

SABINE OIL & GAS CORP
Form DEF 14A
April 22, 2015

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

SCHEDULE 14A

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

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

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

Sabine Oil & Gas Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Amount Previously Paid:

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(3) Filing Party:

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Sabine Oil & Gas Corporation

**1415 Louisiana Street, Suite 1600
Houston, Texas 77002**

April 22, 2015

Dear Fellow Shareholder:

We cordially invite you to attend the annual meeting of shareholders of Sabine Oil & Gas Corporation to be held on Wednesday, June 3, 2015, at 10:00 a.m., C.D.T., at 1415 Louisiana Street, 39th Floor, Houston, Texas 77002.

At this year's meeting, you will be asked to (i) elect Thomas N. Chewning as a Class III director, (ii) approve, by non-binding vote, the compensation of the named executive officers as disclosed in this proxy statement, and (iii) ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the year ended December 31, 2015. Details regarding each of the proposals are described in the accompanying Notice of Annual Meeting of Shareholders and Proxy Statement.

As permitted under the rules of the Securities and Exchange Commission, we are mailing to many of our shareholders a notice of the availability of the proxy materials for the annual meeting of shareholders to be held on June 3, 2015, instead of mailing a paper copy of the annual meeting notice, the accompanying proxy statement, and our 2014 Annual Report. The notice contains instructions on how to access those documents over the Internet. The notice also contains instructions on how each of those shareholders can receive a paper copy of our proxy materials, including the notice, the accompanying proxy statement, our 2014 Annual Report, and a form of proxy card or voting instruction card. All shareholders who do not receive a notice will receive a paper copy of the proxy materials by mail. We believe this process represents a more direct mechanism for disseminating information, reduces the number of printed copies and thus reduces the environmental impact of producing and delivering these materials.

As owners of Sabine common stock, your vote is important. Whether or not you plan to attend the annual meeting, we hope that you will vote as soon as possible. You may vote over the Internet or by telephone, or, if you received paper copies of the proxy materials by mail, you can also vote by mail by following the instructions on the proxy card or voting instruction card.

On behalf of our Board of Directors, thank you for your continued interest in Sabine Oil & Gas Corporation.

Sincerely,

David J. Sambrooks
President, Chief Executive Officer and Chairman of the Board

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Sabine Oil & Gas Corporation

**1415 Louisiana Street, Suite 1600
Houston, Texas 77002**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 3, 2015**

We will hold the annual meeting of shareholders of Sabine Oil & Gas Corporation on Wednesday, June 3, 2015, beginning at 10:00 a.m., C.D.T., at 1415 Louisiana Street, 39th Floor, Houston, Texas 77002. The items of business are:

1. Election of Thomas N. Chewning as a Class III director;
2. Advisory vote on executive compensation for our named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the compensation discussion and analysis, the compensation tables and any related material disclosed in this proxy statement;
3. Ratification of the appointment of Deloitte & Touche LLP as Sabine's independent registered public accounting firm for the year ended December 31, 2015; and
4. Transact such other business as may be properly brought before the meeting.

Only Sabine shareholders of record at the close of business on April 8, 2015, the record date for the meeting, are entitled to vote at the meeting and any adjournments or postponements of the meeting.

Whether or not you plan to attend the annual meeting, we urge you to vote as soon as possible. You may vote your shares over the Internet or via a toll-free telephone number. If you received a paper copy of a proxy card or voting instruction card by mail, you may submit your proxy or voting instruction card by completing, signing, dating, and returning your proxy card or voting instruction card in the pre-addressed envelope provided. If you hold your shares of record and attend the meeting, you will have the right to revoke the proxy and vote your shares in person. For specific instructions on how to vote your shares, please refer to the section heading "GENERAL INFORMATION" in the accompanying proxy statement.

