UGI CORP /PA/
Form 11-K
June 25, 2010

Table of Contents

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

FORM 11-K

(Mark One)

þ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009
OR

o **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to ___________
Commission file number 1-11071

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

AMERIGAS PROPANE, INC. SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

UGI CORPORATION
460 NORTH GULPH ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
for the years ended December 31, 2009 and 2008

AMERIGAS PROPANE, INC.
SAVINGS PLAN
INDEX

	Page(s)
Report of Independent Registered Public Accounting Firm	2
Financial Statements:	
Statements of Net Assets Available for Benefits at December 31, 2009 and 2008	3
Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008	4
Notes to Financial Statements	5 16
Schedule H, Line Item 4(i) Schedule of Assets (Held at End of Year)	17
Signature	18

All other schedules to be filed with the Department of Labor in accordance with the Employee Retirement Income Security Act of 1974 are not applicable and have been omitted.

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Plan Administrator of
AmeriGas Propane, Inc. Savings Plan

We have audited the accompanying statements of net assets available for benefits of AmeriGas Propane, Inc. Savings Plan as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of AmeriGas Propane, Inc. Savings Plan as of December 31, 2009 and 2008, and changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year as of December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Morison Cogen LLP
Bala Cynwyd, Pennsylvania
June 25, 2010

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2009	December 31, 2008
ASSETS:		
Investments (Note 3 and 5)	$ 206,065,895	$ 168,858,502
Loans to participants	5,876,015	5,384,948
Total assets	211,941,910	174,243,450
LIABILITIES:		
Accrued administrative expenses	24,618	24,505
Total liabilities	24,618	24,505
Net assets available for benefits at fair value	211,917,292	174,218,945
Adjustments from fair value to contract value for interest in common collective trust relating to fully benefit-responsive investment contracts	(469,369)	301,067
Net assets available for benefits	$ 211,447,923	$ 174,520,012

See accompanying notes to financial statements.

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2009	2008
Additions:		
Participants contributions	$ 12,362,205	$ 12,368,237
Company contributions	8,247,338	7,607,583
Participants rollover contributions	445,660	1,475,306
Merger of All Star Gas Plan		765,223
Investment income:		
Dividends and interest	3,928,040	6,496,006
Net appreciation in value of investments	27,639,884	
Other, primarily interest on loans	352,982	399,880
Deductions:		
Investment loss:		
Net depreciation in value of investments		(65,538,859)
Distributions to participants	(15,757,265)	(19,623,851)
Administrative fees	(160,179)	(79,014)
Net transfers of participants balances	(130,754)	(90,039)
Net increase (decrease)	36,927,911	(56,219,528)
Net assets available for benefits beginning of year	174,520,012	230,739,540
Net assets available for benefits end of year	$ 211,447,923	$ 174,520,012

See accompanying notes to financial statements.

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

1. Description of the Plan

The following brief description of the AmeriGas Propane, Inc. Savings Plan (the Plan) provides general information on the provisions of the Plan in effect on December 31, 2009 and during the periods covered by the financial statements. More complete information is included in the Plan document.

On August 13, 2007, All Star Gas Corporation was acquired by AmeriGas Propane, Inc. (the Company). On November 26, 2007, the Board of Directors of the Company approved the merger of the All Star Gas Corporation 401(k) Plan (All Star Gas Plan) with the Plan. Effective February 4, 2008, the net assets of the All Star Gas Plan, including participant loans, were transferred to the Plan and former participants of the All Star Gas Plan became eligible to participate in the Plan. Such transfer of net assets is reflected on the 2008 Statement of Changes in Net Assets Available for Benefits as Merger of All Star Gas Plan.

General. The Plan is a defined contribution plan covering employees of the Company (a Pennsylvania corporation). Employees are eligible upon hire to participate in the Plan. The Plan also holds assets of certain defined contribution pension plans that were terminated in prior years and were merged into the Plan. Such assets include what is referred to as the Pension Account and Predecessor Pension Rollover Account and do not impact the general provisions of the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by the Company s Benefits Committee (Plan Administrator), whose members are appointed by the President of the Company and subject to approval by the Compensation/Pension Committee of the Company s Board of Directors.

Contributions. Generally, a participant may elect to contribute to the Plan on a before-tax basis through payroll reduction an amount equal to from 1% to 50%, in whole percentages, of eligible compensation. Highly compensated employees of the Company, as defined by the Internal Revenue Code (IRC), are limited to contributing a maximum of 6% of their compensation. Calendar year contribution amounts are subject to limits prescribed by the IRC. For the 2009 and 2008 Plan Years, the IRC before-tax contribution limits were $16,500 and $15,500, respectively. A participant may increase, reduce or suspend his or her contributions at any time by contacting Fidelity Institutional Retirement Services Co. (FIRSCO).

The Plan allows for catch-up contributions. The catch-up contribution provision allows certain employees to make before-tax contributions over and above the IRS and Plan limits. In order to be eligible to make catch-up contributions, employees must be at least 50 years of age before the end of the calendar year and must be contributing the IRC or Plan limit. The maximum catch-up contribution for the 2009 and 2008 Plan Years were $5,500 and $5,000, respectively. Catch-up contributions are not eligible for the Company matching contribution (as described below).

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

The Plan also accepts on behalf of any employee (i) the entire amount of cash received as a distribution from another qualified trust forming part of a plan described in Section 401(a) of the IRC or from a rollover individual retirement plan described in Section 408 of the IRC, but only if the deposit qualifies as a tax free rollover as defined in section 402 or (ii) a direct transfer from another plan qualified under Section 401(a) of the IRC. The Plan accepts after-tax rollover contributions.

Generally the Company shall contribute to the Plan an amount equal to 100% of contributions made by each eligible participant for each payroll period up to a total of 5% of the participant s eligible compensation for each such payroll period. A participant will be eligible to receive matching contributions after he or she has completed a year of service as defined in the Plan document.

The Company, at its discretion, may also make profit-sharing contributions for each Plan year, out of its net profits, as shall be determined by its Board of Directors, in its sole discretion, to all eligible participants. No such amounts were contributed to the Plan in respect of the 2009 Plan Year or the 2008 Plan Year.

All contributions are invested in accordance with participant investment elections in effect on the dates of the contributions.

A participant will at all times be fully (100%) vested in the portion of his or her account attributable to the following sources: (i) Predecessor Account; (ii) Predecessor Pension Rollover Account; (iii) Rollover/Dollar Builder Account; (vi) Rollover ESOP Account; (v) Salary Deferral Account; (vi) Voluntary Participant Contribution Account; (vii) After-Tax Rollover Account; (viii) All Star Match Account; and (ix) the All Star Rollover Account, each as defined in the Plan document. A participant is vested in the portion of his or her account attributable to Company contributions as follows: 25% after two years of service; 50% after three years of service; 75% after four years of service; and 100% after five years of service. In addition, a participant is fully vested in the portion of his or her account attributable to Company contributions upon the attainment of normal retirement age (as defined in the Plan document), the attainment of early retirement age (as defined in the Plan document), total disability (as defined in the Plan document) or death while in the employ of the Company or an affiliated company. For Plan purposes, a participant will attain normal retirement age on the later of his or her 65th birthday or the fifth anniversary of his or her date of hire with the Company or an affiliate. A participant will attain early retirement age on or after his or her attainment of age 55 and the completion of 10 years of service with the Company or an affiliate.

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

A participant who terminates employment before he or she is fully vested will forfeit nonvested amounts attributable to Company contributions. These forfeited amounts remain in the Plan and are available to reduce future Company contributions. During the 2009 Plan Year, no forfeitures were used to reduce Company contributions. For the 2008 Plan Year, forfeitures of $382,083, were used to reduce Company contributions. During the 2009 Plan Year and 2008 Plan Year, $260,559 and $318,752, respectively, were forfeited from participant accounts. As of December 31, 2009 and 2008, there were $285,202 and $20,806, respectively, of forfeitures remaining in the Plan.

Investment Funds. A participant may elect to have his or her funds invested in one or more investment options. The Plan currently offers investments in selected mutual funds, the UGI Common Stock fund, a common collective trust fund and Brokerage Link. Brokerage Link balances consist of the mutual funds offered by the Plan, as well as mutual funds offered by other registered investment companies. Generally, participants may transfer amounts between options at any time with no limit, except for the Brokerage Link option. Beginning November 1, 2008, participants are limited to investing up to 90% of their contributions with Brokerage link and the remaining 10% must be invested in one of the plan s other fund options. Participants may change their investment elections for future contributions at any time. The default investment fund under the Plan is the age appropriate Vanguard Target Retirement Fund (based on an assumed retirement age of 65). Fidelity Management Trust Company is the Plan s Trustee for all investment assets of the Plan and qualifies as a party in interest. References to Fidelity in the table of trust investments below refer to investment funds managed by Fidelity Management and Research Company (FMR). References to Vanguard in the table of trust investments (Footnote 3) refer to investment funds managed by The Vanguard Group.

Distributions. The Plan benefit of a participant who terminates employment as a result of retirement, death or total disability, as defined by the Plan document, shall be equal to the proceeds of liquidation of 100% of the balance of his or her account. Participants may elect to receive their interest in the UGI Common Stock Fund in the form of shares of UGI Corporation Common Stock. The Plan benefit of a participant who terminates employment for reasons other than retirement, death or total disability shall be equal to the proceeds of liquidation of the vested portion of his or her account.

Distributions will generally be made in the form of a lump sum. If the value of a participant s account exceeds $1,000 and the participant is married, the participant s Pension Account and Predecessor Pension Rollover Account will be distributed in the form of a joint and survivor annuity. Under a joint and survivor annuity, the participant will receive a monthly benefit for his or her lifetime and upon the participant s death, the participant s surviving spouse, if any, will receive a monthly benefit equal to 50% of the benefit the participant was receiving. If the value of the participant s account exceeds $1,000 and the participant is not married, the participant s Pension Account and Predecessor Pension Rollover Account will be distributed in the form of a single life annuity. In lieu of a joint and survivor annuity or a single life annuity, a participant may generally elect to receive his or her Pension Account and Predecessor Pension Rollover Account in the form of (i) a lump sum; (ii) a single life annuity; (iii) a joint and survivor annuity with 50% or 100% of the participant s monthly payments continuing, after the participant s death, for the life of the participant s beneficiary; or (iv) installments over 5 or 10 years, as elected by the participant. Any such election will be subject to spousal consent, if applicable.

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

Where the amount to be distributed exceeds $1,000, no distribution shall be made to any Plan participant prior to his or her normal retirement age or, effective January 1, 2009, age 70 1/2, unless the participant elects to receive such distribution. Where the amount to be distributed does not exceed $1,000 a Plan participant s benefit will be distributed in the month of May of the Plan Year after the participant becomes entitled to receive a distribution from the Plan. Distributions must generally be made as soon as practicable after the participant reaches the normal retirement age or, effective January 1, 2009, a date no later than April 1 of the Plan Year that follows the Plan Year in which the participant reaches age 70 1/2. A participant who continues to work past age 70 1/2 will receive a distribution upon termination of employment.

Death. If a participant dies prior to receiving a distribution of his or her account, the participant s designated beneficiary shall be entitled to receive a lump-sum distribution of the proceeds of liquidation of 100% of the vested portion of his or her account. Generally, the beneficiary may request a distribution of the participant s account balance as soon as practicable following the date of the participant s death. The beneficiary of a participant who is married at the time of the participant s death will be the participant s spouse, unless the participant designated another beneficiary and the spouse consented to such designation in accordance with procedures specified by the Plan document.

Death benefits are generally paid in the form of a lump sum. Death benefits payable to a spouse from the Pension Account and the Predecessor Pension Rollover Account are paid in the form of a single life annuity unless the spouse elects a lump sum distribution.

Withdrawals. Generally, a participant may withdraw at any time up to 50% of the balance of his or her account attributable to after-tax contributions (including after-tax contributions that were matched by the Company) which were previously permitted by the Plan. However, the withdrawal must be in an amount of at least $250. No more than one such withdrawal is permitted in any calendar year. Effective January 1, 2009, active employees who reach age 59 1/2 can elect, once a year, an in-service withdrawal generally in an amount not less than $1,000.

A participant may withdraw once per calendar year up to 100% of amounts attributable to participation in certain predecessor plans and rollover contributions from other 401(a) or individual retirement plan accounts. Such withdrawal must be at least $500 or, if less, the total value of the applicable account.

A participant may withdraw before-tax contributions (and earnings attributable thereto credited as of December 31, 1988) only on account of financial hardship resulting from (i) medical expenses as defined in section 213(d) of the IRC; (ii) educational expenses for the next twelve months of post-secondary education of the participant, or his or her spouse, children or dependents; (iii) foreclosure on or eviction from a primary residence; (iv) costs directly related to the purchase of a primary residence; (v) payments for burial or funeral expenses of the participant s parent, spouse, children or dependents; or (vi) expenses for the repair of damages on a primary residence as defined in section 165 of the IRC. A hardship withdrawal will be permitted if the Plan Administrator determines that (i) the withdrawal is on account of an immediate and heavy financial need of the participant and (ii) the withdrawal is necessary to satisfy such financial need.

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

While a participant is still employed by the Company, withdrawals of amounts attributable to Company contributions, and post-1988 earnings on participant before-tax contributions, are not permitted.

Loan Provision. The Plan includes an employee loan provision. Generally, at the time a loan is to be made, the amount of all loans to be outstanding may not exceed the lesser of (i) 50% of a participant s Rollover Dollar Builder Account, After-Tax Rollover account and Salary Deferral Account less the amount of all loans outstanding at the time a new loan is made, or (ii) $50,000 less the highest balance of all loans outstanding during the prior twelve month period. Each loan bears interest at a rate determined in accordance with generally prevailing market conditions for similar types of loans plus 1%. The minimum loan amount is $1,000. The amount of the loan withdrawn from a participant s account is allocated in proportion to the value of the participant s salary deferral and rollover account balances in each investment fund. Repayments, including interest, are made in equal installments through payroll deductions and are allocated to participant accounts in accordance with current investment elections. No loan may have a final maturity in excess of five years except that, if the loan is used to purchase a principal residence for the participant, the loan may have a final maturity of up to ten years. No participant shall be permitted to have more than two loans outstanding at any one time.

Administrative Expenses. Administrative expenses of the Plan are chargeable to the Plan unless paid for by the Company. Other than the Plan fees described below, the Company paid for such expenses. Each active Plan account is assessed a quarterly $4.25 recordkeeping fee. This fee is automatically deducted in the month following the end of each quarter and remitted to FIRSCO. Loan administration fees are paid by Plan participants. Mutual fund expenses are paid to fund managers from mutual fund assets.

Plan Termination. Although it has not expressed any intent to do so, the Company has the right to terminate the Plan in whole or in part at any time for any reason. In the event of a complete or partial termination of the Plan, the affected participants will become fully vested in their account balances.

Plan Amendment. The Company may amend the Plan at any time for any reason by written action of its Board of Directors. Amendments required to comply with the IRC to maintain compliance with current laws or regulations, or to correct errors or omissions in the Plan document, however, may be made by the AmeriGas Propane, Inc. Benefits Committee without Board approval.

Voting Rights of UGI Common Stock Fund Participants. A participant has the right to instruct the trustee of the Plan how to vote, at each meeting of shareholders, all shares of UGI Corporation Common Stock (including fractional shares) represented by the value of the participant s interest in the UGI Common Stock Fund. A participant also has the right to direct the trustee of the Plan whether or not to tender shares in response to a tender offer.

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

2. Accounting Policies

Use of Estimates and Basis of Accounting. The accompanying financial statements are prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from these estimates.

Investment Valuation and Income Recognition. The Statements of Net Assets Available for Benefits state the Plan s investments at their fair values with the exception of the Plan s investment in the Vanguard s Retirement Savings Trust III (a common collective trust fund investment), which is stated at its fair value and adjusted to contract value (as further described below). As reported by Fidelity Management Trust Company, the Plan s investments in registered investment company mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan. Participant loans are valued at their outstanding balances, which approximate fair value. Shares of UGI Common Stock, which are traded on a national securities exchange, are included in the UGI Common Stock Fund at fair value based upon quoted market prices. Fidelity Brokerage Link accounts are reflected at their fair value of associated investments, based upon quoted market prices, held by the Plan participants in their individual self-directed brokerage accounts.

The Statement of Net Assets Available for Benefits reflects the Plan s interest in the Vanguard Retirement Saving Trust III at fair value, determined by discounting the related cash flows based upon current yields of similar instruments with comparable duration. Such amounts are then adjusted to contract value because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The interest in the Vanguard Retirement Savings Trust III is included in the Statements of Changes in Net Assets Available for Benefits on a contract basis.

Dividend income is recorded on the record date. Interest earned on investments is recorded on the accrual basis. Purchases and sales of securities are recorded on a trade date basis.

The Plan presents in the Statements of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in fair value of investments that consists of realized gains or losses and unrealized appreciation (depreciation) in the fair value of those investments.

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

Distributions are made to Plan participants based upon the fair value of each participant s investment account (except for investments of the Vanguard Retirement Savings Trust III for which distributions are based upon contract value, and except for distributions from the UGI Common Stock Fund, to the extent not all shares are sold on the same date) as of the dates of distribution. Distributions to participants are recorded when paid.

Transfers of participant balances represent amounts transferred to or from the UGI Utilities, Inc. Savings Plan, which is an affiliated plan.

Fair Value Measurements. The Plan performs fair value measurements in accordance with Financial Accounting Standards Board s (FASB s) Accounting Standards Codification (ASC) 820 (ASC 820), *Fair Value Measurements Disclosures*. Refer to Note 5 for the fair value measurement disclosures associated with the Plan s investments.

