

MURPHY OIL CORP /DE
Form DEF 14A
March 21, 2014

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 Pursuant to §240.14a-12

Murphy Oil 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)(4) and 0-11.

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

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NOTICE OF ANNUAL MEETING

To the Stockholders of

Murphy Oil Corporation:

The Annual Meeting of Stockholders of MURPHY OIL CORPORATION (the Company) will be held at the South Arkansas Arts Center, 110 East 5th Street, El Dorado, Arkansas, on Wednesday, May 14, 2014, at 10:00 a.m., Central Daylight Time, for the following purposes:

1. Election of Directors;
2. Advisory vote on executive compensation;
3. Approval or disapproval of the action of the Audit Committee of the Board of Directors in appointing KPMG LLP as the Company's independent registered public accounting firm for 2014; and
4. Such other business as may properly come before the meeting.

Only stockholders of record at the close of business on March 10, 2014, the record date fixed by the Board of Directors of the Company, will be entitled to notice of and to vote at the meeting or any adjournment thereof. A list of all stockholders entitled to vote is on file at the office of the Company, 200 Peach Street, El Dorado, Arkansas 71730.

You may vote your shares by signing and returning the enclosed proxy card or by telephone or internet as explained on the card.

E. TED BOTNER
Secretary

El Dorado, Arkansas

March 21, 2014

PROXY STATEMENT

March 21, 2014

SOLICITATION

The solicitation of the enclosed proxy is made on behalf of the Board of Directors of Murphy Oil Corporation (the Board) for use at the Annual Meeting of Stockholders to be held on May 14, 2014. It is expected that this Proxy Statement and related materials will first be mailed to stockholders on or about March 21, 2014.

The complete mailing address of the Company's principal executive office is 200 Peach Street, P.O. Box 7000, El Dorado, Arkansas 71731-7000.

References in this Proxy Statement to we, us, our, the Company and Murphy Oil refer to Murphy Oil Corporation and its consolidated subsidiaries.

VOTING PROCEDURES

The affirmative vote of a majority of the shares present in person or represented by proxy at the Annual Meeting is required for approval of matters presented at the meeting. Your proxy will be voted at the meeting, unless you (i) revoke it at any time before the vote by filing a revocation with the Secretary of the Company, (ii) duly execute a proxy card bearing a later date, or (iii) appear at the meeting and vote in person. Proxies returned to the Company, votes cast other than in person and written revocations will be disqualified if received after commencement of the meeting. If you elect to vote your proxy by telephone or internet as described in the telephone/internet voting instructions on your proxy card, the Company will vote your shares as you direct. Your telephone/internet vote authorizes the named proxies to vote your shares in the same manner as if you had marked, signed and returned your proxy card.

Votes cast by proxy or in person at the meeting will be counted by the persons appointed by the Company to act as Judges of Election for the meeting. The Judges of Election will treat shares represented by proxies that reflect abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum and for purposes of determining the outcome of any other business submitted at the meeting to the stockholders for a vote. Abstentions, however, do not constitute a vote for or against any matter and thus will be disregarded in the calculation of votes cast.

The Judges of Election will treat shares referred to as broker non-votes (i.e., shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote and that the broker or nominee does not have discretionary power to vote on a non-routine matter) as shares that are present and entitled to vote on routine matters and for purposes of determining the presence of a quorum. The proposal to approve or disapprove the appointment of KPMG LLP as the Company's independent registered public accounting firm for the current fiscal year should be considered a routine matter. However, for purposes of determining the outcome of any non-routine matter as to which the broker does not have discretionary authority to vote, those shares will be treated as not present and not entitled to vote with respect to that matter (even though those shares are considered entitled to vote for quorum purposes and may be entitled to vote on other matters). Notably, the election of directors and the advisory vote to approve executive compensation should be considered non-routine matters.

Unless specification to the contrary is made, the shares represented by the enclosed proxy will be voted FOR all the nominees for director, FOR the approval of the compensation of the Named Executive Officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission and FOR approval of the action of the Audit Committee of the Board of Directors in appointing KPMG LLP as the Company's independent registered public accounting firm for 2014.

VOTING SECURITIES

On March 10, 2014, the record date for the meeting, the Company had 179,435,174 shares of Common Stock outstanding, all of one class and each share having one vote with respect to all matters to be voted on at the meeting. This amount does not include 15,501,276 shares of treasury stock. Information as to Common Stock ownership of certain beneficial owners and management is set forth in the tables on pages 11 and 12 (Security Ownership of Certain Beneficial Owners and Security Ownership of Management).