By Order of the Board of Directors,

Timothy D. Yang

*Senior Vice President, Land & Legal, General Counsel, Chief
Compliance Officer and Secretary*

Houston, Texas
April 22, 2015

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**IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS
FOR THE SABINE OIL & GAS CORPORATION
ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 3, 2015**

This notice, the accompanying proxy statement, and our 2014 Annual Report, which includes our Annual Report on Form 10-K for the year ended December 31, 2014, are available on our website at www.sabineoil.com. Additionally, and in accordance with Securities and Exchange Commission rules, you may access these materials at the cookies-free websites indicated in the notice of the availability of proxy materials that you may receive from our transfer agent, Computershare Shareowner Services LLC, or from Broadridge Financial Solutions, Inc.

IMPORTANT VOTING INFORMATION

Shareholders who hold Sabine shares through a broker, bank or other financial institution receive proxy materials and a voting instruction form either electronically or by mail before each shareholder meeting. For your vote to be counted with respect to Proposals 1 and 2, you will need to communicate your voting decisions to your broker, bank or other financial institution before the date of the shareholder meeting or by such other date that may be indicated by the broker, bank or institution.

Your Participation in Voting the Shares You Own Is Important

Voting your shares is important to ensure that you have a say in the governance of your company. Please review the proxy materials and follow the instructions on the proxy card or voting instruction card to vote your shares. We hope you will exercise your rights and fully participate as a shareholder in Sabine's future.

More Information Is Available

If you have any questions about the proxy voting process, please contact the broker, bank or other financial institution where you hold your shares. The SEC also has a website (www.sec.gov/spotlight/proxymatters.shtml) with more information about your rights as a shareholder. Additionally, you may contact our Investor Relations Department at www.sabineoil.com or by email at corporaterelations@sabineoil.com.

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EXPLANATORY NOTE

On December 16, 2014, Sabine Oil & Gas LLC, a Delaware limited liability company ("Sabine O&G"), and Forest Oil Corporation, a New York corporation, completed the combination of their respective businesses through a series of transactions whereby certain indirect equity holders of Sabine O&G, namely Sabine Investor Holdings LLC, a Delaware limited liability company, and FR XI Onshore AIV, LLC, a Delaware limited liability company (collectively, the "Legacy Sabine Investors"), contributed the equity interests in Sabine O&G to Forest Oil Corporation. In exchange for this contribution, the equity holders of Sabine O&G received shares of Sabine Oil & Gas Corporation ("Sabine") common stock and Series A senior non-voting equity-equivalent preferred stock collectively representing approximately a 73.5% economic interest in Sabine and 40% of the total voting power in Sabine (the "Combination"). On December 19, 2014, Forest Oil Corporation changed its name to "Sabine Oil & Gas Corporation." References in this proxy statement to "Sabine," "we," "us" and "our" refer to the group of entities within the consolidated group of Sabine Oil & Gas Corporation, unless otherwise indicated or the context otherwise requires. References in this proxy statement to "Forest" refer to Sabine Oil & Gas Corporation prior to the Combination, when it was known as "Forest Oil Corporation."

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PROXY STATEMENT

**ANNUAL MEETING OF SHAREHOLDERS
To Be Held Wednesday, June 3, 2015**

Sabine Oil & Gas Corporation

**1415 Louisiana Street, Suite 1600
Houston, Texas 77002
*www.sabineoil.com***

GENERAL INFORMATION

Proxy Solicitation

Beginning on or about April 22, 2015, Sabine has made available to you on the Internet, or has delivered to you by mail, these proxy materials for the solicitation of proxies by the Board of Directors (the "Board") of Sabine Oil & Gas Corporation ("Sabine," "Company," "we" or "our"), a New York corporation, for Sabine's annual meeting of shareholders to be held at 10:00 a.m., C.D.T., on Wednesday, June 3, 2015, at 1415 Louisiana Street, 39th Floor, Houston, Texas 77002. The proxies also may be voted at any adjournments or postponements of the meeting. In addition to solicitation by mail, certain of our directors, officers, and employees may solicit proxies by telephone, personal contact, or other means of communication. They will not receive any additional compensation for these activities. Also, brokers, banks, and other nominees will be requested to solicit proxies or authorizations from beneficial owners. Sabine will bear all costs incurred in connection with the preparation, assembly, and delivery of the proxy materials and the solicitation of proxies and will reimburse brokers, banks, and other nominees, fiduciaries, and custodians for reasonable expenses incurred by them in forwarding proxy materials to beneficial owners of Sabine common stock. We have engaged Georgeson Inc. to assist us in the solicitation of proxies, for which we have paid a fee of \$10,000 and will reimburse it for certain charges and expenses.