Risks and Uncertainties. The investments of the separate investment funds are exposed to various risks such as interest rate, market and credit risk. The degree and concentration of these risks vary by fund. The Plan s exposure to credit losses in the event of nonperformance of investments is limited to the carrying value of such investments. Due to the level of risk associated with the separate investment funds, it is reasonably possible that changes in risk in the near term could materially affect participants account balances in the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

3. **Trust Investments**

The components of trust investments by fund at December 31, 2009 and 2008 are as follows:

	December 31, 2009	December 31, 2008
Mutual Funds:		
Fidelity U.S. Bond Index Fund (shares 1,140,898 and 1,027,007, respectively)	$ 12,618,334*	$ 11,081,403*
Fidelity Equity Income Fund (shares 408,187 and 419,167, respectively)	15,976,447*	12,939,676*
Fidelity Magellan Fund (shares 361,473 and 364,275, respectively)	23,249,943*	16,705,657*
Fidelity Growth Company Fund (shares 180,138 and 172,665, respectively)	12,425,898*	8,453,692
Vanguard Institutional Index Fund (shares 130,123 and 133,462, respectively)	13,269,921*	11,015,989*
Vanguard Prime Money Market Fund (shares 21,709,071 and 23,365,641, respectively)	21,709,071*	23,365,641*
Vanguard Target Retirement Income Fund (shares 69,943 and 61,080, respectively)	740,693	581,484
Vanguard Target Retirement 2005 Fund (shares 215,181 and 175,872, respectively)	2,362,691	1,704,201
Vanguard Target Retirement 2010 Fund (shares 132,902 and 101,096, respectively)	2,727,153	1,780,309
Vanguard Target Retirement 2015 Fund (shares 1,119,446 and 1,100,600, respectively)	12,660,939*	10,510,726*
Vanguard Target Retirement 2020 Fund (shares 231,522 and 159,623, respectively)	4,621,175	2,644,959
Vanguard Target Retirement 2025 Fund (shares 1,266,629 and 1,147,546, respectively)	14,338,246*	10,637,749*
Vanguard Target Retirement 2030 Fund (shares 157,719 and 110,238, respectively)	3,045,555	1,713,096
Vanguard Target Retirement 2035 Fund (shares 573,210 and 461,712, respectively)	6,660,698	4,270,839
Vanguard Target Retirement 2040 Fund (shares 86,915 and 64,550, respectively)	1,655,732	976,636

Vanguard Target Retirement 2045 Fund (shares 213,768 and 164,225, respectively)	2,569,495	1,571,634
Vanguard Target Retirement 2050 Fund (shares 19,310 and 9,414, respectively)	369,017	142,912
Vanguard Extended Market Index Fund (shares 219,840 and 228,030, respectively)	7,184,375	5,477,286
Fidelity Spartan International Index Fund (shares 185,246 and 179,009, respectively)	6,196,488	4,786,713
Assets in Fidelity Brokerage Link Account various investments include registered investment companies funds, money market funds and cash	2,522,557	2,014,415
Common Collective Trust:		
Vanguard Retirement Savings Trust III (shares 20,277,714 and 19,083,769, respectively)	20,747,083*	18,782,702*
UGI Common Stock Fund:		
UGI Corporation Unitized Stock Fund (units 599,884 and 571,809, respectively)	18,266,466*	17,565,973*
Dividends receivable	147,918	134,810
	18,414,384	17,700,783
Total trust investments fair value	$ 206,065,895	$ 168,858,502
Total trust investments cost	$ 212,624,071	$ 209,738,991

* Investment represents five percent or more of net assets available for benefits.

The net appreciation (depreciation) in fair value of investments during the years ended December 31, 2009 and 2008 by major investment category follows:

	Year Ended December 31, 2009	2008
Registered investment company funds	$ 27,255,804	$ (62,689,744)
UGI Common Stock Fund	(109,614)	(1,930,799)
Other	493,694	(918,316)
Total net appreciation (depreciation) in fair value	$ 27,639,884	$ (65,538,859)

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

The UGI Corporation Stock Fund invests principally in shares of UGI Corporation Common Stock. Participants in the fund do not individually own specific shares of UGI Corporation Common Stock but rather own units in the fund that invests in such shares and short-term investments. The value of a unit in the UGI Common Stock Fund was initially set at $10.00 and is recalculated daily by dividing the fair value of the fund s assets (comprising shares of UGI Corporation Common Stock and temporary cash investments) by the total number of units outstanding. Generally, participant requests to redeem units from the UGI Common Stock Fund are processed on the day received if such requests are received by Fidelity before the close of the New York Stock Exchange and provided that there are sufficient short-term investments in the fund for liquidity. In such case, the participant will receive the net asset value, or closing price for the units, calculated using the closing price for UGI Corporation Common Stock on the New York Stock Exchange for that day. However, on days of unusually heavy requests for sale, the UGI Common Stock Fund may not have sufficient short-term investments for liquidity. In such case, requests to sell units received before the close of the New York Stock Exchange may not be processed on that day at that date s closing price but may be suspended until sufficient liquidity is restored. Units will be redeemed generally on a first-in, first-out basis at the closing price for the processing date. Loans, withdrawals and distributions from the UGI Common Stock Fund will be given priority over exchanges with other funds.

During the 2009 and 2008 Plan Years, the Plan purchased, at market prices, 82,138 and 74,917 shares of UGI Corporation Common Stock directly from UGI Corporation for $2,010,344 and $1,912,143, respectively.

4. Newly Adopted Accounting Standards and Accounting Standards Not Yet Adopted

In January 2010, the FASB issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements (Topic 820) Fair Value Measurements and Disclosures* (ASU 2010-06) to require additional disclosures about the different classes of assets and liabilities measured at fair value, the valuation techniques and inputs used, the activity in Level 3 fair value measurements, and transfers among Levels 1, 2 and 3. Levels 1, 2 and 3 of fair value measurements are defined in Note 5 below. The Plan will adopt ASU 2010-06 in the year ending December 31, 2010 except for certain provisions that will be effective in the year ending December 31, 2011. The Plan is currently evaluating the impact of ASU 2010-06 on the Plan s financial statements.

In June 2009, the FASB issued ASU 2009-01, *The FASB Accounting Standards Codification*, which establishes the Codification as the source of authoritative GAAP recognized by the FASB to be applied by nongovernmental entities. This standard is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of ASU 2009-01 changes the referencing of financial standards.

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

In September 2009, the FASB issued ASU No. 2009-06, *Income Taxes (Topic 740), Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities* (formerly FASB Interpretation No. 48 and Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes). This standard prescribes guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions. Tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon adoption of this standard which has been adopted as required by the Plan as of January 1, 2009. Although this standard applies to employee benefit plans, its adoption did not require any adjustments to the Plan s financial statements because of the Plan s tax exempt status and the absence of unrelated business taxable income.

FASB ASC 820-10 (formerly, FSP FAS 157-4) provides additional guidance for Fair Value Measurements when the volume and level of activity for the asset or liability has significantly decreased. This standard is effective for interim and annual reporting periods ending after June 15, 2009. The adoption of this standard did not have a material effect on the Plan s financial statements.

FASB ASC 320-10 (formerly, FSP FAS 115-2 and FSP FAS 124-2) amends the other-than-temporary impairment guidance for debt and equity securities. This standard is effective for interim and annual reporting periods ending after June 15, 2009. The adoption of this standard did not have a material effect on the Plan s financial statements.

5. Fair Value Measurement

The Plan performs fair value measurements in accordance with ASC 820. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. ASC 820 clarifies that the fair value should be based upon assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and risks inherent in valuation techniques and inputs to valuations. When determining fair value measurements, the Plan considers the principal or most advantageous market for the asset or liability and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of non-performance.

ASC 820 also establishes a fair value hierarchy that requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 establishes three levels of inputs that may be used to measure fair value:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access;

Level 2 inputs other than quoted prices included in Level 1 that are either directly or indirectly observable, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data by correlation or by other means;

Level 3 unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

The following table presents the Plan s investments that are measured at fair value on a recurring basis, for each hierarchy level, as of December 31, 2009 and 2008:

	Fair Value Measurement			
December 31, 2009	Level 1	Level 2	Level 3	Total
Mutual funds	$ 145,195,357	$	$	$ 145,195,357
Money market fund	21,709,071			21,709,071
UGI Common Stock fund	18,414,384			18,414,384
Common collective trust		20,747,083		20,747,083
Participant loans			5,876,015	5,876,015
Total investments measured at fair value	$ 185,318,812	$ 20,747,083	$ 5,876,015	$ 211,941,910

	Fair Value Measurement			
December 31, 2008	Level 1	Level 2	Level 3	Total
Mutual funds	$ 109,009,376	$	$	$ 109,009,376
Money market fund	23,365,641			23,365,641
UGI Common Stock fund	17,700,783			17,700,783
Common collective trust		18,782,702		18,782,702
Participant loans			5,384,948	5,384,948
Total investments measured at fair value	$ 150,075,800	$ 18,782,702	$ 5,384,948	$ 174,243,450

The Plan s valuation methodology used to measure the fair values of mutual funds (including mutual funds in the Brokerage Link accounts), money market fund and the UGI Common Stock Fund were derived from quoted market prices as substantially all of these instruments have active markets. The valuation technique used to measure fair value of participant loans above, all of which are secured by vested account balances of borrowing participants, were derived using a discounted cash flow model with inputs derived from unobservable market data. Participant loans are included at their amortized cost in the Statements of Net Assets Available for Benefits which approximates their fair value at December 31, 2009 and 2008. The valuation techniques used to measure fair value of the common collective trust fund are included in Note 2.

Table of Contents

AMERIGAS PROPANE, INC.
SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (Continued)

The following table sets forth a summary of changes in fair value of the Plan s Level 3 assets for the years ended December 31, 2009 and 2008.

	Participant Loans	
	2009	2008
Balance as of January 1,	$ 5,384,948	$ 5,098,334
Issuances, repayments and settlements, net	491,067	286,614
Balance as of December 31,	$ 5,876,015	$ 5,384,948

6. <u>Federal Income Tax Status</u>

On December 6, 2002, the Internal Revenue Service issued a favorable determination letter concerning the qualified status of the Plan in effect as of November 27, 2002 under Section 401(a) of the IRC. The Plan has since been amended. In compliance with the Pension Protection Act of 2006, which requires plans to submit an application for determination letter every five years, on January 29, 2010 the Plan submitted a new application with the Internal Revenue Service. As of the report date formal acceptance has not been made by the Internal Revenue Service.

The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. No U.S. income taxes are required to be paid by the trust created under the Plan (the Trust) and participants are not taxed on Company contributions to the Trust or income earned by the Trust. When a participant, or his or her beneficiary or estate, receives a distribution under the Plan, the taxability of the value of such distribution depends on the form and time of payment.

AMERIGAS PROPANE, INC.
SAVINGS PLAN
EIN # 23-2786294, PLAN # 002
Schedule H, Line 4(i) SCHEDULE OF ASSETS (HELD AT END OF YEAR)

	December 31, 2009			
f Issuer and Title of Issue	Number of Shares or Principal Amount		Cost	Cu V
Funds:				
TY U.S. BOND INDEX FUND (1) (2)	1,140,898	shrs	$ 12,463,164	$ 12,
TY EQUITY INCOME FUND (1) (2)	408,187	shrs	18,805,025	15,
TY MAGELLAN FUND (1) (2)	361,473	shrs	31,110,921	23,
TY GROWTH COMPANY FUND (1) (2)	180,138	shrs	10,975,831	12,
ARD INSTITUTIONAL INDEX FUND (1)	130,123	shrs	14,192,349	13,
ARD PRIME MONEY MARKET FUND (1)	21,709,071	shrs	21,709,071	21,
ARD TARGET RETIREMENT INCOME FUND	69,943	shrs	743,240	
ARD TARGET RETIREMENT 2005 FUND	215,181	shrs	2,364,362	2,
ARD TARGET RETIREMENT 2010 FUND	132,902	shrs	2,607,380	2,
ARD TARGET RETIREMENT 2015 FUND (1)	1,119,446	shrs	12,676,307	12,
ARD TARGET RETIREMENT 2020 FUND	231,522	shrs	4,487,968	4,

committee is also responsible for preparing the audit committee report required by the rules of the SEC to be included ual proxy statement.

committee met eight times during fiscal 2009. The board has determined that each of Messrs. Madonna and Leonard aylor qualify as an audit committee financial expert, as defined by SEC rules.

tion Committee. The purpose of the compensation committee is to assist the board of directors in discharging the sponsibilities relating to:

verseeing our executive compensation program;

eviewing and approving corporate goals and objectives relevant to the compensation of our executive officers and etermining and approving the compensation of our executive officers;

onsideration of all substantive elements of our total employee compensation package;

verseeing the administration of our executive compensation plans and programs;

nsuring compliance with laws and regulations governing executive compensation; and

ngaging in such other matters as may from time to time be specifically delegated to the committee by the board of irectors.
ensation committee is also responsible for reviewing and discussing with management the Compensation Discussion sis portion of our proxy statement and, based on such review and discussion, recommending to the board that the tion Discussion and Analysis be included in our proxy statement and issuing a Compensation Committee Report to to be included in the proxy statement.

ensation committee met seven times during fiscal 2009. The committee reports to the board of directors on all ion matters regarding our executive officers and employees.

pensation Discussion and Analysis section of this proxy statement provides a discussion of the process the committee ermining executive compensation.

g and Corporate Governance Committee. The purpose of the nominating and corporate governance committee is

ssist the board of directors by identifying individuals qualified to serve as directors of the company and recommending ominees to the board;

onitor the composition of the board and its committees;

ecommend to the board a set of corporate governance guidelines for the company;

versee compliance with legal and regulatory requirements;

eview director compensation and benefits; and

ad the board in its annual review of the board s performance.
ating and corporate governance committee met five times in fiscal 2009.

ualifications and Compensation. The committee seeks a diverse group of prospective candidates for board service ss the appropriate characteristics, skills, experience and time to make a significant contribution to our board of he company and our stockholders. Each candidate is evaluated to ensure that he or she possesses personal and al character and integrity, and must demonstrate exceptional ability and judgment in his or her respective endeavors. s must possess sufficient time to effectively carry out their duties and responsibilities.

Contents

ring the composition of the board of directors as a whole, the committee and the board consider the skills and s of each candidate as it deems appropriate to assure that specific talents, skills and other characteristics that are maintain the board s effectiveness are possessed by an appropriate combination of directors.

ittee may employ professional search firms (for which it would pay a fee) to assist it in identifying potential nominees ervice with the right mix of skills and disciplines.

ating and corporate governance committee is also responsible for annually reviewing and setting director ion and benefits and for reviewing director education programs. The nominating and corporate governance committee owers Perrin in fiscal 2007 to review director retainers, meeting fees and stock-based compensation provided by our n comparison to 16 companies in the energy services industry as well as a general market survey of similarly sized panies.

tion of Candidates Recommended by Stockholders. Our amended and restated bylaws provide that a stockholder of ny entitled to vote for the election of directors may nominate candidates for election to our board at a meeting of rs by complying with the required notice procedures. To be timely for our next annual meeting in 2010, a stockholder s t be given in writing and delivered or mailed to the company s Secretary and received at our principal executive offices an April 25, 2010 and no earlier than March 31, 2010, provided that if the 2010 annual meeting is called for a date 50 days prior to July 9, 2010, a stockholder s notice, in order to be timely, must be so received not later than the close s on the 10th day following the day on which such notice of the date of the meeting was mailed or public disclosure of the meeting was made, whichever occurs first. Nominee recommendations are required to set forth, among other cified information as to the nominees, and specified information as to the stockholder making the nomination or We may require any proposed nominee to furnish such information as may reasonably be required to determine the of such proposed nominee to serve as a director of our company. A description of these requirements is set forth in the s amended and restated bylaws, available in the Governance section of our website at http://www.tdw.com.

ittee s policy with respect to the consideration of director candidates recommended by stockholders is that the will consider such candidates on the same basis and in the same manner as it considers all director candidates.

nd Investment Committee. The purpose of the finance and investment committee is to:

versee the company s financial affairs, policies and strategies, including its annual and long-term financial plans;

onitor investment policies and guidelines for its employee benefits trust funds; and

valuate and analyze the company s capital structure, tax strategy, dividend policy and risk profile.
e and investment committee met five times in fiscal 2009.

e committee also has responsibility for appointing and monitoring independent investment managers and for the development of projected operating budgets and capital expenditures and making recommendations as appropriate d of directors on an annual and quarterly basis.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

ers of our compensation committee are Messrs. Day, du Moulin, Netherland, Sutton and Thompson. None of the f our compensation committee has been an officer or employee of our company or any of our subsidiaries. No officer of our company served in the last fiscal year as a director or member of the compensation committee of another of whose executive officers served as a member of our board or on our compensation committee.

Contents

DIRECTOR COMPENSATION

FISCAL YEAR 2009 DIRECTOR COMPENSATION TABLE

reflects the compensation information for each of our outside directors. Mr. Taylor s compensation is reflected in the Compensation Table in the section titled Executive Officer Compensation.

Name of Director	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Changes in Pension Value and Nonqualified Deferred Compensation Earnings ($)(2)	Other Compensation	Total ($)
ison	$ 77,000	$ 53,316		$ 5,000(3)	$ 135,316
Day	$ 78,500	$ 82,184		0	$ 160,684
du Moulin	$ 89,000	$ 39,294	$ 3,327	$ 5,000(3)	$ 136,621
Leonard	$ 74,500	$ 39,294	$ 3,605	0	$ 117,489
donna	$ 90,500	$ 39,294	$ 14,320	$ 1,000(3)	$ 145,114
Netherland	$ 25,275	$ 38,095		0	$ 63,370
. O Malley	$ 54,500	$ 39,294	$ 7,694	$ 12,000(4)	$ 113,488
Pattarozzi	$ 106,000	$ 39,294	$ 6,884	$ 2,050(3)	$ 154,228
. Sutton	$ 74,000	$ 48,218		0	$ 122,218
Taylor	$ 75,500	$ 94,735		0	$ 170,235
ompson	$ 85,500	$ 39,294	$ 853	$ 5,000(3)	$ 130,647

of the non-management directors was granted 2,694 deferred stock units during fiscal 2009, except that Netherland, who joined the board during fiscal 2009, received 1,026 units. The amounts reflected in this column are to the compensation cost recognized by the company during fiscal 2009 for financial statement purposes in dance with Statement of Financial Accounting Standards No. 123R (FAS 123R) for deferred stock units granted to our ors in fiscal 2009 and earlier years. The grant date fair value of the deferred stock units granted in fiscal 2009 uted in accordance with FAS 123R was as follows: Messrs. Allison, Day, du Moulin, Leonard, Madonna, O Malley, rozzi, Sutton, Thompson and Ms. Taylor, $100,028; and Mr. Netherland, $38,095. Additional information related to lculation of the compensation cost is set forth in Note 7 to our consolidated financial statements included in our al Report on Form 10-K for the fiscal year ended March 31, 2009. The non-management directors held the following ers of deferred stock units at the end of fiscal 2009: Messrs. du Moulin, Leonard, Madonna, O Malley, Pattarozzi and npson, 6,314 units; Mr. Sutton, 5,784 units; Mr. Allison, 5,479 units; Mr. Day, 3,760 units; Ms. Taylor, 3,016 units; Mr. Netherland 1,026 units.

sts solely of changes in pension value.

esents costs of payments and payment commitments pursuant to our Gift Matching Program.

am C. O Malley, our former Chairman, President and Chief Executive Officer, is reimbursed $12,000 annually for al support.

ombination of cash and equity-based compensation to attract and retain our non-management directors. Compensation -management directors for fiscal 2009 consisted of an annual cash retainer, an additional annual cash retainer for the or and for the chairs of each board committee, meeting fees, an annual grant of deferred stock units and other benefits. the company who also serve as directors do not receive any additional compensation for services as a director.

