The decrease in audit fees in 2015 compared to 2014 was primarily due to fees incurred for services rendered in connection with the Merger during 2014.

Audit-Related Fees for the years ended December 31, 2015 and 2014, respectively, include consultations concerning financial accounting and reporting standards.

Tax Fees for the years ended December 31, 2015 and 2014, respectively, include services related to tax compliance, including the preparation of tax returns and claims for refund, and tax planning and tax advice.

All Other Fees for the years ended December 31, 2015 and 2014 respectively, include nonrecurring advisory services with respect to corporate process improvements, as well as market data research.

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This compensation discussion and analysis ("CD&A") is intended to help you understand our executive compensation practices and decisions we made in 2015 relating to the named executive officers listed below (the "executive officers"). This CD&A supplements and should be read in conjunction with the tables and related narratives of this Proxy Statement.

Named Executive Officers

Anthony G. Petrello, Chairman of the Board, President and CEO

William J. Restrepo, CFO

Mark D. Andrews, Corporate Secretary

Our Response to the Say-on-Pay Vote

Shareholders are invited to vote to approve, on a nonbinding, advisory basis, the compensation of our executive officers as disclosed in this Proxy Statement in accordance with the SEC's compensation disclosure rules.

In 2015, for the first year of our new performance-based compensation arrangement for our executive officers, shareholders voted in favor of our Say-on-Pay proposal. Our Lead Director, other directors and certain members of management have engaged in continuing dialogue with 50 shareholders collectively holding approximately 71.7% of our outstanding shares and received valuable feedback on various aspects of our executive compensation. We have continued to enhance certain portions of our compensation disclosure in this Proxy Statement and to take other significant actions to address shareholder concerns. We urge you to take the time to review our responses set forth in the table below.

Composition of Peer Group

Engaged in comprehensive review of peer groups with our new compensation consultant.

Eliminated exploration and production companies from our peer group.

Added more competitors to our peer group.

Added/retained large oilfield services companies with whom we compete for talent and enhanced disclosure in this Proxy Statement of the reasons for their inclusion.

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Decreased median size (based on enterprise value) and CEO compensation of the companies in our peer groups.

Retained completion and production services companies in view of our sizable equity investment in C&J Energy Services Ltd. and its impact on our financial statements.

Rationale for Dual Peer Group Unclear

Reverted to single peer group beginning in 2016.

Limited Transparency Regarding Performance Metrics For Prior Year

Provided more detailed disclosure on 2015 executive performance goals in this Proxy Statement, together with greater visibility to targets and thresholds.

Clarified link between performance goals and Company's long-term strategy in this Proxy Statement.

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COMPENSATION HIGHLIGHTS

The Compensation Committee continued to implement our compensation philosophy and goals by closely aligning the overall compensation of our executive officers with company performance and, in particular, shareholder value creation. Highlights of recent executive compensation actions taken include:

Linking Pay with Performance We continued to tie executive compensation to the Company's short- and long-term business objectives which, for 2015, were specifically designed to continue streamlining our business operations and unlocking shareholder value. As a result, our executives delivered a number of value-enhancing achievements for 2015, including:

Streamlined and consolidated the Company's operating and financial structure to focus on our Drilling & Rig Services business, and eliminated over \$85.6 million in sales, general and administrative expenses (inclusive of research & engineering expenses, "SG&A");

Enhanced our competitive position by bringing to market a new 1500 horsepower fast-moving land rig;

Capitalized on the Company's technological portfolio by augmenting the provision of complementary services to our traditional rig offering and growing our non-rig drilling services revenues on a per-rig year basis;

Maintained planned capital expenditures at 20% lower than target as well as obtained material reductions in supply chain expenses.

Peer Group Refinement In light of the Merger, the Compensation Committee reviewed and adjusted the composition of the Company's peer groups to ensure the Compensation Peer Group was comprised of companies with whom the Company competes directly for executive talent and the Performance Peer Group adequately reflected, in the aggregate, the Company's competitors within the industry. In doing so, the Compensation Committee responded to shareholder concerns by integrating the two peer groups.

Reduction in Base Salaries In light of the decline in industry conditions commencing during the latter part of 2014, the Company reduced by 10% the annual base salaries for our CEO, CFO and senior management for an interim period effective January 1, 2015 through June 30, 2016, subject to renewal. As a result, the reduced annual base salaries of our CEO and CFO are \$1.575 million and \$585,000, respectively.