Shareholders Entitled to Vote; Record Date

Shareholders of record at the close of business on April 8, 2015, the record date, are entitled to notice of, and to vote at, the meeting or at adjournments or postponements of the meeting. Each owner of record on the record date is entitled to one vote for each share of Sabine common stock held. As of the close of business on the record date, there were 215,755,185 shares of Sabine common stock issued and outstanding.

Notice of Internet Availability of Proxy Materials

As permitted under the rules of the Securities and Exchange Commission, or the SEC, Sabine is mailing to the majority of its shareholders a notice about the Internet availability of the proxy materials instead of mailing a paper copy of the proxy materials. All shareholders receiving the notice will have the ability to access the proxy materials over the Internet and request to receive a paper copy of the proxy materials by mail. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found on the notice. See below for details. Sabine is providing some of its shareholders, including shareholders who have previously requested to receive paper copies of the proxy materials, with paper copies of the proxy materials instead of a notice about the Internet availability of the proxy materials.

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The notice that you receive in the mail will come in one of two forms, depending on how you hold your shares of Sabine. If your shares are held in a brokerage account, or by a trustee or other nominee, you are considered the "beneficial owner" of those shares and you will receive a four-page document titled "IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS" for the annual meeting of shareholders to be held on June 3, 2015, from Broadridge Financial Solutions, Inc. If your shares are registered directly in your name with our transfer agent, you are considered the "shareholder of record" and you will receive a two-page document from our transfer agent, Computershare Shareowner Services LLC, also titled "IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS." In either case, instructions on how to access the proxy materials over the Internet and to request paper copies may be found in the notice. Our proxy materials may also be accessed on our website at www.sabineoil.com.

How to Vote Your Shares Without Attending the Annual Meeting in Person

Whether you hold shares directly as a shareholder of record, or beneficially in "street name," you may direct how your shares are voted without attending the annual meeting. If you are a shareholder of record, you may vote by submitting a proxy; and if you hold your shares beneficially in street name, you may vote by submitting voting instructions to your broker, trustee, or nominee. There are three ways to vote by proxy and voting instruction card:

By Internet Shareholders who received a notice about the Internet availability of the proxy materials may submit their proxy over the Internet by following the instructions on the notice. Shareholders who have received a paper copy of a proxy card or voting instruction card by mail may submit proxies over the Internet by following the instructions on the proxy card or voting instruction card.

By Telephone Shareholders of record may submit proxies by telephone, by calling the number included in the materials received from Computershare Shareowner Services LLC, and following the instructions. In addition, you will need to have the control number that appears on your notice available when voting. Shareholders who are beneficial owners of their shares and who have received a voting instruction card may vote by calling the number specified on the voting instruction card provided by their broker, trustee, or nominee.

By Mail Shareholders who have received a paper copy of a proxy card or voting instruction card by mail may submit proxies by completing, signing, and dating their proxy card or voting instruction card and mailing it in the accompanying pre-addressed envelope.

If you provide specific voting instructions, your shares will be voted as you instruct. If you hold your shares directly and you sign the proxy card but do not provide instructions or if you do not make specific Internet or telephone voting choices, your shares will be voted "FOR" the election of the director nominee identified in this proxy statement, "FOR" the approval, on an advisory basis, of the executive compensation of our named executive officers, and "FOR" the ratification of the appointment of Deloitte & Touche LLP ("Deloitte") as our independent registered public accounting firm for the year ending December 31, 2015.