Contents

ees. For fiscal year 2009, the cash and equity-based compensation payable to the non-management directors was as

n annual cash retainer of $40,000;

n additional annual cash retainer of $20,000 for the lead director;

n additional annual cash retainer of $15,000 for the chair of each of the audit committee and the compensation ommittee, and $10,000 for the chair of each of the nominating and corporate governance committee and the finance nd investment committee;

meeting fee of $2,000 for each board or committee meeting attended; and

n annual grant of deferred stock units valued at date of grant at $100,000 and described in more detail below.
Deferred Stock Units. On each March 31 that the Directors Deferred Stock Units Plan remains in effect, each gement director is granted a number of stock units that is determined by dividing $100,000 by the fair market value of our common stock. In the event of a change of control of our company, each non-management director will be granted umber of stock units for the partial year of service beginning at the end of the prior fiscal year through the date of the control. Dividend equivalents will also be credited to each director s account in the form of additional deferred stock deferred stock units are paid out in cash when a director ceases to serve on our board or upon a change of control of ny. The cash amount paid to the director is equal to the number of stock units credited to the director s account in the Deferred Stock Units Plan, multiplied by the fair market value of a share of our common stock valued as of the date of hat triggers payout. A person who becomes a director or leaves the board during the fiscal year receives a pro rata

efits. We reimburse all directors for reasonable travel and other out-of-pocket expenses incurred in connection with at meetings of the board of directors and its committees.

re generally eligible to participate in the company s Gift Matching Program on the same terms as employees. Under m, the company matches a director s contribution to an educational institution or foundation up to $5,000 per year.

t Plan. In the past, we provided a Retirement Plan for the benefit of non-management directors who retired from our r after reaching age 65 or after completing five or more years of service on our board. We froze benefits under the t Plan as of March 31, 2006 and terminated any further benefit accruals. A director who was a member of our board on 001, will receive an annual benefit of $30,000 for a term equal to the number of years the retired director served as a gement director. A non-management director who joined our board after May 31, 2001, will receive the annual benefit e than five years. If a director dies prior to payment of his benefit, a death benefit is payable to his beneficiaries equal present value of the unpaid benefit. The Retirement Plan provides for the protection of benefits in the event of a control of our company and allows a director to elect to be paid out in a lump sum in such event.

Contents

d benefits of the board members under the Retirement Plan and their years of credited service are as follows:

Board Member	Years of Service Credit	Present Value of Retirement Benefit(1)
. Madonna	6 3/4	99,101
rd A. Pattarozzi	4 1/2	68,847
am C. O Malley	4	103,869
rd T. du Moulin	2 1/2	32,799
yne Leonard	2 1/2	24,043
E. Thompson	1	10,770
olas J. Sutton	0	0
y Allison	0	0
s C. Day	0	0
B. Taylor	0	0
h H. Netherland	0	0

mes retirement at age 72 and an 8% fixed rate of return.

16

Contents

AUDIT COMMITTEE REPORT

committee of our board is composed of five directors, all of whom meet the independence requirements of the New x Exchange. Management has the primary responsibility for the preparation of the company s financial statements and ny s filings, including the design and implementation of the company s internal controls. Our audit committee oversees y of the company s financial statements, reports and other financial information, the company s compliance with legal tory requirements, the independent registered public accounting firm s qualifications and independence, and the ce of our internal audit group and independent registered public accounting firm. Our audit committee operates under a arter which is available on the company s website at http://www.tdw.com.

g its oversight responsibilities for fiscal 2009, our audit committee reviewed and discussed with management and our nt auditors the company s earnings releases and periodic filings with the SEC. Among other things, the audit committee nd discussed the quality, not just the acceptability, of the accounting principles as selected by management and as the financial statements.

, our audit committee has discussed with the independent auditors the matters required by Statement on Auditing No. 61 (Communications with Audit Committees). The independent auditors also provided to our audit committee the closures required by Independence Standards Board Statement No. 1 (Independence Discussions with Audit es), and our audit committee discussed with the independent auditors their independence, and considered the ity of any non-audit services provided by our auditors with the requirements of auditor independence.

ittee discussed with our internal and independent auditors the overall scope and plans for their respective audits. The met with the internal and independent auditors, with and without management present, to discuss the results of their ons, their evaluations of our internal controls and the overall quality of our financial reporting. The committee held ings during fiscal 2009.

audit committee charter, each year the audit committee appoints and retains an independent registered public firm to act as auditors of our company s financial statements for the ensuing year. Pursuant to policies adopted by the mittee, the audit committee also pre-approves the scope of all audit services annually. Audit services and permitted services must be pre-approved by the full audit committee, except that the chairman of the audit committee has the o pre-approve any specific service if the total anticipated cost of such service is not expected to exceed $25,000, and he full audit committee ratifies the chairman s approval at its next regular meeting. All audit and non-audit services for) were pre-approved by the audit committee.

ormation

ving table lists the aggregate fees and costs billed by Deloitte & Touche LLP, the member firms of Deloitte Touche and their respective affiliates (collectively, the Deloitte Entities) to our company for the fiscal year ended March 31, he fiscal year ended March 31, 2009.

	Amount Billed	
	Fiscal Year Ended March 31, 2008	Fiscal Year Ended March 31, 2009
(1)	$ 1,564,000	$ 1,480,000
ated Fees(2)	$ 40,000	$ 50,000
)	$ 50,000	$ 55,000
Fees	$ 0	$ 0

es to services rendered in connection with auditing our company s annual consolidated financial statements for each cable year and reviewing our company s quarterly financial statements. Also includes services rendered in connection statutory audits and financial statement audits of our subsidiaries.

Contents

ists of financial accounting and reporting consultations and employee benefit plan audits.
ists of United States and foreign corporate tax compliance services and consultations.
committee has determined that the provision of services described above is compatible with maintaining the
nce of the independent auditors.

he review and discussions referred to above, the audit committee recommended to the board (and the board has that the audited financial statements be included in our company s Annual Report on Form 10-K for the year ended 2009, for filing with the Securities and Exchange Commission. The audit committee has selected Deloitte & Touche pany s independent registered public accounting firm for fiscal year 2010, and that selection is being presented to the rs for ratification at the annual meeting.

mittee:

donna, Chairman

ison

Leonard

Pattarozzi

Taylor

18

Contents

COMPENSATION COMMITTEE REPORT

ensation committee has reviewed and discussed with management the Compensation Discussion and Analysis
n this proxy statement. Based upon this review and discussion, the committee recommended to the board of directors
ompensation Discussion and Analysis be included in this proxy statement.

tion Committee:

duMoulin, Chairman

Day

. Sutton

ompson

Netherland

Contents

COMPENSATION DISCUSSION AND ANALYSIS

ion. This Compensation Discussion and Analysis is designed to provide stockholders with an understanding of our ion philosophy and objectives as well as the analysis that our compensation committee performed in setting executive ion for fiscal 2009. It discusses the compensation committee s determination of how and why, in addition to what, ion actions were taken for the executive officers who are identified in the Fiscal 2009 Summary Compensation Table refer to these executives as our named executives.

s. As a company with a global reach in an operationally-demanding, volatile, cyclical, and capital-intensive business, our executive compensation program to achieve the following objectives:

tract, motivate, and retain the executive talent that we require to compete and manage our business effectively;

romote a performance- and achievement-oriented environment;

anage fixed costs by combining a more conservative approach to base salaries with more emphasis on erformance-dependent annual and long-term incentives;

ign compensation with performance measures that are directly related to our company s key financial and safety goals, dividual performance, and creation of stockholder value;

ffer the opportunity for greater compensation for superior performance, balanced by the risk of lower compensation hen performance is less successful;

aintain individual levels of compensation that are appropriate relative to the compensation of other executives at the ompany; and

mphasize equity as the primary component of long-term compensation to ensure that pay opportunities are linked to ockholder returns.

compensation programs are designed to reward achievement of corporate objectives, our programs change from time those objectives change. The specific principles followed and decisions made in establishing the compensation of the cutives in fiscal 2009 are discussed in more detail below.

ts of Compensation. The major components of our executive compensation program are the following:

base salaries, which reflect, in part, individual performance as well as salaries that are competitive in the marketplace;

nnual cash incentive compensation based on the achievement by the company of financial and safety goals, and in ome cases, individual performance;

ong-term stock-based incentive compensation provided through the granting of stock options and time- and erformance-based restricted stock;

etirement and potential change of control benefits; and

ther executive benefits, including perquisites.

onent is discussed in detail below under Our Executive Compensation Program.

ensation Setting Process. Our board of directors has delegated to the compensation committee the responsibility of our executive compensation program. The compensation committee annually reviews and sets the compensation for ive officers. For more information about the compensation committee s responsibilities, see Board of Directors and Composition Compensation Committee and the committee s charter, which is available in the Governance section of e at http://www.tdw.com.

20

Contents

executive officer makes recommendations to the compensation committee with respect to salary, bonus, and long-term wards for all executive officers other than himself. He develops these recommendations based on the competitive ormation generated by the compensation consultant, the company s compensation strategy, his assessment of individual ce, and the experience level of the particular executive. The committee discusses with the chief executive officer his dations and either approves or modifies the recommendations in its discretion. In evaluating the chief executive ompensation, the committee reviews the competitive market information provided by Towers Perrin and determines compensation levels based on our compensation strategy and its assessment of his performance. The compensation reports to the board of directors on all compensation matters regarding our executives and other key salaried .

mpensation Consultant. Our compensation committee uses Towers Perrin to assist in its ongoing review and our executive compensation program. Towers Perrin has been the primary compensation consultant for the committee x years. In addition, since 2006, we have retained Stern Stewart & Co. to provide specific guidance on developing and particular performance metric (the measure of economic value added or EVA) as the major component of our annual plan. EVA® is a registered trademark of Stern Stewart & Co. The use of EVA and Stern Stewart s role in its nt are discussed in greater detail below in Annual Cash Incentive Compensation.

rrin has no service or other relationship with the company except its role as primary consultant to our compensation as disclosed in this proxy statement. In fiscal 2008 and 2009, Towers Perrin provided a variety of services and n. The key objectives of the assignment in fiscal 2008 in terms of setting compensation for fiscal 2009 were:

- provide information regarding current competitive compensation levels for senior executives among oilfield service nd general industry companies;

- provide a special proxy compensation analysis developing total remuneration levels for a peer group of companies, hich is made up of 21 industry peer energy service companies;

- provide an analysis of share usage and share availability under our long-term incentive plan;

- construct a wealth accumulation analysis; and

- review trends in executive compensation.

of the Towers Perrin compensation analysis involved collecting competitive market information on base salary, annual and long-term incentives. Base salaries and bonus opportunities for the upcoming fiscal year are determined and rds are typically made in March of each year. We endeavor to use the most current information available when mpensation decisions. Since cash compensation decisions for fiscal 2009 disclosed in this proxy statement were made ore the end of fiscal 2008 and the equity awards reported in this proxy statement were made late in fiscal 2009, two owers Perrin analyses were used to set fiscal 2009 compensation.

lyses, Towers Perrin compared our executive compensation to their most recent data for three separate groups: a eer energy services companies, the Towers Perrin Oilfield Service Compensation Survey, and a survey of general ompanies. The companies included in each of these three groups for the fiscal 2009 cash compensation analysis are nnex A to this proxy statement; the companies included in each of the three groups for the fiscal 2009 equity grants n Annex B.

rrin s general industry survey includes a large number of companies of various sizes. In addition, Towers Perrin applies n analysis to size-adjust the data for companies with similar revenues to Tidewater, wherever possible. The particular included in those surveys with annual revenues of between $1 billion and $3 billion (the range in which our revenues so identified in Annexes A and B.

21

Contents

We target our executive pay at the level that generally approximates the 50th percentile of the comparison companies e-adjusted general industry survey. We review our actual and target total direct compensation (which is made up of , target and actual annual cash incentive compensation and long-term incentive compensation) in conjunction with the rrin analyses in order to determine whether target total direct compensation is likely to fall at the range that we have Ve aim to keep salary somewhat below the median, annual incentive opportunities above the median and long-term at the approximate median.

al 2008, the committee also reviewed for the first time a wealth accumulation analysis prepared by company nt that presented current wealth accumulation and valued each element of compensation that the executive could e in the next five years under various scenarios of continuing employment and retirement. For this review, total ion included all aspects of the named executive s total cash compensation from continuing employment, the future rrent equity holdings and future equity awards, value of projected shares to be sold over the next five years and etirement benefits. The purpose of this analysis was to allow the committee to understand the total wealth potential of ture compensation and benefit plans and to see how current compensation decisions may affect future wealth on. In fiscal 2009, Towers Perrin prepared a wealth accumulation analysis for the committee s consideration. The the analysis was to assess past, present and future value generated by all company sponsored compensation nts including past equity grants, future cash compensation, future equity grants and pension and defined contribution its. The analysis considered several different stock price scenarios. The committee used the wealth accumulation a method to gauge whether the wealth accumulated by the named executives was generally in line with peer , recognizing that tenure and age of the executive can have a significant impact on the amount of wealth accumulated.

utive Compensation Program. We compensate our named executives principally by using a combination of compensation (salary and annual cash incentive payouts) and long-term compensation (the deferred portion of our h incentives, stock options and restricted stock). We do not have a specific policy for the allocation of compensation ort-term and long-term compensation or cash and equity compensation. Rather, it is our policy to strongly emphasize performance-based elements of compensation by keeping the salary portion of total compensation lower than that of ompanies. Maintaining below the median salary levels also allows us to appropriately manage our fixed cash in our cyclical industry. By using a higher salary percentage than that of our peer companies for our annual bonus provide opportunities for our executives to achieve total cash compensation in successful years that substantially e median of cash compensation paid by our peers. We link annual cash incentive compensation to the company s nt of annual performance goals, while we link our long-term incentive compensation to longer-term performance goals value of our common stock. We believe it is important to base a portion of our executives incentive compensation on ation in value of our common stock in order to align the interests of our executives with the interests of our rs. We also believe it is important that our long-term compensation include a performance component. We select ce goals that we believe best reflect the principal drivers of our business and financial performance and create r value.

y. We review salary levels for named executives annually based on a variety of factors, including individual ce, annual incentive bonus payout amounts, general market salary levels, our company s overall financial condition, y conditions. After reviewing these factors, we increased the salary levels of each of the named executives who served scal 2009 by 4%, except that Mr. Bennett s salary was increased by 22% in connection with his promotion to executive ent during fiscal 2009. In recruiting new executive officers, we are prepared to offer competitive salaries and did so ired Mr. Fanning as an executive vice president and our chief financial officer during fiscal 2009.

sh Incentive Compensation. We pay annual cash incentives for the purpose of rewarding financial, safety, and for the cutives except for the chief executive officer individual performance during the year.

Contents

007 the compensation committee began working with Stern Stewart to institute an annual incentive program that was arily on the EVA to our company during the fiscal year and our safety performance.

framework developed by Stern Stewart for setting goals and measuring performance that rewards participants for both and long-term results realized by the company. When we began using EVA in fiscal 2007, it was our goal to keep the d annual incentive program in place for three years in order to develop an EVA-driven culture throughout the company e us an adequate opportunity to evaluate the long-term effectiveness of the new system. The compensation committee ed EVA as a performance measure in triggering the lapse of restrictions on recent grants of restricted stock.

to the EVA component, we also include a safety performance component in our annual incentive program to ur commitment to be an industry leader in safety. Experience has taught us that a safe work environment helps us to retain a more experienced work force. Additionally, a safe work environment gives us an advantage when we compete om the most reputable and superior customers. Finally, our excellent safety record helps us to minimize our insurance and overall cost of doing business.

l incentive award established for our chief executive officer was based upon EVA and safety results and is earned Executive Officer Annual Incentive Plan. To preserve the tax deductibility of his compensation, the annual bonus of xecutive officer is entirely based on company performance goal achievement without a subjective individual ce component. Annual awards paid to our other named executives are paid under our Management Annual Incentive e awards are also based upon EVA and safety performance, but are subject to adjustment based on evaluations of performance by the chief executive officer and the compensation committee.

ate our EVA by subtracting from our net after-tax operating profit an appropriate charge for the opportunity cost of all we have invested over the measurement period. Thus, our EVA measures the amount by which our earnings exceed rt of a rate of return that our stockholders could reasonably expect to obtain if they invested in other securities of e risk. EVA is our principal performance measure because we believe that it is the best measure of the value that the of our management team add to capital invested by our stockholders. By focusing on our financial performance as a f our invested capital, our management is incentivized to make prudent investments in assets that are capable of a strong return on capital.

inning of each fiscal year, our compensation committee specifies target annual awards for each named executive. The rd is a percentage of base salary, and the percentage is determined based upon the Towers Perrin analysis and the s position and ability to directly influence our financial and safety performance. The percentage of salary that the cutive is eligible to receive increases or decreases based upon the company s performance above or below the target ce goals, and awards can be earned even if EVA decreases from the prior fiscal year, although such awards would be ppropriately to reflect the shortfall. There is no cap placed on the annual bonus opportunity for the named executives our chief executive officer, whose bonus potential for fiscal 2009 was capped at $3 million.

n of the Bonus Pool

sh a target bonus pool each year that is derived by aggregating the percentage of salary amounts set by the committee participants and then applying a factor for the Company s EVA and a separate factor for safety performance. The us pool for participants based on a percentage of salary is as follows:

5% of the pool is generated and declared based on the company s EVA performance.

he remaining 25% of the pool is based upon the company s achievement of Total Reported Incident Rate (TRIR) safety bjectives.