PROPOSAL 1 ELECTION OF DIRECTORS

The Board recognizes that it is important for the Company's directors to possess a diverse array of backgrounds and skills, whether in terms of executive management leadership or educational achievement. When considering new candidates, the Nominating & Governance Committee, with input from the Board, takes into account these factors as well as other appropriate characteristics, such as sound judgment, honesty, and integrity. In addition, although it does not have a formal policy with respect to diversity, the Nominating & Governance Committee considers the issue of diversity among the factors used to identify nominees for director. The goal is to assemble and maintain a Board comprised of individuals that not only bring to bear a wealth of business and technical expertise, but that also demonstrate a commitment to ethics in carrying out the Board's responsibilities with respect to oversight of the Company's operations.

The Company's Corporate Governance Guidelines contain a provision that allows the Board, in special circumstances, to nominate a Director that is more than 72 years of age. The Board, at its regularly held meeting on February 5, 2014, determined that Mr. Blue's continued service on the Board is in the best interest of the Company as the Company continues its transition into an independent exploration & production company. This transition constitutes a special circumstance under the Corporate Governance Guidelines. Dr. Hermes and Dr. Smith have reached retirement age and will retire from the Board as of the date of the Annual Meeting. In addition, the Company amended the Corporate Governance Guidelines to provide that any incumbent director who fails to receive the required vote for re-election shall tender a resignation to the Board.

To the extent authorized by the proxies, the shares represented by the proxies will be voted in favor of the election of the eleven nominees for director whose names are set forth below. If for any reason any of these nominees is not a candidate when the election occurs, the shares represented by such proxies will be voted for the election of the other nominees named and may be voted for any substituted nominees or the Board may reduce its size. However, management of the Company does not expect this to occur. All nominees other than Mr. Collins and Mr. Jenkins were elected at the last Annual Meeting of Stockholders. Mr. Collins and Mr. Jenkins were elected to the Board of Directors effective on August 7, 2013 and August 30, 2013 respectively.

All directors other than Mr. Cossé and Mr. Jenkins have been deemed independent by the Board based on the rules of the New York Stock Exchange (NYSE) and the standards of independence included in the Company's Corporate Governance Guidelines. As part of its independence recommendation to the Board, the Nominating & Governance Committee at its February meeting considered familial relationships (Mr. Deming, Mr. Murphy and Mrs. Theus are first cousins) and ordinary course of business transactions with BancorpSouth (Mr. Kelley) which were below the applicable threshold. The Committee also considered a hangar rental agreement with Union Holdings LLC (Mr. Murphy) which was determined to be a fair market value transaction at the rate of \$6,000 annually.

Mr. Deming, the independent Non-Employee Chairman of the Board, serves as presiding director at regularly scheduled meetings of independent directors, held without the presence of Company management. Such meetings typically occur at the February, August, and December Board meetings each year.

The Corporate Governance Guidelines provide that stockholders and other interested parties may send communications to the Board, specified individual directors and the independent directors as a group c/o the Secretary, Murphy Oil Corporation, P.O. Box 7000, El Dorado, AR 71731-7000. All such communications will be kept confidential and relayed to the specified director(s). The names of the nominees and certain information as to them, are as follows:

Director Nominees

Name and age	Principal occupation or employment	Certain other directorships
<p>Frank W. Blue Santa Barbara, California Age: 72</p>	<p>International Legal Advisor/Arbitrator since 2003</p>	<p>None</p>

Director Since: 2003

Board Committees:

Audit

Chair, Nominating & Governance

Mr. Blue has extensive knowledge of international commercial transactions, international trade matters, and multinational corporate compliance/corporate governance issues based, in part, on his years of experience in the international oil and gas industry, most notably as Vice President, General Counsel and Corporate Secretary of Caltex Corporation and with the law firm of Fulbright & Jaworski.

<p>T. Jay Collins Houston, Texas Age: 67</p>	<p>Director, Oceaneering International, Inc., a global provider of engineered services and products primarily to the offshore oil and gas industry, since March, 2002; President and Chief Executive Officer, Oceaneering International, Inc., from May, 2006 to May, 2011</p>	<p>Oceaneering International, Inc. Houston, Texas</p>
<p>Director Since: 2013</p>		

Board Committees:

Executive Compensation

Mr. Collins has extensive knowledge of international management and corporate development