If you sign the voting instruction card of your broker, trustee, or other nominee, but do not provide instructions, or if you do not make specific Internet or telephone voting choices, your shares will not be voted unless your broker, trustee, or other nominee has discretionary authority to vote. When a broker, trustee, or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have authority to vote in the absence of timely instructions from the beneficial owner, this is referred to as a "broker non-vote." In the absence of specific instructions from you, your broker has discretionary authority to vote the shares of a beneficial owner with respect to the ratification of Deloitte as our independent registered public accounting firm,

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but such brokers are not empowered to vote for Proposals 1 and 2 in the absence of specific instructions from the beneficial owner.

How to Vote Your Shares by Attending the Annual Meeting in Person

Shares held in your name as the shareholder of record may be voted in person at the annual meeting. Shares for which you are the beneficial owner but not the shareholder of record may be voted in person at the annual meeting only if you obtain a "legal proxy" from the broker, trustee, or other nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the annual meeting, we recommend that you also vote by proxy as described above so that your vote will be counted if you are unable to attend the meeting.

Revoking Your Proxy

A proxy may be revoked at any time before it is voted by (1) sending written notice of revocation to our Secretary at our office address set forth above prior to the annual meeting, (2) delivering a revised proxy (by one of the methods described above) bearing a later date, or (3) voting in person by completing a ballot at the annual meeting. If you have instructed a broker, trustee, or other nominee to vote your shares, you must follow the directions received from your broker, trustee, or other nominee to change those instructions. You may change your telephone or Internet vote as often as you wish following the procedures for telephone or Internet voting, as applicable.

Quorum; Vote Required

A majority of the outstanding shares entitled to vote at the meeting must be present or represented by proxy at the meeting in order to have a quorum. All shares that are voted "for" or "against" any matter, votes that are "withheld" for the Class III nominee, abstentions, and "broker non-votes" are counted as present for the purpose of determining a quorum. If a quorum is not present at the meeting, a vote for adjournment will be taken among the shareholders present or represented by proxy. If a majority of the shareholders present or represented by proxy vote for adjournment, it is our intention to adjourn the meeting until a later date and to vote proxies received at such adjourned meeting. The place and date to which the annual meeting would be adjourned would be announced at the meeting, but would in no event be more than 30 days after the date of the annual meeting.

A majority of the votes cast is required to approve each of Proposals 1, 2 and 3. Under the laws of New York, our state of incorporation, "votes cast" at a meeting of shareholders by the holders of shares entitled to vote generally are determinative of the outcome of the matter subject to vote. All of the proposals set forth in this proxy statement are subject to this standard. Although they are considered in determining the presence of a quorum, abstentions and "broker non-votes" will not be considered "votes cast." Accordingly, they will have no effect on the outcome of the vote. In the election of directors, votes that are "withheld" are considered a vote against the director from whom the vote is withheld.

We intend to announce preliminary voting results at the meeting and publish final results in a periodic report on Form 8-K within four business days following the annual meeting of shareholders.

Other Matters

The Board knows of no matter, other than those referred to in the notice of annual meeting and this proxy statement, which will be presented at the meeting. If any other matter is properly brought before the meeting or any of its adjournments or postponements, the persons named in the proxy will vote the proxy in accordance with their judgment on such matter.

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Recommendations of the Board of Directors

Our Board recommends a vote "FOR" the election of the Class III director nominee; "FOR" the approval, on an advisory basis, of the executive compensation of our named executive officers, as disclosed pursuant to the compensation disclosure rules of the SEC, including the compensation discussion and analysis, the compensation tables and any related material disclosed in this proxy statement; and "FOR" the ratification of the appointment of Deloitte as Sabine's independent registered public accounting firm for the year ended December 31, 2015.