23

Contents

nd safety performance levels above and below the target levels, the 75%/25% relationship components may change. In he 25% safety component can be increased for exceptional safety performance, such that the executive could be paid % of the target bonus amount based upon safety performance.

ria

nine our EVA by subtracting a charge for capital employed from net operating profit after taxes (NOPAT). NOPAT equals revenues, less operating expenses, depreciation expense, general and administrative expenses, other income and nd taxes on operating profit. Our capital charge is determined by multiplying our average capital invested during the weighted average cost of debt and equity. Prior to each fiscal year, we set the weighted average cost of capital for that 009, as in 2007 and 2008, based on advice of Stern Stewart, we used a 9% weighted average cost of capital. Certain ts to NOPAT are made in determining EVA, including adjustments to eliminate the effects of accounting changes, ary items, discontinued operations and unusual or infrequently occurring items (less the amount of related income

mplemented the EVA-based incentive bonus program, we established a target for fiscal 2007, 2008 and 2009 that $5 million improvement in EVA each year over actual EVA for the prior year in order for the target bonus award to be For example, since EVA for fiscal 2008 was $154.1 million, EVA for fiscal 2009 had to be at least $159.1 million for o be met. Failure to achieve the EVA target in any fiscal year would result in reduced incentive awards and EVA of 109.8 million would have generated no EVA bonus amount for fiscal 2009.

ed $5 million improvement in annual EVA was based upon a study by Stern Stewart and its recommendation of the e level after considering the company s past performance and taking into account that, because of the volatility in the s business sector, EVA levels can fluctuate substantially from year to year. The $5 million additional EVA target was alistic goal for sustainable annual improvement in return on invested capital. Fiscal 2008 generated EVA of $154.1 $6.7 million increase over fiscal 2007 EVA) and raised the level of EVA performance that would have to be achieved 09 in order for the target EVA level to be achieved.

limit volatility in annual incentive payouts and to tie payouts to sustainable value creation, on Stern Stewart s dation, we also created a bonus bank to which a portion of the bonus based upon EVA is subject, as described below. of the bonus that is determined by the company s EVA in any given year is set aside, or banked , for possible payout in s, and is subject to reduction as a result of negative future EVA results. Any declared EVA bonus is credited to a s personal bonus bank account each year, with a maximum annual payout of

to the lesser of the declared EVA portion or 150% of the target bonus, and

ne-third of any net positive bonus bank balance.
ning two-thirds of the bonus bank is held at risk. In a year in which the EVA bonus declared would be a negative cause the company has experienced a significant decline in EVA from the prior year, this negative amount is deducted onus bank. Declared but unpaid amounts, including negative balances, are banked forward to be credited or debited ure declared bonus amounts in future years.

ive officers other than the chief executive officer, 25% of the maximum payout amount for the EVA portion may be eliminated based upon a subjective assessment of the officer s individual performance by the chief executive officer mpensation committee.

eria

performance measurement is determined by achievement of the established safety performance goals for the fiscal h is based upon our TRIR per 200,000 work hours. The TRIR goal for fiscal 2009

24

Contents

which was a 5% targeted improvement in our average safety performance levels over the preceding two years and an d improvement over the preceding five year average.

elow a certain level will entitle a participant to a safety payment in an amount that is greater than 25% of the pool nount and which may be up to 150% of 25% of the target pool funding amount. The safety performance portion of the tes independently from the EVA portion, and the EVA bonus bank does not impact the payout based upon safety ce.

n of Annual Incentive

2009, the Company s EVA was $42 million over fiscal 2008 EVA. The committee recognized and anticipated when the additional EVA target was set that in very successful years the EVA added could substantially exceed the $5 million torically, changes in EVA from year to year have been substantial and EVA results as recently as fiscal 2005 were Superior EVA results in a particular year provide an aggressive target for subsequent fiscal years where an ent on prior superior performance is required to meet the new target. The $42 million EVA improvement results of present such an aggressive target for fiscal 2010.

9 EVA was calculated as follows:

		(in thousands)
Net Operating Profit After Tax (NOPAT)	$	385,413
Less: Charge For Capital Employed		-189,247
EVA	$	196,166

ation of EVA was made in accordance with the EVA program design that we established in consultation with Stern hen the program was initiated in fiscal 2007.

r the year ended March 31, 2009 equals revenues (vessel revenues and other marine service revenues) less operating vessel operating costs, costs of other marine service revenues, depreciation and amortization, general and tive expenses as decreased by approximately $.5 million for an increase in the allowance for doubtful accounts), plus interest in net earnings of unconsolidated companies, plus interest income and other income and expenses, net less change losses, less a charge of 17.2% for estimated income taxes on operating profit.

e for capital employed equals average total capital employed of $2.1 billion multiplied by the weighted average cost of 9%. Total capital employed at March 31, 2009 equals current assets plus the allowance for doubtful accounts, s in and advances to unconsolidated companies, net properties and equipment as decreased by approximately $403.2 marily for the effect of vessels under construction, goodwill as increased by $35.5 million for the effect of ed goodwill amortization, other assets as decreased by $31.4 million, primarily for the effect of deferred tax assets; less ayable, accrued expenses and accrued property and liability losses, less other current liabilities as decreased by $18.6 imarily for the effect of income taxes payable. Average capital was further decreased by $178.6 million for the effect ive gains on sales of assets and by $72.5 million for the cumulative effect of discontinued operations, net of tax. apital was further increased by $20.3 million for the effect of cumulative asset impairments, net of tax. Cumulative s give effect to such items beginning in fiscal 1996.

for fiscal 2009 of 0.18 was better than the targeted 0.19, which generated a payment equal to 120% of the total target s payout.

e named executives received 100% of the potential individual performance portion of the annual incentive award, Mr. Taylor whose 2009 bonus does not have an individual performance component and except for Mr. Lousteau who eptember of 2008, and whose annual incentive award was contractually set by his retirement agreement.

25

Contents

es of awarding the individual performance portion of the annual incentive award to the named executives, we relied gment of our chief executive officer in assessing their individual performances. We did not use specific performance goals as part of that individual assessment in fiscal 2009. In the case of Mr. Fanning, his leadership in continuing to ur overall financial discipline (including the ability to fund our vessel building commitments without the occurrence of company debt) and to bolster the company s financing/acquisition analytical and implementation capabilities were factors in his award. In the case of Mr. Dick, his management of our new vessel building program in a challenging nvironment, his important role in maintaining and advancing key partnership and other relationships, and his oversight ispositions at appropriate times and on favorable terms were key factors in awarding his full individual performance r. Platt s leadership in all aspects of our operations, including the management of vessel day rates and utilization, ce and creation of constructive customer relationships and the incorporation of increasingly sophisticated new vessels eet profile were instrumental to his full award. Finally, in the case of Mr. Bennett, his continued interface with the community and his work in budgeting and forecasting in a challenging macroeconomic environment were the basis rd.

f our named executives, we have set forth in the table below information on the incentive award amounts.

d Executive	Target % of Annualized Salary	Target Amount of Incentive Award	Incentive Award Based Upon Fiscal 2009 EVA	Incentive Award Based Upon Fiscal 2009 Safety	Portion of Total Incentive Award Based Upon Individual Performance	Total Amount of Incentive Award Earned	Total Cash Incentive Award Paid (Including Amounts Paid from Bonus Bank)	Amount Paid as a % of Annualized Salary
aylor	120%	$ 717,600	$ 937,404	$ 215,280	N/A	$ 1,152,684	$ 1,169,453	195.6%
anning(1)	67.3%	201,875	179,482	60,563	$ 59,827	324,273	299,872	100%
ousteau(2)	95%	311,220	N/A	N/A	N/A	N/A	N/A	N/A
. Dick	95%	302,328	301,498	90,698	100,499	485,631	492,696	154.8%
Platt	95%	306,280	301,894	91,884	100,631	491,979	494,409	153.4%
Bennett	95%	237,500	228,923	71,250	76,308	381,497	376,481	150.6%

se Mr. Fanning joined our company in July of 2008, he had a lower bonus opportunity for fiscal 2009.
usteau retired as executive vice president and chief financial officer on September 30, 2008. The bonus of $286,912 received was provided for in his Retirement Agreement. It was equal to the average of his bonuses earned for the last scal years pro rated for the period he was employed in fiscal year 2009. As a result of his retirement, he also received ire bonus bank balance of $134,670.

Incentive Compensation. We grant long-term incentive compensation in the form of restricted stock and stock nually to our named executives. In fiscal 2009 we received data from Towers Perrin from its long-term incentive field services compensation survey and peer group data which provided information as to the expected value of incentives. As in past years, we targeted the approximate median of the companies included in Towers Perrin s Oilfield ompensation Survey, where the value of the long-term incentives granted was presented as a multiple of salary at ary levels. We also generally use a multiple of an executive s base salary to determine the overall grant size. The sed for any particular executive is based on Towers Perrin s recommendation for that executive and reflects the nature of the executive s duties. When making awards of stock options and restricted stock to the named executives, we llocate approximately 50% of total value to restricted stock and 50% of total value to options. We now utilize tock equally with options as a result of the changes in the accounting treatment of options, stock plan limits on shares or grant and the historic volatility of our stock price. In addition, we believe that granting restricted stock provides our cutives with a significant equity ownership opportunity, and we further note that restricted stock is widely used among titors. In such a cyclical industry, the use of restricted stock in addition to options encourages executives to remain ompany even during periods of stock price volatility. As much of our recent grants of restricted stock have been tied to ce hurdles, we are placing added emphasis on financial performance goals, as well as providing rewards for growth in f our common stock.

26

Contents

formalize our stock option grant procedures, in fiscal 2008 we adopted a stock option grant policy that provides for nts to be made at a regularly scheduled compensation committee meetings held in March of each year. Grants may de by the committee at other times in the event of a new hire or promotion. No backdating of options is permitted. If a proved during a blackout period when there exists material non-public information about the company, the committee ler the effect of the non-public information as part of the approval process. Information relating to the stock options of restricted stock granted to our named executives is set forth in the 2009 Summary Compensation Table and the ts of Plan-Based Awards Table.

ons. The number of stock options granted to an executive is based upon the executive s position and level of ity. In accordance with the terms of our stock plans, the option exercise price for all stock options is at least equal to price of our common stock on the date options are granted. We do not re-price stock options. Stock options granted in vest one-third per year following grant and expire after ten years.

Stock. We also base our restricted stock grant levels on the named executive s position and responsibility. Shares of tock are subject to forfeiture and vest in accordance with certain performance and continued employment nts. For 2009, two-thirds of each named executive officer s grant of restricted stock is time-based, as the shares will on continued employment in four equal tranches over the next four years. The remaining one-third of each grant is he satisfaction of pre-established performance targets. The performance-based shares will vest following fiscal 2013, he simple average of the preceding four fiscal years of return on capital employed (SAROCE) exceeds 10%, as shown

OCE	**Percentage of Shares Vesting**
2013 year end)	**(any remaining restricted shares are cancelled)**
or less	no vesting; all shares cancelled
	20%
	40%
	60%
	80%
or more	all shares vest

er of shares that vest are prorated for SAROCE between 10% and 15%. The named executives have voting and ghts on their restricted stock and dividends are paid to them currently. We provided for vesting after completion of a ear period rather than annual vesting in order to emphasize long-term, multi-year performance and value creation.

de to New Executive Officer in Fiscal 2009 Mr. Fanning. On July 31, 2008, Mr. Fanning joined our company and nsation committee granted him stock options and shares of restricted stock. The options will vest one-third per year xt three years and the shares of restricted stock will vest 25% per year if cumulative EVA increases $5 million per the EVA for fiscal 2008. At the end of four years all unvested restricted stock will vest, regardless of EVA ce. The amounts of these grants are disclosed in the table Grants of Plan-Based Awards.

Retirement on Outstanding Options and Restricted Stock Mr. Lousteau. Mr. Lousteau retired from our company on 30, 2008, and in recognition of his more than 30 years of service to our company, the compensation committee vested reviously granted and unvested stock options and restricted stock. He was not awarded any additional restricted stock tions during fiscal 2009.

efits. Our named executives participate in employee benefit plans generally available to all employees. In addition, our named executives with supplemental retirement and savings programs and certain perquisites provided only to officers.

Contents

e of the acquisition of the corporate airplane, our board of directors, for security reasons, adopted a policy that required ief executive officer complete all air travel, both business and personal, aboard our airplane. We reviewed this policy al 2007. We continue to believe that this is an appropriate and reasonable practice because it increases the level of security for Mr. Taylor and his family. Furthermore, commercial travel has become more inefficient in recent years. e aircraft available to Mr. Taylor maximizes his availability to conduct business before, during and after flights and to travel on short notice, quickly take advantage of business opportunities and respond to emergencies. For certain al travel, use of the corporate airplane is impractical and Mr. Taylor does fly commercially in those instances.

of the use of the corporate airplane for personal travel by Mr. Taylor during 2009 was $120,572, valued at the l cost to the company of such personal travel as required by the Securities and Exchange Commission for proxy disclosure purposes. Mr. Taylor was also reimbursed for his income tax liability related to his personal use of the irplane. Mr. Taylor s reimbursement of $27,300 for the income tax liability incurred as a result of his personal use of e resulted from Internal Revenue Service regulations valuing such personal use at an amount in excess of the l cost of such travel to our company.

uisites for fiscal 2009 consist primarily of club dues for one country club membership for each named executive, lanning services, lunch club memberships, and executive medical benefits.

et forth the incremental cost of providing these perquisites to our named executives in a separate table that is included te to the All Other Compensation column of the 2009 Summary Compensation Table.

and Change of Control Agreements. To ensure continuity and the continued dedication of our executives during any ncertainty caused by a possible change of control of our company, we have entered into Change of Control ts with our executives, including each of our named executives. When Mr. Fanning joined our company in July 2008, ered into a change-in-control agreement with us. Information regarding the current Change of Control Agreements, he estimated amounts payable to each named executive, is set forth under the heading Potential Payments upon on or Change in Control Change in Control.

Agreement with Mr. Lousteau. During fiscal 2009, we entered into a Retirement Agreement with Mr. Lousteau in n of his retirement from the position of chief financial officer of the company effective September 30, 2008. eau also entered into a consulting agreement with us under which he will provide certain consulting services for two wing his retirement date, subject to our right to extend the consulting arrangement for an additional two years.

Retirement Agreement, Mr. Lousteau received a lump sum payment equal to the sum of:

ne and one-half times his annual salary at the time of his retirement,

ne and one-half times the average bonus earned by him in the three prior fiscal years (including accruals set aside in e bonus bank), and

pro-rated bonus for the fiscal year ended March 31, 2009 based on the average bonus earned by him (including ccruals set aside in the bonus bank) for the three prior fiscal years.

, Mr. Lousteau s health, disability and life insurance benefits will continue through May 31, 2010. All of eau s previously granted but unvested stock options and restricted stock vested upon retirement. The Retirement t requires Mr. Lousteau to keep confidential company nonpublic information known to him and not to compete with ny after his retirement. During the initial two-year term of the consulting agreement, Mr. Lousteau will be paid at an of $200 for his services, which amount will be increased to $250 per hour if we exercise our option to extend the

28

Contents

t Benefits. We also provide a non-qualified deferred compensation plan, which acts as a supplement to our 401(k) SERP that operates as a supplement to our qualified pension plan, or in the case of Messrs. Fanning and Platt, a t to our qualified retirement plan, which is a defined contribution plan. Both of these plans are designed to provide benefits to our officers that the officers are precluded from receiving under the underlying qualified plans due to the ion and benefits limits in the Internal Revenue Code. These plans are described in more detail in Executive tion 2009 Pension Benefits and Executive Compensation 2009 Non Qualified Deferred Compensation.

Policy. During fiscal 2008, the compensation committee adopted an Executive Compensation Recovery Policy under company may recover cash and equity incentive compensation awarded after adoption of the policy if the ion was based on the achievement of financial results that were subsequently the subject of a restatement of our tatements, if the executive officer engaged in intentional misconduct that caused the need for a restatement and the to increase the amount of the incentive compensation.

nership Guidelines. Under stock ownership guidelines adopted by the Board in September of 2007 for the s directors and officers and reevaluated by the compensation committee in fiscal 2009, our directors and officers are hold the following values in the form of company stock within five years of becoming a director or officer (the annual cash retainer or the officer s base salary is multiplied by the appropriate multiple):

x for the chief executive officer and all directors.

x for the chief operating officer, chief financial officer and executive vice presidents.

x for all other officers.

r s ownership guideline increases because of a change in title or if a new officer or director is added, a five-year period the incremental guideline begins in January following the year of the title change or addition as a director or officer. ed stock units granted to directors each year count as shares of company stock under the guidelines.

eved, ownership of the guideline amounts must be maintained for as long as the director or officer is subject to the

Pay Deductibility Cap. Section 162(m) of the Internal Revenue Code limits our federal income tax deductions for ion, other than qualified performance-based compensation, to $1 million for compensation paid to each of our most npensated executive officers. Stock options and restricted stock granted by us in fiscal 2009 are designed to qualify as ce-based and to be excluded in calculating the $1 million limit of Section 162(m). The annual bonus paid to r for fiscal 2009 under the Executive Officer Annual Incentive Plan has also been structured to be fully deductible ion 162(m) as performance-based compensation.

to continue to establish executive officer compensation programs that will maximize our company s income tax However, from time to time, the committee may award compensation that is not fully tax deductible if we determine ward is consistent with our philosophy and in the best interest of our company and our stockholders.

Contents

EXECUTIVE COMPENSATION

ving table summarizes, for the fiscal year ended March 31, 2009, the compensation paid to each of our named officers in all capacities in which they served.

FISCAL 2009 SUMMARY COMPENSATION TABLE

Principal Position	Fiscal Year	Salary	Bonus(1)	Stock Awards(2)	Option Awards(3)	Non-Equity Incentive Plan Compensation(4)	Changes in Pension Value and Nonqualified Deferred Compensation Earnings ($)(5)	All Other Compensation(6)	Total
ylor President and utive Officer	2009	$ 598,000		$ 1,514,063	$ 927,231	$ 1,169,453	$ 743,260	$ 257,672	$ 5,209,679
	2008	$ 575,000		$ 996,724	$ 753,420	$ 931,508	$ 1,743,344	$ 244,984	$ 5,244,980
	2007	$ 575,000		$ 662,276	$ 367,689	$ 1,378,301	$ 1,962,508	$ 112,539	$ 5,058,313
anning(10) Vice nd Chief Officer	2009	$ 197,701	$ 59,827	0	$ 703,987	$ 240,045		$ 18,103	$ 1,219,663
usteau(11) ecutive Vice nd Chief Officer	2009	$ 163,800		$ 1,629,600	0		$ 762,636	$ 1,829,058	$ 4,385,094
	2008	$ 315,000	$ 100,998	$ 360,917	$ 255,858	$ 302,993	$ 811,759	$ 51,370	$ 2,198,895
	2007	$ 315,000	$ 122,508	$ 242,136	$ 132,564	$ 475,255	$ 754,173	$ 20,602	$ 2,062,238
Platt Vice President	2009	$ 322,400	$ 100,631	$ 492,268	$ 334,648	$ 393,778	$ 92,038	$ 58,877	$ 1,794,640
	2008	$ 310,000	$ 97,622	$ 341,999	$ 255,673	$ 292,866	$ 190,437	$ 57,161	$ 1,545,758
	2007	$ 282,525	$ 98,550	$ 223,361	$ 132,564	$ 448,276	$ 126,352	$ 24,631	$ 1,336,259
. Dick Vice President	2009	$ 318,240	$ 100,499	$ 484,500	$ 330,329	$ 392,197	$ 219,327	$ 56,119	$ 1,901,211
	2008	$ 306,000	$ 98,112	$ 322,920	$ 236,742	$ 294,336	$ 654,831	$ 57,720	$ 1,970,661
	2007	$ 306,000	$ 113,058	$ 218,413	$ 123,774	$ 461,676	$ 700,796	$ 26,888	$ 1,950,605
Bennett(12) Vice President, stor Relations	2009	$ 250,000	$ 76,308	$ 423,938	$ 259,498	$ 300,173	$ 51,594	$ 47,112	$ 1,408,623

ents the individual performance portion of our annual cash incentive program.
llar value of restricted stock set forth in this column is the compensation cost we recognized during the respective years for financial statement purposes in accordance with FAS 123R related to all restricted stock grants with vesting the respective fiscal years, except no assumptions for forfeitures were included. A discussion of the assumptions used ulating the compensation costs is set forth in Note 7 to our consolidated financial statements included in our Annual on Form 10-K for the fiscal year ended March 31, 2009. Please see the Grants of Plan-Based Awards Table for more ation regarding the stock awards we granted in fiscal 2009.
llar value of stock option awards set forth in this column is the compensation cost we recognized during the respective years for financial statement purposes in accordance with FAS 123R related to all stock option grants with vesting the respective fiscal years, except no assumptions for forfeitures were included. A discussion of the assumptions used

ulating the compensation costs is set forth in Note 7 to our consolidated financial statements included in our Annual on Form 10-K for the fiscal year ended March 31, 2009. Please see the Grants of Plan-Based Awards Table for more ation regarding the stock option awards we granted in fiscal 2009.
ents amounts paid to our named executive officers based on company performance under our Management Annual ve Plan and our Executive Officer Annual Incentive Plan, as applicable.
ts of the change from the prior fiscal year in each named executive officer s pension value under our qualified Pension nd our non-qualified Supplemental Executive Retirement Plan.