OUR COMPENSATION PHILOSOPHY

Our executive compensation structure is designed to attract and retain exceptional talent and incentivize achievement of our strategic business goals, including maximizing long-term shareholder value.

Core Objectives

We have designed a compensation program for our executives that embodies these core objectives:

Increase shareholder value by aligning management's interests with the long-term interests of shareholders;

Attract, motivate and retain leaders who are critical to the success of our business;

Provide compensation that rewards performance and drives achievement of key financial and business objectives;

Maintain an appropriate balance between short- and long-term business goals; and

Limit perquisites and other non-performance based elements of compensation.

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Critical Leadership Retention

To ensure the delivery of long-term shareholder value and the sustainable growth of a business of our complexity and scope, we believe it is critical to employ leaders who can deliver results. To this end, we:

Provide our executive officers with appropriate and competitive individual pay opportunities and actual pay outcomes that reward superior corporate and individual performance;

Use a mix of cash and performance-based equity awards, measured by both financial and nonfinancial factors, to reward annual and longer-term business performance; and

Encourage retention through the use of various forms of deferred compensation, including in some cases time-vesting compensation awards.

SETTING EXECUTIVE COMPENSATION

The following committee, independent consultant and other resources play an important role in determining our executive compensation structure.

Compensation Committee

The Compensation Committee, which consists of three independent directors, performs the following compensation-related functions:

Oversees the compensation of our executive officers and other key executives comprising our senior leadership team;

Evaluates the performance of our CEO and reviews the performance of our other executive officers, drawing on its own judgment and observations and those of our CEO in evaluating the performance of such officers;

Administers our equity-based programs and reviews and approves all forms of compensation (including equity grants);

Sets financial and business measures and goals that are tied to Company's performance for long-term equity incentive awards;

Oversees employment agreements, including severance and change-in-control agreements, between the Company and the executives, including modifications and amendments thereto; and

Considers input from the Risk Oversight Committee and Audit Committee with respect to risk management considerations in evaluating performance objectives and incentives.

The Compensation Committee has discretion to decrease formula-driven awards or provide additional incentive compensation based on executive retention considerations. It also has discretion to provide additional incentive compensation in recognition of superior individual performance or extraordinary specific developments. To a lesser extent, the Compensation Committee exercises subjective judgment in making compensation decisions with respect to executive officers, primarily as to equity awards, when such officer's compensation is not determined pursuant to an employment agreement.

Independent Compensation Consultant

The Compensation Committee engaged Pearl Meyer & Partners ("Pearl Meyer") as its new independent consultant to assist the committee with its responsibilities as appropriate, by:

Providing advice, research and analysis on executive compensation trends and norms;

Reviewing and analyzing peer group information to assist with setting of executive compensation; and

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Performing work as requested by and under the supervision of the Compensation Committee.

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Specifically, Pearl Meyer was engaged by the Compensation Committee to (1) provide advice with respect to the appropriateness and reasonableness of management bonuses for the Merger and (2) review our peer groups in light of the Merger and industry conditions and make recommendations regarding appropriate modifications.

The Compensation Committee analyzed any relationships Pearl Meyer had with the Company, members of the Compensation Committee, executive officers and management, and concluded that, after consideration of the specific factors identified by the SEC and the NYSE that affect the independence of compensation advisors, there were no independence or conflict-of-interest concerns related to Pearl Meyer.

Management

Certain of our executive officers and senior management provide input on business strategy and short-and long-term business objectives, which assists the Compensation Committee in establishing performance goals in connection with long-term components of our executive compensation program. In addition, the Compensation Committee consults with the CEO in setting the compensation of other executive officers upon their hiring with the Company and periodically thereafter as deemed appropriate by the Compensation Committee. The CEO also provides a subjective performance assessment of other executive officers, which is reviewed and considered by the Compensation Committee in determining each executive officer's performance and resulting compensation.

Market Referencing

We regularly consider market data for similarly situated executive officers in making compensation decisions for this group of executives.

What We Do:

Review executive compensation disclosures of peer companies and/or published compensation survey sources of industrial and finance companies generally

What We Don't Do:

Target individual elements of compensation or total compensation at a certain percentile within a peer group