Delivery of Documents to Security Holders Sharing an Address; Householding

SEC rules permit companies and intermediaries, such as brokers and banks, to satisfy delivery requirements for proxy statements with respect to two or more shareholders sharing the same address by delivering a single proxy statement and annual report to those shareholders. This method of delivery, often referred to as "householding," is meant to reduce both the amount of duplicate information that shareholders receive, and printing and mailing costs. We are not householding proxy materials for our shareholders of record in connection with the annual meeting, but certain intermediaries may household proxy materials. If you hold your shares of our common stock beneficially through a broker or bank that has determined to household proxy materials, only one proxy statement and 2014 Annual Report may be delivered to multiple shareholders sharing an address unless you notify your broker or bank to the contrary. If your household is receiving multiple copies of our proxy statement and annual report and you wish to receive only one copy of future notices or proxy materials, you should contact your bank or broker.

We will promptly deliver to you a separate copy of the proxy statement and 2014 Annual Report if you so request by calling us at (832) 242-9600, or by writing, in care of the Secretary, Sabine Oil & Gas Corporation, 1415 Louisiana Street, Suite 1600, Houston, Texas 77002. You may also contact your bank or broker to make a similar request.

Access to Annual Report and Governance Documents

We refer you to our 2014 Annual Report, which includes our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC. Our Annual Report on Form 10-K, including our financial statements, and any amendments and any documents incorporated by reference in our Annual Report on Form 10-K, our Corporate Governance Guidelines, Code of Business Conduct and Ethics, and each of the charters of the Board committees described herein will be sent to you without charge upon written request. If you would like to receive any additional information, please contact us in care of the Secretary, Sabine Oil & Gas Corporation, 1415 Louisiana Street, Suite 1600, Houston, Texas 77002, or contact us by telephone at (832) 242-9600. Alternatively, you may access the 2014 Annual Report and the foregoing governance documents on Sabine's website at www.sabineoil.com. The 2014 Annual Report is not considered a part of the proxy solicitation materials.

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CORPORATE GOVERNANCE PRINCIPLES AND INFORMATION ABOUT THE BOARD AND ITS COMMITTEES

The Combination

Immediately prior to the closing of the Combination on December 16, 2014, in connection with the closing of the Combination, each of James D. Lightner, Loren K. Carroll, Richard J. Carty, James H. Lee and Raymond I. Wilcox resigned from the Board and the Board appointed Duane C. Radtke, John Yearwood, Thomas N. Chewning, David J. Sambrooks, Alex T. Krueger and Brooks M. Shughart to serve on the Board. Following these appointments, the Board then had a total of eight directors, including Patrick R. McDonald and Dod A. Fraser, both of whom served as directors of Forest immediately prior to the closing of the Combination. On January 16, 2015, Mr. Fraser resigned from the Board, leaving the Board with a total of seven directors. In this proxy statement, members of our Board are referred to as "Forest directors" with respect to periods prior to the Combination and are referred to as "Sabine directors" with respect to periods following the Combination.

Board Independence

Our Corporate Governance Guidelines provide that a majority of the Board will consist of independent directors. Upon the closing of the Combination, the New York Stock Exchange ("NYSE") suspended trading in our common stock and commenced delisting proceedings due to our failure to meet the continued listing standards under Rule 802.01C of the NYSE Listed Company Manual. On December 17, 2014, our common stock began trading over the counter on the OTCQB Marketplace. Even though our common stock is no longer listed on the NYSE, our Board continues to refer to the independence standards as adopted by the NYSE, as well as the SEC's additional standards for audit committee members, in making determinations of independence. Based on information provided by the members, the Board has determined that five of our directors are independent under the NYSE's independence standards, including Messrs. Duane C. Radtke, John Yearwood, Thomas N. Chewning, Alex T. Krueger and Brooks M. Shughart, and that Messrs. Radtke, Yearwood and Chewning also satisfy the SEC's additional independence standards for audit committee members. Only directors who have been determined to be independent under the NYSE standards serve on our Compensation Committee and Nominating and Governance Committee, and only directors determined to be independent under the NYSE standards and the SEC's additional independence standards for audit committee members serve on our Audit Committee. The Board has determined that no member of these committees has a material relationship with Sabine (either directly or indirectly as a partner, shareholder, or officer of an organization that has a relationship with Sabine) that may interfere with the exercise of such member's independence. The independence standards are reflected in our Corporate Governance Guidelines. In addition, the Board has elected Mr. David J. Sambrooks to serve as our Chairman.