Contents

es (i) matching contributions to the company s 401(k) plan and Supplemental Savings Plan, (ii) retirement plan
utions for the account of Mr. Platt who participates in a qualified defined contribution plan and not in our Pension
iii) a prorated annual cash incentive paid to Mr. Lousteau on his retirement, (iv) a cash severance payment to
usteau on his retirement, (v) health care premium payments under our Executive Medical Plan, (vi) reimbursement for
e tax liability incurred by inclusion in taxable income under the Internal Revenue Code of the value of personal use of
ate aircraft, (vii) financial planning and income tax preparation, (viii) dividends paid on restricted stock held by our
executive officers, and (ix) the value of perquisites, including parking, club memberships and the use of the company
e by Mr. Taylor for personal use**,** as set forth below:

Name	401(k) Plan and Supplemental Savings Plan Contributions	Retirement Plan Contributions	Prorated Annual Cash Incentive Paid on Retirement(7)	Cash Severance Payment(7)	Executive Medical Plan	Income Tax Reimbursement(8)
r	$ 17,940	$ 0	$ 0	$ 0	$ 8,291	$ 27,300
ng	$ 5,625	$ 0	$ 0	$ 0	$ 5,527	$ 0
eau	$ 4,537	$ 0	$ 421,582	$ 1,364,686	$ 4,145	$ 0
	$ 9,672	$ 6,993	$ 0	$ 0	$ 8,291	$ 0
	$ 9,547	$ 0	$ 0	$ 0	$ 8,291	$ 0
tt	$ 7,238	$ 0	$ 0	$ 0	$ 8,291	$ 0

Name	Financial Planning and Income Tax Return Preparation	Dividends	Parking	Club Memberships	Consulting Payments	Use of Corporate Airplane(9)
r	$ 14,847	$ 57,324	$ 4,626	$ 6,772	$ 0	$ 120,572
ng	$ 0	$ 4,983	$ 855	$ 1,113	$ 0	$ 0
eau	$ 9,414	$ 10,553	$ 2,017	$ 1,865	$ 10,259	$ 0
	$ 8,685	$ 20,484	$ 4,107	$ 645	$ 0	$ 0
	$ 8,441	$ 19,388	$ 4,107	$ 6,345	$ 0	$ 0
tt	$ 7,500	$ 15,262	$ 4,107	$ 4,714	$ 0	$ 0

payments were made in connection with Mr. Lousteau s retirement and are discussed in detail under the heading
pensation Discussion and Analysis Retirement Agreement. Includes $12,552 in earned but unused vacation.
ylor was reimbursed for his income tax liability related to his personal use of the company airplane.
ard of directors, for security reasons, has required that Mr. Taylor complete all domestic and select international air
both business and personal, aboard the company s airplane. We calculate the aggregate incremental cost of Mr. Taylor s
al use by multiplying the number of hours of personal use by the hourly cost to operate the airplane, adding in
ntal expenses.
anning joined our company on July 17, 2008.
ousteau retired from the company on September 30, 2008.
2009 was the first year in which Mr. Bennett was a Named Executive Officer of the company included in the
ary Compensation Table.

Contents

ing table presents additional information regarding restricted stock and option awards, as well as non-equity incentive ls granted to our named executive officers during the fiscal year ended March 31, 2009.

FISCAL 2009 GRANTS OF PLAN-BASED AWARDS

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards		Estimated Future Payouts Under Equity Incentive Plan Awards(3)					
Type of Grant	**Grant Date**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units(4)**	**All Other Option Awards: Number of Securities Underlying Options(5)**	**Exercise or Base Price of Option Awards ($/Sh)(6)**	**Grant Date Fair Value of Stock and Option Awards ($)(7)**
Annual Cash Incentive		717,600	3,000,000(1)						
Time-Based Restricted Stock Grant	03/05/2009					32,498			1,099,107
Performance-Based Restricted Stock Grant	03/05/2009			1	16,249				549,703
Option Grant	03/05/2009						92,538	33.83	927,231
Annual Cash Incentive		201,875	(2)						
Time-Based Restricted Stock Grant	7/30/2008					6,644			410,732
Option Grant	7/30/2008						20,652	61.82	392,595
Time-Based Restricted Stock Grant	03/05/2009					10,914			369,220
Performance-Based Restricted Stock Grant	03/05/2009			1	5,457				184,610
Option Grant	03/05/2009						31,077	33.83	311,392
Annual Cash Incentive		311,220	(2)						
Annual Cash Incentive		306,280	(2)						
Time-Based Restricted Stock Grant	03/05/2009					11,729			396,792

Performance-Based Restricted Stock Grant	03/05/2009	1	5,864				198,379
Option Grant	03/05/2009				33,398	33.83	334,648

32

Contents

Type of Grant	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards(3) Threshold (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units(4)	All Other Option Awards: Number of Securities Underlying Options(5)	Exercise or Base Price of Option Awards ($/Sh)(6)	Grant Date Fair Value of Stock and Option Awards ($)(7)
Annual Cash Incentive		302,328	(2)						
Time-Based Restricted Stock Grant	03/05/2009					11,577			391,650
Performance-Based Restricted Stock Grant	03/05/2009			1	5,789				195,842
Option Grant	03/05/2009						32,967	33.83	330,329
Annual Cash Incentive		237,500	(2)						
Time-Based Restricted Stock Grant	03/05/2009					9,095			307,684
Performance-Based Restricted Stock Grant	03/05/2009			1	4,547				153,825
Option Grant	03/05/2009						25,898	33.83	259,498

ief executive officer was eligible to receive a cash bonus under our Executive Officer Annual Incentive Plan based on
npany s achievement of annual performance goals. The amount actually paid to the chief executive officer for fiscal
ursuant to this program is reflected in the Summary Compensation Table herein. The Executive Officer Annual
ve Plan provides for a maximum award amount of $3 million**.** Please see Compensation Discussion and
is Annual Cash Incentive Compensation for more information regarding this program and the related performance
res.
med executive officers, other than our chief executive officer, were eligible to receive a cash bonus under our
ement Annual Incentive Plan based on the achievement of annual corporate performance goals and individual
mance. The amounts actually paid to the named executive officers for fiscal 2009 pursuant to this program are reflected
Bonus and Non-Equity Incentive Plan Award columns of the Summary Compensation Table herein. The Management
l Incentive Plan does not establish a maximum incentive award. Please see Compensation Discussion and
is Annual Cash Incentive Compensation for more information regarding this program and the related performance
res.
ts of performance-based shares of restricted stock. Performance-based shares of restricted stock will vest following
2013 if the simple average of the preceding four fiscal years of return on capital employed (ROCE) is greater than
f the four-year simple average of ROCE (SAROCE) is 10% or less, all performance-based restricted shares will be
ed. For each 1% realized in excess of 10% of SAROCE, 20% of the shares will vest, up to a full vesting of all
ed stock at the realization of 15% or greater SAROCE. Proration will apply between the realization of 10% and 15%

ROCE.
ts of time-based shares of restricted stock. Time-based shares of restricted stock granted in fiscal 2009 vest 25% on the
econd, third and fourth anniversaries of the date of grant.
options granted in fiscal 2009 have a term of 10 years and vest 33.3% per year in three annual increments.
ercise price for the grants on March 5, 2009 was equal to the closing price of our common stock on March 4, 2009, the
initial approval of the grant by our Compensation Committee. The grant terms were finalized on March 5, 2009,
was the date of grant. The exercise price of $33.83, the closing price of our common stock on March 4, 2009 was
than the closing price of our common stock on March 5, 2009, the date of grant.
llar values of restricted stock and stock options disclosed in this column are equal to the aggregate grant date fair
omputed in accordance with FAS 123R, except no assumptions for forfeitures were included. A discussion of the
ptions used in calculating the grant date fair value is set forth in Note 7 to our consolidated financial statements
ed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2009.

Contents

Salaries paid to our named executives are set forth in the Fiscal 2009 Summary Compensation Table. For fiscal 2009, id to our named executives accounted for the following percentages of their total annual compensation: Mr. Taylor Mr. Fanning (16.2%), Mr. Lousteau (3.8%), Mr. Platt (18.0%), Mr. Dick (16.7%) and Mr. Bennett (17.8%).

l Non-equity Incentive Plan Compensation. The bonus and non-equity incentive plan compensation set forth in the ve reflects annual cash incentive compensation under our Management Annual Incentive Plan and our Executive nual Incentive Plan, as applicable. Annual cash incentive compensation is earned based upon EVA, safety ce and, in the case of the named executive officers other than our chief executive officer, individual performance. The ce goals are discussed in greater detail under the heading Compensation Discussion and Analysis Annual Cash Compensation.

ons and Restricted Stock. Each year, we provide long-term incentives in the form of stock options to our executives. ons are intended to reward executives for generating appreciation in our company s stock price through their individual ce. Restricted stock granted in fiscal 2009 is subject to both time-based criteria and performance-based criteria based n on capital employed (ROCE) performance requirements. The performance-based restricted stock is forfeited after if the four-year average ROCE criteria is not met. The restricted stock is also subject to forfeiture if the executive s nt terminates prior to vesting other than as a result of death or disability.

vesting period, the executives are the beneficial owners of the shares of restricted stock and possess all voting and ghts. Dividends are payable at the same rate as is paid on the company s common stock generally. During fiscal 2009, ly dividend rate was $0.25 per share.

nt Agreements. None of the named executive officers has a written employment agreement with the company, ve entered into a Retirement Agreement with Mr. Lousteau in fiscal 2009. The terms of the Retirement Agreement are under the heading Compensation Discussion and Analysis Retirement Agreement.

Information. We have provided additional information regarding the compensation we pay to our named under the heading Compensation Discussion and Analysis.

34

Contents

ving table illustrates the outstanding equity awards held by our named executive officers as of March 31, 2009.

OUTSTANDING EQUITY AWARDS AT MARCH 31, 2009

	Option Awards				Stock Awards(1)	
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested**	**Market Value of Shares or Units of Stock That Have Not Vested($)(4)**
aylor	25,000	0	28.3300	10/5/2011	99,821	3,706,354
	75,000	0	40.2800	3/27/2012		
	55,000	0	27.9200	3/12/2013		
	42,500	0	28.0500	3/30/2014		
	20,000	0	37.5500	3/30/2015		
	55,000	0	55.7600	3/29/2016		
	20,000	0	57.6500	3/21/2017		
	41,078	20,539(2)	56.7100	3/5/2018		
	0	92,538(3)	33.8300	3/4/2019		
anning	0	20,652	61.8200	7/30/2018	23,015	854,547
	0	31,077(3)	33.8300	3/4/2019		
usteau	3,100	0	32.2500	3/29/2010	0	0
	10,000	0	42.1875	1/18/2011		
	30,000	0	40.2800	3/27/2012		
	3,565	0	28.0500	3/30/2014		
	19,500	0	55.7600	3/29/2016		
	6,500	0	57.6500	3/21/2017		
	23,639	0	56.7100	3/5/2018		
Platt	13,000	0	55.7600	3/29/2016	36,327	1,348,822
	6,500	0	57.6500	3/21/2017		
	7,755	15,508(2)	56.7100	3/5/2018		
	0	33,388(3)	33.8300	3/4/2019		
. Dick	18,000	0	55.7600	3/29/2016	34,754	1,290,416
	6,000	0	57.6500	3/21/2017		
	7,655	15,308(2)	56.7100	3/5/2018		
	0	32,967(3)	33.8300	3/4/2019		
Bennett	16,000	0	55.7600	3/29/2016	27,154	1,008,228
	5,333	0	57.6500	3/21/2017		
	4,247	8,492(2)	56.7100	3/5/2018		
	0	25,898(3)	33.8300	3/4/2019		

hares of restricted stock held by our named executive officers vest as follows:

Contents

Name	Total Unvested Restricted Stock	Vesting Dates
.	99,821	6,250 shares vesting on the later of 5/1/09, or the date on which the company files it s annual report on Form 10-K for that year, if the EVA targets established for the annual cash incentive award are achieved. On 3/29/10, 6,250 additional shares and any of such shares of restricted stock that remain unvested automatically vest.
		6,250 shares vesting on each of the later of 5/1/09 and 5/1/10, or the date on which the company files it s annual report on Form 10-K for that year, if the EVA targets established for the annual cash incentive award are achieved. On 3/21/11, 6,250 additional shares and any of such shares of restricted stock that remain unvested automatically vest.
		4,956 shares vesting on each of the later of 5/1/09, 5/1/10, 5/1/11, and 5/1/12 or the date on which the company files it s annual report on Form 10-K for that year, provided that the cumulative EVA target of an additional $5 million per year over the fiscal 2008 level is met each year. If the performance target is not met on the first (5/1/09), second (5/1/10), or third (5/1/11) anniversary of the date of grant, that traunch of the award is carried forward to the next vesting anniversary. If the cumulative EVA target is not met on the fourth anniversary (5/1/12) of the date of grant, all unvested shares will be forfeited.
		8,125 shares vesting on each of 3/4/10 and 3/4/11 and 8,124 shares vesting on each of 3/4/12 and 3/4/13.
		Up to 16,249 shares will be eligible to vest on 5/1/13 if the simple average of the preceding four fiscal years of return on capital employed (ROCE) is greater than 10%. If the four-year simple average of ROCE (SAROCE) is 10% or less, all performance-based restricted shares will be cancelled. For each 1% realized in excess of 10% of SAROCE, 20% of the shares will vest, up to a full vesting of all restricted stock at the realization of 15% or greater SAROCE. Proration will apply between the realization of 10% and 15% of SAROCE.
ng	23,015	1,661 shares of restricted stock vesting on the later of 5/1/09, 5/1/10 and 5/1/11 or the date on which the company files its annual report on From 10-K for that year, provided that the cumulative EVA target of an additional $5 million per year over the fiscal 2008 level is met each year. All of such shares plus an additional 1,661 shares shall vest on 3/5/12 regardless of EVA performance.

2,729 shares vesting on each of 3/4/10 and 3/4/11 and 2,728 shares vesting on each of 3/4/12 and 3/4/13.

Up to 5,457 shares will be eligible to vest on 5/1/13 if the simple average of the preceding four fiscal years of ROCE is greater than 10%. If the four-year SAROCE is 10% or less, all performance-based restricted shares will be cancelled. For each 1% realized in excess of 10% of SAROCE, 20% of the shares will vest, up to a full vesting of all restricted stock at the realization of 15% or greater SAROCE. Proration will apply between the realization of 10% and 15% of SAROCE.

36

Contents

Name	Total Unvested Restricted Stock	Vesting Dates
eau	0	(vested upon termination in accordance with his Retirement Agreement)
	36,327	2,250 shares vesting on the later of 5/1/09 or the date on which the company files it s annual report on Form 10-K for that year, if the EVA targets established for the annual cash incentive award are achieved. On 3/29/10, 2,250 additional shares and any of such shares of restricted stock that remain unvested automatically vest.
		2,250 shares vesting on each of the later of 5/1/09 and 5/1/10, or the date on which the company files it s annual report on Form 10-K for that year, if the EVA targets established for the annual cash incentive award are achieved. On 3/21/11, 2,250 additional shares any of such shares of restricted stock that remain unvested automatically vest.
		1,871 shares vesting on each of the later of 5/1/09, 5/1/10, 5/1/11, and 5/1/12 or the date on which the company files it s annual report on Form 10-K for that year, provided that the cumulative EVA target of an additional $5 million per year over the fiscal 2008 level is met each year. If the performance target is not met on the first (5/1/09), second (5/1/10), or third (5/1/11) anniversary of the date of grant, that traunch of the award is carried forward to the next vesting anniversary. If the cumulative EVA target is not met on the fourth anniversary (5/1/12) of the date of grant, all unvested shares will be forfeited.
		2,933 shares vesting on 3/4/10 and 2,932 shares vesting on each of 3/4/11, 3/4/12 and 3/4/13.
		Up to 5,864 shares will be eligible to vest on 5/1/13 if the simple average of the preceding four fiscal years of ROCE is greater than 10%. If the four-year SAROCE is 10% or less, all performance-based restricted shares will be cancelled. For each 1% realized in excess of 10% of SAROCE, 20% of the shares will vest, up to a full vesting of all restricted stock at the realization of 15% or greater SAROCE. Proration will apply between the realization of 10% and 15% of SAROCE.

37

Contents

Name	Total Unvested Restricted Stock	Vesting Dates
	34,754	2,000 shares vesting on the later of 5/1/09 or the date on which the company files it s annual report on Form 10-K for that year, if the EVA targets established for the annual cash incentive award are achieved. On 3/29/10, 2,000 additional shares and any of such shares of restricted stock that remain unvested automatically vest.
		2,000 shares vesting on each of the later of 5/1/09 and 5/1/10, or the date on which the company files it s annual report on Form 10-K for that year, if the EVA targets established for the annual cash incentive award are achieved. On 3/21/11, 2,000 additional shares and any of such shares of restricted stock that remain unvested automatically vest.
		1,847 shares vesting on each of the later of 5/1/09, 5/1/10, 5/1/11, and 5/1/12 or the date on which the company files it s annual report on Form 10-K for that year, provided that the cumulative EVA target of an additional $5 million per year over the fiscal 2008 level is met each year. If the performance target is not met on the first (5/1/09), second (5/1/10), or third (5/1/11) anniversary of the date of grant, that traunch of the award is carried forward to the next vesting anniversary. If the cumulative EVA target is not met on the fourth anniversary (5/1/12) of the date of grant, all unvested shares will be forfeited.
		2,895 shares vesting on 3/4/10 and 2,894 shares vesting on each of 3/4/11, 3/4/12 and 3/4/13.
		Up to 5,789 shares will be eligible to vest on 5/1/13 if the simple average of the preceding four fiscal years of ROCE is greater than 10%. If the four-year SAROCE is 10% or less, all performance-based restricted shares will be cancelled. For each 1% realized in excess of 10% of SAROCE, 20% of the shares will vest, up to a full vesting of all restricted stock at the realization of 15% or greater SAROCE. Proration will apply between the realization of 10% and 15% of SAROCE.

Contents

Name	Total Unvested Restricted Stock	Vesting Dates
tt	27,154	1,750 shares vesting on the later of 5/1/09 or the date on which the company files it s annual report on Form 10-K for that year, if the EVA targets established for the annual cash incentive award are achieved. On 3/29/10, 1,750 additional shares and any of such shares of restricted stock that remain unvested automatically vest.
		1,750 shares vesting on each of the later of 5/1/09 and 5/1/10, or the date on which the company files it s annual report on Form 10-K for that year, if the EVA targets established for the annual cash incentive award are achieved. On 3/21/11, 1,750 additional shares and any of such shares of restricted stock that remain unvested automatically vest.
		1,191 shares vesting on each of the later of 5/1/09 and 5/1/10 and 1,190 shares vesting on each of 5/1/11 and 5/1/12 or the date on which the company files it s annual report on Form 10-K for that year, provided that the cumulative EVA target of an additional $5 million per year over the fiscal 2008 level is met each year. If the performance target is not met on the first (5/1/09), second (5/1/10), or third (5/1/11) anniversary of the date of grant, that traunch of the award is carried forward to the next vesting anniversary. If the cumulative EVA target is not met on the fourth anniversary (5/1/12) of the date of grant, all unvested shares will be forfeited.
		2,274 shares vesting on each of 3/4/10, 3/4/11 and 3/4/12 and 2,273 shares vesting on 3/4/13.
		Up to 4,547 shares will be eligible to vest on 5/1/13 if the simple average of the preceding four fiscal years of ROCE is greater than 10%. If the four-year SAROCE is 10% or less, all performance-based restricted shares will be cancelled. For each 1% realized in excess of 10% of SAROCE, 20% of the shares will vest, up to a full vesting of all restricted stock at the realization of 15% or greater SAROCE. Proration will apply between the realization of 10% and 15% of SAROCE.

ns vest one-half on March 5, 2010 and March 5, 2011.

ns vest one-third on March 4, 2010, March 4, 2011 and March 4, 2012.

l on the closing price of our common stock on March 31, 2009 ($37.13), as reported on the New York Stock ange.

Contents

FISCAL 2009 OPTION EXERCISES AND STOCK VESTED

ving table sets forth information regarding the number and value of stock options exercised and restricted stock that ing fiscal 2009 for our executive officers named in the 2009 Summary Compensation Table.

Name	Option Awards Number of Shares Acquired on Exercise (#)	Option Awards Value Realized on Exercise ($)(1)	Stock Awards Number of Shares Acquired on Vesting (#)	Stock Awards Value Realized on Vesting ($)(2)
aylor	97,900	$ 2,785,178	25,000	$ 1,514,063
'anning				
busteau			27,855	1,629,600
Platt			8,000	492,268
. Dick			8,000	484,500
Bennett			7,000	423,938

alue realized on the exercise of stock options is based on the difference between the exercise price and the market (used for tax purposes) of our common stock on the date of exercise.

alue realized upon the vesting of restricted stock is based on the market price of our common stock on the date of ng.

40

Contents

FISCAL 2009 PENSION BENEFITS

ving table sets forth information relating to our Pension Plan and our Supplemental Executive Retirement Plan.

Name	Plan Name	Number of years of Credited Service	Present Value of Accumulated Benefits ($)	Payments during Last Fiscal Year
aylor	Pension Plan	30	$ 1,270,237(1)	$ 0
	SERP	30	$ 7,219,562(1)	
anning	SERP	0	$ 0	$ 0
usteau	Pension Plan	31	$ 1,250,349(2)	$ 56,459
	SERP	31	$ 3,391,600(2)	
Platt	SERP	12	$ 578,797(1)	$ 0
. Dick	Pension Plan	36	$ 1,397,660(1)	$ 0
	SERP	36	$ 2,621,941(1)	
Bennett	Pension Plan	19	$ 339,845(1)	$ 0
	SERP	19	$ 446,917(1)	

fits are assumed to commence at the earliest unreduced retirement age of 62 as a single life annuity, with pay
ervice as of March 31, 2009. A discussion of the other assumptions used in calculating the present value of
nulated benefits is set forth in Note 5 to our consolidated financial statements included in our Annual Report on
10-K for the fiscal year ended March 31, 2009.
ousteau s benefit amounts reflect his retirement date of September 30, 2008 and his actual form of payment election.
r a defined benefit pension plan (Pension Plan) and a Supplemental Executive Retirement Plan (SERP) covering
ployees of our company and participating subsidiaries. To be eligible to participate in the SERP, an employee must be
nt in the Pension Plan or the Tidewater Retirement Plan, which is a defined contribution plan, and the employee must
e chief executive officer, the president, a vice president or the corporate controller of the company. The SERP
ertain benefits to our officers that the Pension Plan is prevented from providing because of compensation and benefits
e Internal Revenue Code. The Pension Plan and the SERP are referred to together as the Pension Program.

ve officer s benefits under the Pension Program are based on his highest average of 5 consecutive calendar years of
over the last 10 years (final average pay) prior to his retirement. Upon normal retirement at age 65, an officer
ng in the Pension Program receives a monthly benefit equal to the sum of (i) 2% of the portion of final average pay that
ocial Security covered compensation, times years of service up to a maximum of 35, plus (ii) 1.35% of the portion of
ge pay that does not exceed Social Security covered compensation, times years of service up to a maximum of 35, plus
final average pay times years of service in excess of 35 years. In lieu of the monthly payment of benefits, participants
an opportunity prior to the end of 2008 to elect a lump sum payout upon retirement reduced to reflect the present
onthly payments. SERP benefits become fully vested and are paid out in a lump sum upon a change of control of our

ement benefits are available upon retirement after attaining age 55 and completing 10 years of service. There is no
for benefits that begin at age 62 or later. For retired employees electing commencement between age 55 and 62, the
s 5% per year for each year prior to age 62. Messrs. Taylor and Dick are eligible for early retirement. A retired
may select a life annuity or an equivalent optional form of settlement. However, SERP benefits are paid in a lump sum
nge of control.

s who have completed five years of service are 100% vested in their Pension Program benefits. Messrs. Taylor, Platt,
Bennett have 30, 12, 36 and 19 years of service as of March 31, 2009, respectively, under the company s Pension

41

Contents

att and Fanning, however, are not eligible to participate in the Pension Plan because they were hired after January 1, loyees who were hired after that date participate in the Tidewater Retirement Plan, which is a defined contribution , Messrs. Platt and Fanning, when eligible, will receive a SERP benefit equal to the actuarial equivalent of the excess enefit which could have been payable as a monthly single life annuity under the Pension Program, described above, if een eligible to Participate in the Pension Plan less (ii) a hypothetical Retirement Plan benefit based upon a monthly annuity. The hypothetical Retirement Plan benefit is each of Messrs. Platt s and Fanning s actual Retirement Plan lance as of the date he became an officer with increases based upon certain assumptions including an annual on of 3% of eligible compensation and interest at 6%, compounded annually. In lieu of a Pension Plan benefit, each of att and Fanning will receive a benefit from the Retirement Plan, which is a defined contribution plan.

FISCAL 2009 NON-QUALIFIED DEFERRED COMPENSATION

ving table summarizes the compensation our named executive officers have deferred under our Supplemental Savings

Name	Executive Contributions in Last FY(1)	Registrant Contributions in Last FY(2)	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at 3/31/09(3)
aylor	$ 433,152	$ 15,698	$ -305,148	$ 0	$ 1,530,638
'anning					
ousteau	0	0	-52,421	126,627	67,755
Platt	187,514	8,060	-153,656	0	266,879
'. Dick	187,692	7,558	-392,317	27,586	575,305
Bennett					

mounts reported in this column are also included in the column titled Salary in the Summary Compensation Table.
mounts reported in this column are also included in the column titled All Other Compensation in the Summary pensation Table.
e amounts reported in this column, the following aggregate amounts were included in the Summary Compensation for fiscal years ended 2007 and 2008: Mr. Taylor 848,325; Mr. Lousteau 118,882; Mr. Platt 156,981; and Mr. Dick 45.

Contents

emental Savings Plan allows certain officers and other designated participants who earn over the qualified 401(k) plan articipate in the Supplemental Savings Plan and to receive company contributions. A participant is permitted to an aggregate of between 2% and 75% of base salary to the 401(k) plan and the Supplemental Savings Plan. In participant may defer up to 100% (in 25% increments) of his bonus compensation. The company makes a 50% contribution of up to 6% of salary contributed to the 401(k) plan and the Supplemental Savings Plan. The participant s on and the company s matching contribution are invested as instructed by the participant in one or more investment red through the Supplemental Savings Plan for fiscal 2009. The annual rate of return for these funds for fiscal 2009 ows:

Fund	One Year Total Return
AN GROWTH FUND OF AMERICA (CLASS R4 SHARES)	-36.29%
OCK S & P 500 INDEX FUND (CLASS I SHARES)	-38.33%
EEN INTERNATIONAL EQUITY FUND (CLASS A SHARES)	-46.40%
ADVISOR SMALL CAP FUND (CLASS A SHARES)	-27.35%
BETT AFFILIATED FUND (CLASS Y SHARES)	-41.64%
BETT SMALL CAP VALUE FUND (CLASS Y SHARES)	-34.40%
AL RETURN FUND (CLASS R5)	-23.30%
MIDCAP CORE GROWTH FUND (CLASS Y SHARES)	-40.62%
MID CAP VALUE FUND (CLASS A SHARES)	-42.59%
TON GROWTH FUND (ADVISOR CLASS SHARES)	-44.00%
OCK GOVERNMENT INCOME PORTFOLIO FUND (CLASS I SHARES)	3.10%
OTAL RETURN FUND (ADMINISTRATIVE CLASS SHARES)	2.75%
LYNCH READY ASSETS TRUST	1.86%

emental Savings Plan is unfunded but the company has established a rabbi trust to set aside funds for the payment of he amounts deposited in this trust are subject to the claims of the company s creditors. Benefits are generally paid out ermination of employment and a participant can elect to have distributions made in approximately equal annual ts over a period not to exceed ten years or in a lump sum. The benefit will be paid in a lump sum upon a change of the company.

Contents

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

ving information and table set forth the amount of payments to each of our named executives in the event of a n of employment as a result of normal and early retirement, death, disability, termination without cause and n following a change in control. The table also sets forth the amount of payments to each of our named executives in of a change of control without a termination of employment.

have employment agreements with any of our named executive officers. We do have change of control agreements of our named executive officers that provide for payments and benefits in the event of a termination of employment a change of control of the company. On September 30, 2008, Mr. Lousteau retired from the company and became certain payments and benefits pursuant to a retirement agreement (the Retirement Agreement) with the company. The control agreements and Mr. Lousteau s Retirement Agreement are described in detail below.

ns and General Principles. The following assumptions and general principles apply with respect to the following ny termination of employment of a named executive.

he amounts shown in the table assume that the date of termination of employment of each named executive was March 31, 2009. Accordingly, the table reflects amounts payable to our named executive officers as of March 31, 2009 nd includes estimates of amounts that would be paid to the named executive upon the occurrence of a termination or hange in control. The actual amounts that would be paid to a named executive can only be determined at the time of e termination or change in control.

f a named executive is employed on March 31 of a given year, that executive will generally be entitled to receive an nnual cash bonus for that year pursuant to our Management Annual Incentive Plan or Executive Officer Annual ncentive Plan, as applicable. Even if a named executive officer resigns or is terminated with cause at the end of the scal year, the executive may receive an incentive bonus, because the executive had been employed for the entire fiscal ear. This payment is not a severance or termination payment, but is a payment for services provided over the course of e year and is not included in the table. The officer would not receive a pro rata bonus payment under these rcumstances if employment terminated prior to the end of the year.

named executive may exercise any stock options that are vested and exercisable prior to the date of termination and is ntitled to receive unrestricted shares of common stock with respect to any restricted stock awards that vested prior to e date of termination. In addition, the vesting of options and restricted stock is accelerated upon a change of control of ur company and the vesting of restricted stock is accelerated upon death or disability. The value of only these ccelerated awards are reflected in the table.

named executive will be entitled to receive all amounts accrued and vested under our retirement and savings rograms including any pension plans and deferred compensation plans in which the named executive participates. hese amounts will be determined and paid in accordance with the applicable plan and are not included in the table. For formation on the benefits, see Executive Compensation Fiscal 2009 Pension Benefits and Fiscal 2009 Non-Qualified eferred Compensation.

Ir. Lousteau s Retirement Agreement provides for certain severance benefits following Mr. Lousteau s retirement from e company on September 30, 2008. The amounts set forth in the table regarding Mr. Lousteau reflect retirement ayments to Mr. Lousteau under the Retirement Agreement.

d Early Retirement and Termination Without Cause. A named executive officer is eligible to elect normal at age 65 and early retirement after attaining age 55 and completing 10 years of service. Upon normal retirement at ater and after completing at least five years of service, or upon early retirement at age 55 or later and after completing years of service or upon termination of the named executive officer s employment by the company without cause, a cutive officer may receive benefits under the Management Annual Incentive Plan or Executive Officer Annual Plan, as applicable. The compensation committee may determine to pay any positive balance in the named executive bonus

44

Contents

a pro rata bonus for the fiscal year in which termination occurs based upon the performance criteria in effect for such he percentage of salary applicable to such named executive s bonus, but applied to the actual salary amount paid to the cutive for the portion of the year that the participant was employed.

t Mr. Lousteau. The company and Mr. Lousteau entered into a Retirement Agreement on April 24, 2008. eau retired from the company on September 30, 2008 and pursuant to the Retirement Agreement, Mr. Lousteau ertain retirement payments and benefits. These retirement payments and benefits are discussed in detail under the Compensation Discussion and Analysis Retirement Agreement. In connection with his retirement, Mr. Lousteau also o a consulting agreement with the company pursuant to which Mr. Lousteau performs certain consulting services for ny for which he receives an hourly fee of $200, which will be increased to $250 if the company exercises its option to term of the consulting agreement.

Disability. Upon death or disability, a named executive officer, or his estate, as the case may be, will receive any lance in the named executive s bonus bank under the Management Annual Incentive Plan or Executive Officer Annual Plan, as applicable, and a pro rata bonus for the fiscal year in which termination occurs based upon the performance effect for such year and the percentage of salary applicable to such named executive s bonus, but applied to the actual unt paid to the named executive for the portion of the year that the participant was employed. Upon death or disability, of restricted stock will immediately vest and become unrestricted. The amounts set forth in the table for restricted stock number of shares of restricted stock for which the vesting would accelerate multiplied by the closing price of our tock on March 31, 2009.

Termination and Termination for Cause. A named executive officer is not generally entitled to receive any forms of severance payments or benefits upon his voluntary decision to terminate employment with the company prior igible for retirement or upon termination for cause. Any named executive officer who voluntarily terminates his nt with the company or is terminated by the company for cause would forfeit his bonus bank balance and would not ro rata bonus, unless otherwise determined by the compensation committee. The compensation committee has not in termined to make payments under these circumstances and, accordingly, no amounts are included in the Estimated on Termination or Change in Control for a voluntary termination or a termination for cause.

Control. Upon the occurrence of a change of control, as generally defined below, all outstanding stock options will ly vest and become exercisable and all shares of restricted stock will immediately vest and become unrestricted. eflected for stock options in the table below reflect the difference, if any, between the closing price of our common March 31, 2009 and the exercise price for each option for which vesting would accelerate. The amounts set forth in the estricted stock reflect the number of shares of restricted stock for which vesting would accelerate multiplied by the ce of our common stock on March 31, 2009.

ntered into change of control agreements with each of our named executive officers. Generally, pursuant to these s, a change of control occurs:

e acquisition by any person or entity of beneficial ownership of 30% or more of the outstanding shares of the s common stock, or 30% or more of the combined voting power of the company s then outstanding securities (other than ions of common stock directly from the company, (ii) acquisitions of common stock by the company or its s, (iii) any acquisition of common stock by any employee benefit plan (or related trust) sponsored or maintained by ny or any corporation controlled by the company, or (iv) any acquisition of common stock by any corporation in with a business transaction as proscribed in the agreement);

jority of the company s incumbent board of directors are replaced other than in specific circumstances;

45

Contents

e consummation of a reorganization, merger or consolidation (including a merger or consolidation of the company or or indirect subsidiary of the company), or sale or other disposition of all or substantially all of the assets of the a Business Combination), in each case, unless, immediately following such Business Combination, (i) the voting of the company immediately prior to the Business Combination represent more than 50% of the combined voting he then-outstanding voting securities of the entity resulting from the transaction, (ii) except to the extent that such existed prior to the Business Combination, no person beneficially owns, directly or indirectly, 30% or more of the nding shares of common stock of the corporation resulting from such Business Combination or 30% or more of the voting power of the then outstanding voting securities of such corporation, and (iii) at least a majority of the members d of directors of the corporation resulting from the Business Combination were members of the incumbent board of ny at the time of initiating the Business Combination; or

al by the stockholders of the company of a complete liquidation or dissolution of the company.

e of control agreements provide that upon a termination of employment following a change in control (other than n for cause or by reason of death or disability) or if the named executive terminates his employment in certain ces defined in the agreement which constitutes good reason, in addition to the accelerated vesting of stock options and tock described above, each will receive a lump sum payment equal to three times the officer s base salary at n, plus a payment equal to three times the greater of the average of his last three bonuses or the target bonus for which is eligible within the following twelve months. The change of control agreements also provide for a pro-rated bonus performance at the target level for the portion of the year prior to termination. Also, the officer will be entitled to life and health insurance benefits for thirty-six months following the date of termination. The officer will immediately lly vested in his benefits under each of our supplemental or excess retirement plans in which the officer participated. s under each of our supplemental or excess retirement plans will be paid out in a lump sum upon the change of addition, we will increase the payout by an amount equal to the additional benefits to which the officer would have ed under any of our qualified or non-qualified defined benefit or defined contribution plans, as if the officer had to participate in such plans for three years following the change of control.

e of control agreements of Messrs. Taylor and Fanning have terms that differ from the terms of our change of control s with Messrs. Dick, Platt and Bennett. Mr. Taylor s and Mr. Fanning s agreements:

o not calculate the SERP benefit payout by providing additional compensation credit;

clude amounts in the bonus bank as part of the annual bonus for the purpose of determining the lump sum cash everance payment;

clude a gross-up payment to cover any excess parachute payment tax; and

o not include within the definition of a good reason termination necessary to trigger a severance benefit a situation here the officer does not have a commensurate position following the change of control with the corporation resulting om a business combination. If the resulting corporation is controlled by a parent entity, good reason would not exist mply because the named executive did not have a commensurate position with the parent entity.

nents of Messrs. Dick, Platt and Bennett:

o provide additional compensation credit in calculating the SERP payment amount;

o not include amounts in the bonus bank as part of the annual bonus for the purpose of determining the lump sum cash everance payment;

o not include a parachute payment excise tax gross-up; and

o include within the definition of good reason a situation where the officer does not have a commensurate position ith the ultimate parent company after the change of control.