Board Leadership Structure and Risk Oversight

Sabine believes that its Board is best characterized as independent. As noted above, five of the Board's seven members were determined to be independent under the NYSE independence standards, with Mr. Sambrooks, our President, Chief Executive Officer and Chairman of the Board, and Mr. Patrick R. McDonald, former President and Chief Executive Officer of Forest prior to the Combination, being the only non-independent directors.

Further, in accordance with our governance documents, the Board has no policy with respect to the separation of the offices of Chief Executive Officer and Chairman of the Board. Mr. Sambrooks, Sabine's President and Chief Executive Officer, also serves as Sabine's Chairman of the Board. The Board believes this is in the best interests of Sabine and its shareholders because Mr. Sambrooks is in the best position to (i) properly and timely identify matters that should be brought to the Board's

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attention, (ii) prioritize Board agenda items, and (iii) identify the individuals in the best position to present agenda items. The Board believes this structure is considerably more efficient and effective than (i) requiring an outside Chairman of the Board to duplicate many of the Chief Executive Officer's efforts or (ii) requiring the Chief Executive Officer to relay communications through another member of the Board. In addition, the Board believes the following practices accomplish independent oversight of management without the need to separate the roles of the Chief Executive Officer and the Chairman of the Board:

All members of the Board, other than the Chief Executive Officer and Mr. McDonald, are independent;

All members of the Board's Audit, Compensation and Nominating and Governance Committee are independent;

The Board and its committees regularly request updates from management regarding matters deemed significant at any given time;

The non-management directors of the Board hold regularly scheduled executive sessions. In the event that non-management directors include directors who are not independent, then at least once a year, an executive session will be held that includes only independent directors; and

The Board and its committees provide regular input regarding items to be covered in future agendas.

The Board believes all of the foregoing factors provide an appropriate balance between effective and efficient Company leadership and sufficient oversight by non-Employee Directors. In addition, Mr. Radtke serves as the Lead Director of the Board of Directors. The Lead Director leads the executive sessions and is responsible for leading such meetings, as described below under "Executive Sessions."

Our Board members have diverse backgrounds. From an educational standpoint, two of our directors have an engineering background, two have geologic backgrounds, and three have economic and finance backgrounds. From a work experience standpoint, two of our directors' careers were spent primarily with independent oil and gas companies, two with finance and investment banking firms, one with a major oil and gas company, one with an oilfield service company, and one with a major energy production and distribution company. At the same time, all of our directors have experience in the oil and gas industry. We believe that the breadth of our directors' experience, coupled with their diverse backgrounds, increases our Board's collective ability to lead Sabine and to recognize and address risks to which Sabine is exposed.

As described in detail below, there are three standing committees of the Board: the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. At the end of each year, each committee will review and evaluate its own performance and will submit itself to a review and evaluation by the full Board.

The Board and its committees play an important risk oversight role at Sabine. The entire Board reviews and determines Sabine's overarching business strategy, the management of its balance sheet, and each year's annual business plan and budget. The business plan and budget includes our capital expenditures plan for the year. Sabine's annual business plan is also the source for most of the targets used in Sabine's annual incentive compensation plan, which the Board's Compensation Committee oversees.

In addition, the Audit Committee of the Board is specifically charged with reviewing Sabine's financial risk exposures and risk management. The Audit Committee discusses with management Sabine's policies with respect to risk management and Sabine's significant financial risk exposures and

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risk management actions. Further, both Sabine's independent auditors and internal audit managers have open and direct lines of communication with the Audit Committee.