46

Contents

ESTIMATED PAYMENTS ON TERMINATION OR CHANGE IN CONTROL

	D.E. Taylor	Q.P. Fanning	J.K. Lousteau(1)	J.M. Platt	S.W. Dick	J.M. Bennett
nd Early Retirement and on Without Cause						
nnual cash incentive and k	$ 1,463,200	$ 324,273	$ 421,582	$ 610,330	$ 616,453	$ 452,568
d stock options	0	0	0	0	0	0
d vesting of restricted stock	0	0	1,168,373	0	0	0
ance payment	0	0	1,352,134	0	0	0
benefits	0	0	63,235	0	0	0
	$ 1,463,200	**$ 324,273**	**$ 3,015,583**	**$ 610,330**	**$ 616,453**	**$ 452,568**
Disability						
nnual cash incentive and k	$ 1,463,200	$ 324,273	$	$ 610,330	$ 616,453	$ 452,568
d stock options	0	0		0	0	0
d vesting of restricted stock	3,707,352	854,777		1,349,185	1,290,764	1,008,500
	$ 5,170,552	**$ 1,179,050**	**$**	**$ 1,959,515**	**$ 1,907,217**	**$ 1,461,068**
Control						
d stock options	$ 1,637,825	$ 102,554	$	$ 110,213	$ 108,791	$ 85,463
d vesting of restricted stock	3,707,352	854,777		1,349,185	1,290,764	1,008,500
	$ 5,345,177	**$ 957,331**	**$**	**$ 1,459,398**	**$ 1,399,555**	**$ 1,093,963**
Control with Termination						
nnual cash incentive and k	$ 1,463,200	$ 324,273	$	$ 610,330	$ 616,453	$ 452,568
d stock options	1,637,825	102,554		110,213	108,791	85,463
d vesting of restricted stock	3,707,352	854,777		1,349,185	1,290,764	1,008,500
ance payment	5,273,262	1,799,616		2,398,923	2,414,598	1,666,122
benefits and Additional t Plan Credit	963,547	978,332		708,747	1,223,891	683,914
Up	6,074,545	1,692,152		0	0	0
	$ 19,119,732	**$ 5,751,704**	**$**	**$ 5,177,398**	**$ 5,654,497**	**$ 3,896,567**

Lousteau retired as executive vice president and chief financial officer on September 30, 2008. The amounts reflected r Normal and Early Retirement and Termination without Cause are the amounts actually received by Mr. Lousteau he retired from the company. In addition to the amounts set forth in this table, Mr. Lousteau received $10,259 from ompany in fiscal 2009 for consulting services rendered after his retirement.

47

Contents

PROPOSAL TO APPROVE

THE TIDEWATER INC.

2009 STOCK INCENTIVE PLAN

(PROPOSAL 2)

n of the Company depends upon the efforts of its officers, directors, employees, consultants, and advisors, and we t the proposed Tidewater Inc. 2009 Stock Incentive Plan (the Plan) will provide an effective means of attracting and ualified key personnel while encouraging a long-term focus on maximizing stockholder value. The Plan has been the Board of Directors, subject to stockholder approval at the Annual Meeting. The principal features of the Plan are d below. This summary is qualified in its entirety, however, by reference to the Plan, which is attached to this proxy as Annex C.

f the Proposal

officers, directors, employees, consultants, and advisors with a proprietary interest in the growth and performance of ny is crucial to stimulating individual performance while simultaneously enhancing stockholder value. As of 2009, only 168,992 shares of Common Stock remain available for grant under the Company s 2006 Stock Incentive elieve that adoption of a new plan is necessary to provide the Company with the continued ability to attract, retain, te key personnel in a manner tied to the interests of stockholders.

the Plan

tion of the Plan. The Compensation Committee of the Board (or a subcommittee) will generally administer the Plan t with respect to grants to members of the Board of Directors who are not employees of the Company (Outside), have authority to make awards under the Plan and to set the terms of the awards. The Compensation Committee will lly have the authority to interpret the Plan, to establish any rules or regulations relating to the Plan that it determines priate, and to make any other determination that it believes necessary or advisable for proper administration of the Nominating and Corporate Governance Committee of the Board will have the authority to grant awards to Outside o set the terms of those awards, and to interpret and establish rules regarding Outside Director awards. Subject to the specified in the Plan, the Compensation Committee may delegate its authority to appropriate Company officers. The mittee is used in this section of this Proxy Statement to refer to both the Compensation Committee and the Nominating rate Governance Committee in their administrative roles.

Officers, directors, key employees of the Company, and consultants and advisors to the Company will be eligible to ards (Incentives) under the Plan when designated as Plan participants. The Company currently has 11 officers and 11 rectors eligible to receive Incentives under the Plan. Historically, approximately 46 key employees have participated pany s stock incentive plans. Incentives under the Plan may be granted in any one or a combination of the following

centive stock options under Section 422 of the Internal Revenue Code (the Code),

on-qualified stock options,

estricted stock,

estricted stock units,

ock appreciation rights, and

ther stock-based awards.

48

Contents

of Incentive is discussed in more detail in Types of Incentives below.

uable Through the Plan. A total of 1,982,500 shares of Common Stock are authorized to be issued under the Plan, g approximately 3.83% of the outstanding Common Stock. The closing sale price of a share of Common Stock, as the New York Stock Exchange on May 19, 2009, was $45.72.

s and Adjustments to Shares Issuable under the Plan. The Plan limits the Incentives granted to any single in a calendar year to no more than 500,000 shares of Common Stock. Each Outside Director may be granted no more 0 shares per year under the plan. A total of 1,387,750 shares may be issued under the Plan as restricted stock, restricted , and other stock-based awards; of this number, only an aggregate of 99,125 shares may be granted without e with the minimum vesting periods as described below. The maximum value of an other stock-based award that is dollars (whether or not paid in Common Stock) and scheduled to be paid out to any single participant in a calendar year 00.

es of determining the maximum number of shares of Common Stock available for delivery under the Plan, shares that ivered because an Incentive is forfeited, canceled, or settled in cash will not be deemed to have been delivered under With respect to stock appreciation rights paid in shares of Common Stock, all shares to which the stock appreciation e are counted against the Plan limits, rather than the net number of shares delivered upon exercise. All of the Plan s issuable shares of Common Stock may be delivered upon the exercise of options intended to qualify as incentive stock der Section 422 of the Code.

ate adjustments will be made to all of the share limitations provided in the Plan, including shares subject to g Incentives, in the event of any recapitalization, reclassification, stock dividend, stock split, combination of shares, or ge in the shares of Common Stock. Further, the Committee will adjust the terms of any Incentive to the extent e to provide participants with the same relative rights before and after the occurrence of any such event.

nts to the Plan. The Board may amend or discontinue the Plan at any time. However, the Company s stockholders ove any Plan amendment that would:

aterially increase the benefits accruing to participants,

aterially increase the number of issuable shares,

aterially expand the classes of persons eligible to participate,

xpand the types of awards available for grant,

aterially extend the term of the Plan,

aterially change the method of determining the exercise price of options, or

ermit the repricing of an option or stock appreciation right.

ment or discontinuance of the Plan may materially impair any previously granted Incentive without the consent of the *e Plan*. No Incentives may be granted under the Plan more than ten years after the date the Plan is approved by the rs.

Agreements. Grants of Incentives will be subject to the terms and conditions of the Plan and may also be subject to restrictions imposed by the Committee and detailed in a grant agreement between the Company and the participant. nent s additional restrictions may include provisions requiring the forfeiture of outstanding Incentives in the event of the s termination of employment or, in the case of performance-based grants, if applicable goals or targets are not met.

Contents

ncentives. Each type of Incentive that may be granted under the Plan is described below:

ons. A stock option is a right to purchase shares of Common Stock from the Company. The Committee will determine r and exercise price of the options and when the options become exercisable. However, the option exercise price may than the fair market value of a share of Common Stock on the date of grant, except for an option granted in n of an outstanding award in an acquisition transaction. The term of an option will also be determined by the e, but may not exceed ten years. The Committee may accelerate the exercisability of any stock option at any time. As re, the Committee may not, without the prior approval of the Company s stockholders, decrease the exercise price for nding option after the date of grant. In addition, an outstanding option may not, as of any date that the option has a per cise price that is greater than the then current fair market value of a share of Common Stock, be surrendered to the as consideration for the grant of a new option with a lower exercise price, another Incentive, a cash payment, or shares n Stock, unless approved by the Company s stockholders. The Plan permits the Committee to grant non-qualified or tock options. Incentive stock options will be subject to certain additional requirements necessary in order to qualify as tock options under Section 422 of the Code.

exercise price may be paid in cash; by check; in shares of Common Stock; through a cashless exercise arrangement ker approved by our Company; if approved by the Committee, through a net exercise procedure; or in any other thorized by the Committee.

reciation Rights. A stock appreciation right, or SAR, is a right to receive, without payment to the Company, a shares of Common Stock determined by dividing the product of the number of shares for which the stock appreciation rcised and the amount of the appreciation in each share by the fair market value of a share of Common Stock on the rcise. The Committee will determine the base price used to measure share appreciation, which may not be less than rket value of a share of Common Stock on the date of grant; whether the right may be paid in cash; and the number f stock appreciation rights, provided that the term of a stock appreciation right may not exceed ten years. The e may accelerate the exercisability of any stock appreciation right at any time. The Plan restricts decreases in the base ertain exchanges of stock appreciation rights on terms similar to the restrictions described above for options.

Stock. Shares of restricted stock are shares of Common Stock granted by the Committee and made subject to certain s on sale, pledge, or other transfer by the recipient during a particular period of time (the restricted period). The period must be a minimum of three years with the following exceptions: shares vesting based on the attainment of ce goals, shares granted to Outside Directors, and shares issued in payment of amounts earned under our annual plan. The Plan permits incremental vesting of portions of the award over the three-year period. If vesting of the shares o the future attainment of specified performance goals, the restricted period for employees, consultants, or advisors least one year. In addition to these exceptions, a Plan aggregate total of 99,125 shares of restricted stock, restricted , or other stock-based awards may be granted without compliance with these minimum vesting periods. Subject to the s provided in the applicable agreement and the Plan, a participant receiving restricted stock may have all of the rights older as to such shares, including the right to receive dividends.

Stock Units. A restricted stock unit, or RSU, represents the right to receive from the Company one share of Common specific future vesting or payment date. Restricted stock units are subject to the same minimum vesting requirements above for restricted stock. Subject to the restrictions provided in the applicable agreement and the Plan, a participant RSUs has no stockholder rights until shares of Common Stock are issued to the participant. RSUs may be granted with quivalent rights.

k-Based Awards. The Plan also permits the Committee to grant to participants awards of shares of Common Stock wards that are denominated in, payable in, valued in whole or in part by reference

Contents

therwise based on the value of or the appreciation in value of, shares of Common Stock (other stock-based awards). nittee has discretion to determine the times at which such awards are to be made, the size of such awards, the form of nd all other conditions of such awards, including any restrictions, deferral periods, or performance requirements. k-based awards are subject to the same minimum vesting requirements and exceptions as described above for restricted estricted stock units.

nce-Based Compensation Under Section 162(m). Performance-based compensation which meets the requirements of 2(m) of the Code does not count toward the $1 million limit on our Company s federal income tax deduction for ion paid to its most highly compensated executive officers. Stock options and stock appreciation rights granted in e with the terms of the Plan will qualify as performance-based compensation under Section 162(m) of the Code.

estricted stock, restricted stock units, or other stock-based awards that we intend to qualify as performance-based ion under Section 162(m) must be made subject to the achievement of pre-established performance goals as well as cable requirements of Section 162(m). The pre-established performance goals, as provided in the Plan, will be based or a combination of the following criteria relating to our Company or one or more of our divisions or subsidiaries: er share; return on assets; an economic value-added measure; stockholder return; earnings or earnings before interest, reciation and amortization; stock price; total stockholder return; return on equity; return on total capital; safety ce; reduction of expenses; increase in cash flow; free cash flow; income or net income; operating income or net ncome; gross profit, operating profit or net operating profit; operating margin or profit margin; return on operating eturn on invested capital; return on capital employed; or market segment share. For any performance period, the ce goals may be measured on an absolute basis or relative to a group of peer companies selected by the Committee, internal goals or industry benchmarks, or relative to levels attained in prior years. Performance measurements may be s specified under the Plan to exclude the effects of non-recurring transactions or changes in accounting standards.

nittee has authority to use different targets from time to time within the realm of the performance goals as provided in nd listed above. The regulations under Section 162(m) require that the material terms of the performance goals be d by our stockholders every five years.

on of Employment or Service. If a participant ceases to be an employee of the Company or to provide services to the for any reason, including death, disability, early retirement, or normal retirement, any outstanding Incentives may be shall vest, or shall expire at such times as may be determined by the Committee and as provided in the applicable greement.

Control. In the event of a change of control of the Company, as defined in the Plan or in an incentive agreement, all will become fully vested and exercisable, all restrictions or limitations on any Incentives will lapse and, unless provided in the incentive agreement, all performance criteria and other conditions relating to the payment of Incentives lly be deemed to be achieved.

, upon a change of control our committee will have the authority to take a variety of actions regarding outstanding Within a certain time frame and under specific conditions, our committee may:

equire that all outstanding Incentives be exercised by a certain date;

equire the surrender to our Company of some or all outstanding Incentives in exchange for a stock or cash payment for ach Incentive equal in value to the per share change of control value, calculated as described in the Plan, over the xercise or base price;

ake any equitable adjustment to outstanding Incentives as our committee deems necessary to reflect our corporate hanges; or

51

Contents

rovide that an Incentive shall become an Incentive relating to the number and class of shares of stock or other ecurities or property (including cash) to which the participant would have been entitled in connection with the change f control transaction if the participant had been a stockholder.
nt of a sale of common stock pursuant to a tender offer or exchange offer, all options and stock appreciation rights will lly vested and exercisable, all restrictions or limitations on any Incentive will lapse, and all performance criteria and itions relating to the payment will be deemed waived for a 30-day period. Once the 30-day period has ended, any d stock appreciation rights not exercised and any shares not tendered or exchanged will again be subject to the terms ions applicable prior to the tender offer or exchange offer.

bility of Incentives. The Incentives awarded under the Plan may not be transferred except: (a) by will; (b) by the scent and distribution; (c) pursuant to a domestic relations order (as defined in the Code; or (d) as to options only if by the Committee and so provided in the relevant incentive agreement to immediate family members or to a , limited liability company or trust for which the sole owners, members, or beneficiaries are the participant or family members.

f Withholding Taxes. We may withhold from any payments or stock issuances under the Plan, or collect as a of payment, any taxes required by law to be withheld. The participant may, but is not required to, satisfy his or her g tax obligation by electing to deliver currently owned shares of Common Stock, or to have our Company withhold n the shares the participant would otherwise receive, in either case having a value equal to the minimum amount be withheld. This election must be made prior to the date on which the amount of tax to be withheld is determined rticipants who are not subject to Section 16 of the Exchange Act, is subject to the Committee s right of disapproval.

Purchase of Incentives. The Committee may approve the purchase by our Company of an unexercised or unvested rom the holder by mutual agreement.

Be Granted

kholders approve the Plan at the meeting, grants of awards to employees, officers, directors, consultants, and advisors de in the future by the relevant Committee as it deems necessary or appropriate.

come Tax Consequences

l income tax consequences related to the issuance of the different types of Incentives that may be awarded under the mmarized below. Participants who are granted Incentives under the Plan should consult their own tax advisors to the tax consequences based on their particular circumstances.

ons. Normally, a participant who is granted a stock option will not realize any income nor will our Company receive tion for federal income tax purposes in the year the option is granted.

n-qualified stock option granted under the Plan is exercised, the participant will realize ordinary income measured by nce between the aggregate purchase price of the shares acquired and the aggregate fair market value of the shares n the exercise date and, subject to the limitations of Section 162(m) of the Code, we will be entitled to a deduction in e option is exercised equal to the amount the participant is required to treat as ordinary income.

vee generally will not recognize any income upon the exercise of any incentive stock option, but the excess of the fair ue of the shares at the time of exercise over the option price will be an item of tax preference which may, depending ar factors relating to the employee, subject the employee to the

Contents

minimum tax imposed by Section 55 of the Code. The alternative minimum tax is imposed in addition to the federal income tax, and it is intended to ensure that individual taxpayers do not completely avoid federal income tax by using items. An employee will recognize capital gain or loss in the amount of the difference between the exercise price and ce on the sale or exchange of stock acquired pursuant to the exercise of an incentive stock option, provided the does not dispose of such stock within two years from the date of grant and one year from the date of exercise of the tock option (the holding periods). An employee disposing of such shares before the expiration of the holding periods nize ordinary income generally equal to the difference between the option price and the fair market value of the stock of exercise. Any remaining gain will be capital gain. Our Company will not be entitled to a federal income tax in connection with the exercise of an incentive stock option, except where the employee disposes of the shares pon exercise before the expiration of the holding periods.

cise price of a non-qualified option is paid by the surrender of previously-owned shares, the basis and the holding he previously owned shares carry over to the same number of shares received in exchange for the previously owned e compensation income recognized on exercise of these options is added to the basis of the shares received. If the ption is an incentive stock option and the shares surrendered were acquired through the exercise of an incentive stock have not been held for the holding periods, the optionee will recognize income on such exchange and the basis of the ived will be equal to the fair market value of the shares surrendered. If the applicable holding period has been met on exercise, there will be no income recognition, the basis and the holding period of the previously owned shares will to the same number of shares received in exchange, and the remaining shares will begin a new holding period and basis.

Stock. Unless the participant makes an election to accelerate recognition of the income to the date of grant (as below), the participant will not recognize income and we will not be allowed a tax deduction at the time the restricted d is granted. When the restrictions lapse, the participant will recognize ordinary income equal to the fair market value es as of that date, and we will be allowed a corresponding federal income tax deduction at that time, subject to any limitations under Section 162(m) of the Code. If the participant files an election under Section 83(b) of the Code days of the date of grant of restricted stock, the participant will recognize ordinary income as of the date of the grant e fair market value of the stock as of that date, and our Company will be allowed a corresponding federal income tax at that time, subject to any applicable limitations under Section 162(m). Any future appreciation in the stock will be the participant at capital gains rates. If the stock is later forfeited, however, the participant will not be able to recover viously paid pursuant to a Section 83(b) election.

Stock Units. A participant will not be deemed to have received taxable income upon the grant of restricted stock participant will be deemed to have received taxable ordinary income at such time as shares are distributed with respect icted stock units in an amount equal to the fair market value of the shares distributed to the participant. Upon the n of shares to a participant with respect to restricted stock units, we will ordinarily be entitled to a deduction for federal purposes in an amount equal to the taxable ordinary income of the participant, subject to any applicable limitations ion 162(m) of the Code. The basis of the shares received will equal the amount of taxable ordinary income recognized icipant upon receipt of such shares.

reciation Rights. Generally, a participant who is granted a stock appreciation right under the Plan will not recognize e income at the time of the grant. The participant will recognize ordinary income upon exercise equal to the amount of fair market value of the stock received on the day it is received.

there are no federal income tax deductions allowed to our Company upon the grant of stock appreciation rights. Upon e of the stock appreciation right, however, we will be entitled to a deduction equal to the amount of ordinary income rticipant is required to recognize as a result of the exercise, provided that the deduction is not otherwise disallowed ion 162(m).