The administration of the Board's risk oversight role does not have any direct effect on the Board's leadership structure. However, we believe that the Board's structure, its committees, and the experience and diverse backgrounds of our directors all help to ensure the integrity of Sabine's risk management and oversight.

Board Structure; Committee Composition; Meetings

As of the date of this proxy statement, our Board has seven members and the following three standing committees: (1) Audit Committee; (2) Compensation Committee; and (3) Nominating and Governance Committee. The membership and function of each of the committees are described below. Each of the committees operates under a written charter adopted by the Board. During 2014, the Board held thirty meetings. Each director of Forest and Sabine attended at least 75% of the aggregate of all meetings of the Board and the standing committees on which he served during 2014. Directors are encouraged to attend the annual meeting of shareholders. All of the Forest directors attended the 2014 annual meeting of shareholders, including Patrick R. McDonald, the only director serving on the Board prior to the Combination that continues to serve on the Board of Sabine. The following table identifies the current members of the Board, the standing committees of the Board on which they serve, and the Chairman of each committee as of the date of this proxy statement.

Name of Director	Audit Committee	Compensation Committee	Nominating and Governance Committee
Independent Directors:			
Duane C. Radtke(1)	X	X	Chair
Alex T. Krueger			
John Yearwood	X	Chair	X
Thomas N. Chewning(2)	Chair	X	
Brooks M. Shughart			X
Non-Independent Directors:			
David J. Sambrooks(3)			
Patrick R. McDonald			
Number of Meetings held in 2014	6	6	4

- (1) Mr. Radtke serves as Lead Director of the Board.
- (2) The Board has determined that Mr. Chewning is an "audit committee financial expert" as defined under the applicable SEC rules.
- (3) Mr. Sambrooks serves as Chairman of the Board.

Audit Committee. The Audit Committee assists the Board in fulfilling its responsibilities for general oversight of: the accounting and financial reporting processes of Sabine; Sabine's compliance with legal and regulatory requirements; the qualifications, independence and performance of the independent registered public accounting firm engaged to prepare an audit report. The Audit Committee also prepares an Audit Committee Report to be included in Sabine's proxy statement for its annual meetings of shareholders. The Committee may also perform such other functions assigned by the Board from time to time. The Committee has the authority to: conduct or authorize investigations into matters relating to accounting, internal accounting controls or other matters within the scope of the responsibilities delegated to the Committee; retain and determine funding for legal counsel, accounting experts and other advisors to fulfill its responsibilities; and delegate its responsibility and authority for any particular matter to a member or subcommittee. The current members of the Audit

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Committee are Thomas N. Chewning, who serves as the Chairman of the Committee and has also been designated as the "Audit Committee Financial Expert," Duane C. Radtke, and John Yearwood. The Board has determined all the three members to be independent under the independence standards adopted by the NYSE and the SEC. The report of the Audit Committee is included in this proxy statement under the caption "Report of the Audit Committee." The Audit Committee charter is available on our website at www.sabineoil.com.

Compensation Committee. The Compensation Committee reviews, evaluates and approves Sabine's compensation plans and policies for its executive officers and directors, reviews and discusses with management the disclosures under the caption "Compensation Discussion and Analysis" for inclusion in the annual proxy statement, prepares an annual Compensation Committee report, and otherwise discharges the Board's responsibilities relating to the compensation of Sabine's executive officers and directors. The Committee may also perform such other functions assigned by the Board from time to time. The Compensation Committee has authority to: conduct or authorize investigations into any matter within the scope of its responsibilities; retain and determine funding for legal counsel, compensation consulting and other experts and advisors; and delegate the responsibility for any particular matter to a member or a subcommittee. The current members of the Compensation Committee are John Yearwood, who serves as the Chairman of the Committee, Duane C. Radtke, and Thomas N. Chewning. The Board has determined all the three members to be independent under the independence standards adopted by the NYSE. The report of the Compensation Committee is included in this proxy statement under "Compensation Committee Report." The Compensation Committee charter is available on our website at www.sabineoil.com.

Nominating and Governance Committee. The Nominating and Governance Committee advises the Board regarding corporate governance practices and the composition of the Board and its committees, identifies and recommends candidates to be nominated for election to the Board, leads the Board in the annual performance evaluation of the Board, its committees and management, and directs the succession of Sabine's Chief Executive Officer. The Committee may also perform such other functions assigned by the Board from time to time. The Nominating and Governance Committee has the authority to: conduct or authorize investigations into any matter within its scope of responsibilities, retain and determine funding for independent legal counsel and other experts to assist with identifying director candidates; and delegate the responsibility for any particular matter to a member or a subcommittee. The current members of the Nominating and Governance Committee are Duane C. Radtke, who serves as the Chairman of the Committee, Brooks M. Shughart, and John Yearwood. The Board has determined all the three members to be independent under the independence standards adopted by the NYSE. The Nominating and Governance Committee charter is available on our website at www.sabineoil.com.

Consideration of Director Nominees

Stockholders' Agreement. Pursuant to the terms of a stockholders' agreement among Sabine and the Legacy Sabine Investors entered into in connection with the Combination, the Legacy Sabine Investors are entitled, but are not required, to nominate a number of directors of the Board equal to the lesser of (1) their combined voting percentage in Sabine common stock, which is currently approximately 50%, and (2) one less than the number of directors that would represent a majority of the Board if there were no vacancies, which is currently three directors. Currently, Alex T. Krueger and Brooks M. Shughart have been designated as nominees by the Legacy Sabine Investors (the "Stockholder Designees"). The Legacy Sabine Investors' director designation rights will generally survive until such time as the Legacy Sabine Investors' combined voting percentage in Sabine common stock is less than 15%.

Under the terms of the stockholders' agreement, no person may qualify as a Stockholder Designee if they would be prohibited or disqualified from serving as a director pursuant to any rule or regulation

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of the SEC, the NYSE or any other or additional exchange on which securities of Sabine are listed or by applicable law; however, the other general principles guiding our director selection process and discussed below under "Director Qualifications" and "Identifying and Evaluating Nominees for Directors" are not applicable to Stockholder Designees. With respect to each meeting of stockholders of Sabine at which directors are to be elected, Sabine must provide the Legacy Sabine Investors with notice of the meeting not less than 120 days prior to the date thereof requesting designation of the Stockholder Designees, and the Stockholders must provide Sabine with written notice of the names of the Stockholder Designees to be nominated for election at such meeting not more than 30 days following the delivery of such notice. Sabine is obligated to cause the Stockholder Designees to be included in the slate of directors approved and recommended by the Board for election at such meeting and to use its reasonable best efforts to cause the election of each such Stockholder Designee. If the Legacy Sabine Investors elect to designate fewer than their permitted number of Stockholder Designees, then the Nominating and Corporate Governance Committee of the Board may select alternative nominees for such positions.

Upon the resignation, retirement, death or other removal (with or without cause) from office of any Stockholder Designee serving as a director at a time when the Legacy Sabine Investors have the rights to designate a replacement Stockholder Designee, (i) the Legacy Sabine Investors will be entitled promptly to designate a replacement Stockholder Designee and (ii) Sabine will cause the prompt appointment or election of the replacement Stockholder Designee as a director. For so long as the Legacy Sabine Investors retain their nomination rights, the Legacy Sabine Investors have agreed to vote their shares of Sabine common stock in accordance with the recommendation of the Nominating and Corporate Governance Committee of the Board for all persons other than the Stockholder Designees to be elected as directors to the Board.

Director Qualifications. Our Corporate Governance Guidelines contain Board membership criteria that apply to nominees recommended by the Nominating and Governance Committee for a position on the Board, which membership criteria are not applicable to Stockholder Designees, other than as described under "Stockholders' Agreement." The charter of the Nominating and Governance Committee states that the Committee considers director candidates in professional skills, past experience, and work ethic. The ultimate goal of the guidelines for director qualifications is to select individuals for Board service having sufficiently broad