Contents

k-Based Awards. Generally, a participant who is granted an other stock-based award under the Plan will recognize ncome at the time the cash or shares associated with the award are received. If stock is received, the ordinary income al to the excess of the fair market value of the stock received over any amount paid by the participant in exchange for

that the participant recognizes ordinary taxable income in respect of such award, we will be entitled to a deduction for ome tax purposes equal to the amount of ordinary income that the participant is required to recognize, provided that on is not otherwise disallowed under Section 162(m).

9A. If any Incentive constitutes non-qualified deferred compensation under Section 409A of the Code, the incentive ctured to comply with Section 409A to avoid the imposition of additional tax, penalties, and interest on the .

quences of a Change of Control. If, upon a change of control of our Company, the exercisability, vesting, or payout tive is accelerated, any excess on the date of the change of control of the fair market value of the shares or cash issued lerated Incentives over the purchase price of such shares may be characterized as parachute payments (within the f Section 280G of the Code) if the sum of such amounts and any other such contingent payments received by the xceeds an amount equal to three times the base amount for such employee. The base amount generally is the average al compensation of the employee for the five years preceding such change in ownership or control. An excess ayment, with respect to any employee, is the excess of the parachute payments to such person, in the aggregate, over such person s base amount. If the amounts received by an employee upon a change of control are characterized as ayments, the employee will be subject to a 20% excise tax on the excess parachute payment and we will be denied ion with respect to such excess parachute payment.

ing discussion summarizes the federal income tax consequences of Incentives that may be granted under the Plan rrent provisions of the Code, which are subject to change. This summary does not cover any foreign, state, or local uences.

mpensation Plan Information

ing table provides information about shares of Common Stock authorized for issuance under our existing equity ion plans as of March 31, 2009.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
npensation plans y security holders	1,812,007	$ 43.10	168,992(1)
npensation plans not y security holders			
	1,812,007(2)	**$ 43.10**	**168,992**

March 31, 2009, all of such remaining shares are issuable as stock options or restricted stock or other -based awards under the company s 2006 Stock Incentive Plan.
exercise of these outstanding options and issuance of additional common shares had occurred as of March 31, 2009, shares would represent 3.4% of the then total outstanding common shares of the company.

54

Contents

uired

of the Plan requires the affirmative vote of the holders of at least a majority of the total number of shares of Common ent in person or by proxy and entitled to vote on the proposal, provided that the total vote cast represents over 50% in all securities entitled to vote on the proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT

STOCKHOLDERS VOTE FOR THE PROPOSAL TO APPROVE

THE TIDEWATER INC. 2009 STOCK INCENTIVE PLAN

Contents

PROPOSAL FOR THE RATIFICATION OF

SELECTION OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

(PROPOSAL 3)

committee of our board has selected Deloitte & Touche LLP (Deloitte & Touche) as the company s independent public accounting firm to audit the financial statements of the company for the fiscal year ending March 31, 2010. icited hereby will be voted to ratify that selection unless stockholders specify otherwise in their proxies. If the rs do not ratify the appointment of Deloitte & Touche by the affirmative vote of the holders of a majority of our tock present in person or by proxy at the meeting and entitled to vote, the audit committee will reconsider the selection pendent auditors.

tives of Deloitte & Touche are expected to be present at the 2009 Annual Meeting, will have an opportunity to make a f they so desire, and will be available to respond to appropriate questions.

ARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR ATION OF THE SELECTION OF DELOITTE & TOUCHE LLP AS THE COMPANY S INDEPENDENT ERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING MARCH 31, 2010.

56

Contents

STOCKHOLDER PROPOSALS

holders are entitled to submit proposals on matters appropriate for stockholder action consistent with regulations of the and Exchange Commission and our amended and restated bylaws.

t us to consider including a proposal in next year s proxy statement, you must deliver the proposal in writing to our at 601 Poydras Street, Suite 1900, New Orleans, Louisiana 70130 by February 4, 2010.

t to present a proposal at next year s annual meeting but do not wish to have the proposal included in our proxy you must submit it in writing to our Secretary, at the above address, no earlier than March 31, 2010 and no later than 010, in accordance with the specific procedural requirements set forth in our amended and restated bylaws. If you a copy of these procedures, please contact our Secretary, or access the Governance section of our website at .tdw.com to review our amended and restated bylaws. Failure to comply with our bylaw procedures and deadlines ude presentation of the matter at the meeting.

t receive any stockholder proposals for the 2009 Annual Meeting.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

(a) of the Securities Exchange Act of 1934 requires our directors, executive officers, and beneficial owners of more of our common stock to file certain beneficial ownership reports with the SEC. To our knowledge, based on our review f reports received by us and written representations by certain reporting persons, we believe that during fiscal year ection 16(a) filing requirements applicable to our officers, directors and 10% stockholders were complied with in a nner, except that one report on Form 4 for Joseph M. Bennett, Executive Vice President, reporting one transaction al 2009 was delinquent by two business days.

CERTAIN TRANSACTIONS

ce has been that any transaction which would require disclosure under Item 404(a) of Regulation S-K of the rules and s of the Securities and Exchange Commission, with respect to a director or executive officer, will be reviewed and or ratified, by our Audit Committee. We are currently a party to one such related party transaction. Cindy B. Taylor, a Tidewater, is the Chief Executive Officer of Oil States International, Inc. (Oil States). During fiscal 2009, our paid Oil States or its affiliates approximately $416,000 for vessel parts and supplies, vessel labor and similar goods and he amount paid is substantially less than 1% of Oil States annual revenues. We anticipate that our company will purchase goods and services from Oil States during fiscal 2010.

Committee also reviews and investigates any matters pertaining to the integrity of management and directors, conflicts of interest, or adherence to standards of business conduct required by our policies.

Contents

OTHER MATTERS

knows of no business, other than that described above, that will be presented for consideration by the company s rs at the meeting. The enclosed proxy will confer discretionary authority with respect to any other matters that may ome before the meeting or any adjournment thereof. It is the intention of the persons named in the enclosed proxy to ordance with their best judgment on any such matter.

By Order of the Board of Directors

BRUCE D. LUNDSTROM
Executive Vice President, General Counsel
and Secretary

ns, Louisiana

)9

COMPLETE AND RETURN YOUR PROXY CARD PROMPTLY IN THE ENCLOSED ENVELOPE. YOU O CALL IN YOUR VOTE BY TOUCHTONE TELEPHONE OR SEND IT OVER THE INTERNET USING TRUCTIONS ON THE PROXY CARD.

58

Contents

Annex A

Companies Included in Towers Perrin 2009 Cash Compensation Analysis

Oilfield Services Compensation Survey Companies (2006)

hes Incorporated

nternational Corporation

nternational Inc.

nologies, Inc.

dustries Corp.

ntaFe Corp.

lf, Inc.

ompressor Exterran Holdings, Inc.

rporation

International, Inc.

rnational, Inc.

nergy Services, Inc.

an, Inc.

rd International, Inc.

Peer Energy Services Companies (2007)

ceanics, Inc.

Offshore Drilling, Inc.

nternational Inc.

dustries Ltd.

nteFe Corp.

lf, Inc.

Offshore, Inc.

& Payne, Inc.

Offshore Services Inc.

lustries, Inc.

rporation

ernational, Inc.

mpanies, Inc.

Holdings Inc.

an, Inc.

ne Services, Inc.

ompanies are included in both the survey and peer group.

Contents

Companies Included in Towers Perrin 2009 Cash Compensation Analysis

General Industry Compensation Survey Companies (2006)

rds

cience

boratories

l

erica

ublications

d Medical Optics

Micro Devices

A

urces

ts and Chemicals

A

oratories

Communications KATV

Energy

ata Systems

echsystems

wer

rma

up

Online

Airlines

Airlines Publishing

Chemical Society

Electric Power

Express Credit Card

Family Insurance

Re

Standard

Transmission

United Life

Water Works

e Financial

t Mortgage

e

K

Petroleum

or Stores

nputer

s International

aterials

K

estaurant Group

World Industries

tor

Banc-Corp

Health

ca

ergy

an Services

dustries

Group

Data Processing

nison

table

ems CNI Division

h

merica

e West

roup

ernational

oScience

Coulter

ecker

er

s Blue Shield of Florida

ns Farms

r Ingelheim

entific

s of America

iagnostics

nancial

ternational

eyers Squibb

Northern Santa Fe

12

nologies

ther & Son

n Systems

chweppes North America

ny (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

A-2

Companies Included in Towers Perrin 2009 Cash Compensation Analysis

General Industry Compensation Survey Companies (2006)

Independent System Operator

International

Soup

ue Cross

oadcasting WRAL

e Financial

Iealth

r Technology

ealthcare West

d Ellis

ids TV KCRG

nt Energy

y Group

ill

mmunications

Holdings

a

lercantile Exchange

i Bell

Vireless

troleum

nerican Checks

nnel Communications

Clinic Foundation

gy

lmolive

Springs Utilities

Sportswear

Cable Communications

e Bancorp

e Bancshares

Bancshares

Foods

illips

ed Edison

on Brands

on Energy

ys

ire & Rubber

ducts

Express

de Financial

nergy

prises

stle

ldings

st Bankers

utual

& Wakefield

macy

aring

nkyo

rysler

staurants

nternational

ergy

rth America

Financial Services

y Communications

Broadcast Group WBNS

Resources

n

nical

s

gy

gy

ps

er Industries

hemical

ernational

naceuticals

cience

Group

Energy

l & Gas USA

st

rthwest

ny (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

Contents

Companies Included in Towers Perrin 2009 Cash Compensation Analysis

General Industry Compensation Survey Companies (2006)

Resources

ice Properties

nce

ater & Electric Board

ost Publishing KOAA

oil

Controls

e

Robotics America

ome Loan Bank of San Francisco

serve Bank of Cleveland

serve Bank of Dallas

serve Bank of New York

serve Bank of San Francisco

ogul

Department Stores

vestments

l Bancorp

Fund Insurance

y

d Enterprises

er

boratories

rands

mmunications WDAY

o

esources

ac

Communications

Communications KFDM

Communications WLAJ

Communications WPEC

Communications WRGB

Communications WTVC

Communications WWMT

er

nvestment & Loan

ices

ynamics

ills

otors

p

Gulf

ciences

ences

hKline

FG

Tire & Rubber

ns Energy

t Life Annuity

IARK

Life

s

k

er

cs

Education

vidson

nternational Industries

k

erprises

ston

inancial Services

Electric

Telecom

thcare

e Services

:

gyle Television

International of America

Miller

oods

ackard

els

LaRoche

.

lue Cross Blue Shield of New Jersey

n Mifflin

Enterprises

rth America

roadcasting

n Bancshares

Active

ny (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

Contents

Companies Included in Towers Perrin 2009 Cash Compensation Analysis

General Industry Compensation Survey Companies (2006)

North America

ce Solutions

th

nce Blue Cross

Rand

inental Hotels

onal Flavors & Fragrances

al Paper

al Truck & Engine

Brands

npany

l

ncial

ernational

orate

nse

on and Flow Control

y Company

cker

lot

e Box

ewitt

gineering

e

ock

ville

Johnson

ontrols

mission on Accreditation of Healthcare Organizations

oadcast Group

ndation Health Plan

ndustrial Technologies

tal

ee

Clark

rgan

ealthcare

rmaceuticals

old

lder

stries

ls

unications

orth America

akes

Communications WTVF

nk

oducts

ss

s

nternational

utual Limited

enter for the Performing Arts

nancial

g Stores

Corporate Services

orado River Authority

chnologies

k

Midstream Partners

tations KRGV

Oil

Energy

ternational

McLennan

z Ilsley

arietta Materials

y

etts Mutual

d

y

ott

s

Hill

dings

boratory Service

ources

vaco

alth Solutions

eneral

une

nancial

nsurance

nch Private Client

e

Electronics

rgy

st Television Network/Alhurra

n Pharmaceuticals

ny (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

A-5

Companies Included in Towers Perrin 2009 Cash Compensation Analysis

General Industry Compensation Survey Companies (2006)

ety Appliances

Foods

Manufacturing

oors Brewing

Coach

urphy Stations WISC

ustrial Direct

munications

Omaha

nrichment Facility

uel Gas

eographic Society

Semiconductor

tarch & Chemical

e

eral Credit Union

ersal

dings

on

A

Independent System Operator

Life

Power Authority

Times

luminum

uthern

works

Grumman

Airlines

tern Energy

ern Mutual

onsumer Health

harmaceuticals

disk Pharmaceuticals

gy

anagement

al

Petroleum

ot

gy

e Power

alty

blic Power

olutions

n Insurance

unty Teachers Federal Credit Union

vania

rning

nois

s & Electric

e

g of America

of North America

s

aceutical

nifin

nergy

lucation

Bank

ergy

dings

mer

card USA

dge

ctronics North America

an Heusen

ompanies

Vest Capital

ves

connection

Rock Assurance

p

ncial Services

ources

eneral Electric

tries

Financial

ergy

Gamble

nergy

e

Financial

vice Enterprise

rgy

es

arma

MM

gnostics

nmunications

Holdings

uperstores

Rauscher

ness Information

vier

bitions

bit

sources

merica

y (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

A-6

Contents

Companies Included in Towers Perrin 2009 Cash Compensation Analysis

General Industry Compensation Survey Companies (2006)

American

and Reynolds

lucts

terials

sch

f International

gnostics

o Alto

Automation

Collins

Haas

ce North America

pment Rental

on

en Holdco

Project

entis

zian KTVN

zian WRCB

ute

Plough

Electric

YTV

AGT

pplications International

racle-Gro

echnology

nes

inancial Group

enefit Group of Companies

nergy

p

Technologies

Villiams

ospital for Children

ldrich

roadcast Group

llite Radio

one Container

nerica

armaceuticals

oducts

ronics

sson Mobile Communications

Company

Union Company

Bancorp

uthority

Global

tel

Medical

ce Cement

avelers

Register

Hotels & Resorts

Insurance

t

ar Operating

er Publishing

rgy North America

inancial

systems

Television WHDH

Data Systems

Banks

ncial

ntal Specialties

armaceutical

rmaceuticals

ources

Centers

om

ergy

Valley Authority

ital Bank

ruments

& Betts

Financial Services

Learning

Legal and Regulatory

Scientific & Healthcare

inancial for Lutherans

EF

ner

ner Cable

omotive

Us

on

da

e Hardware

are

s Public Television TPT

tronics

orp

ny (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

A-7

Contents

Companies Included in Towers Perrin 2009 Cash Compensation Analysis

General Industry Compensation Survey Companies (2006)

ngs

Jnited States

k of California

ific

Energy

Worldwide

lines

cel Service

ntals

ates Cellular

tes Enrichment

tioners

chnologies

ter Resources

lth

Underwriters Group

Communications

ident

gations Services

ergy

'ireless

armaceuticals

national

ness Media

Iaterials

ce

ey

on Group International

n Mutual

n Post

nagement

'harmaceuticals

ank

Iealth Plans

iry

;o

International

ergy

use Electric

ouse Savannah River

user

ds Market

Companies

Sonoma

Energy

ley Jr.

k Nuclear

uwer US

l Communications

ings

urces

in KTBS

gy

oadcasting KELO

oadcasting KLFY

oadcasting KRON

oadcasting KWQC

oadcasting WATE

oadcasting WKRN

oadcasting WLNS

oadcasting WRIC

oadcasting WTEN

nds

ny (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and on.

A-8

Contents

Annex B

Companies Included in Towers Perrin 2009 Equity Grant Analysis

Oilfield Services Compensation Survey Companies (2008)

Oceanics, Inc.

hes Incorporated

roup

nternational Corporation

Offshore Drilling, Inc.

International Inc.

Holdings

dustries Corp.

n

& Payne

International, Inc.

rporation

ernational, Inc.

ompanies, Inc.

ger

an Inc.

Peer Energy Services Companies (2008)

Oceanics, Inc.

Offshore Drilling, Inc.

nternational Inc.

dustries Ltd.

, Inc.

Offshore, Inc.

& Payne, Inc.

Offshore Services Inc.

t International Inc.

lustries, Inc.

ilwell Varco, Inc.

Exploration Co.

rporation

ng International Inc.

ernational, Inc.

r Resources, Inc.

ompanies, Inc.

Holdings Inc.

an Inc.

ne Services, Inc.

etroleum Corp.

ompanies are included in both the survey and peer group.

Contents

Companies Included in Towers Perrin 2009 Equity Grant Analysis

General Industry Compensation Survey Companies (2008)

hern California, Utah & Nevada

cience

boratories

bie & Fitch

l

erica

ublications

d Medical Optics

Micro Devices

A

chnologies

urces

S.

ts and Chemicals

cent

r & Baldwin

Communications KATV

Energy

ergy

chsystems

wer

up

om

Airlines

Crystal Sugar

Electric Power

Family Insurance

Transmission

United Life

Water Works

e Financial

e

K

Petroleum

nly

or Stores

Papers

aterials

K

estaurant Group

niels Midland

A

World Industries

ctronics

feScience North America

Energy International

Banc-Corp

ca

crosystems

Group

Data Processing

et Group

table

2

ems

Brasil

merica

e West

rmaceuticals

old of North America

ernational

pScience

s

Coulter

oldings

rvices

lec

Laboratories

s

er

s Blue Shield of Florida

ld of California

s Farms

r Ingelheim

er Transportation

n Hamilton

entific

d Lease

s of America

iagnostics

nancial

eyers Squibb

Materials Holding

ing

Northern Santa Fe

ners

n Systems

ny (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

B-2

Contents

y (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

Companies Included in Towers Perrin 2009 Equity Grant Analysis

General Industry Compensation Survey Companies (2008)

Independent System Operator

nternational

Soup

ue Cross

e Financial

oadcasting WRAL

Health

ompanies

r Technology

USA

Pharma Solutions

ealthcare West

d Ellis Group

ids TV KCRG

nt Energy

luminum

l

Energy

ke

Mercantile Exchange

rands

tels International

ems

o

troleum

ank

c Service

gy

lmolive

Springs Utilities

Sportswear

n Financial Group

e Insurance

Bancshares

illips

ed Edison

on Energy

l Automotive Systems

ys

Executive Board

Express US

prises

astle

st Bankers

utual

right

& Wakefield

mark

nkyo

rucks North America

mmerman

tream

anden Financial Services

ls

ergy

rth America

rgy

y Communications

Broadcast Group WBNS

Resources

n

nical

s

gy

pps

hemical

Kodak

rporation

ower Research Institute

cience

Group

Energy

rmaceuticals

ture Holdings

rthwest

ice Properties

ance

oung

America

ost Publishing KOAA

B-3

Contents

y (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

Companies Included in Towers Perrin 2009 Equity Grant Analysis

General Industry Compensation Survey Companies (2008)

Packaging

oil

Controls

e

obotics America

roup

ome Loan Bank of San Francisco

serve Bank of Cleveland

serve Bank of Dallas

serve Bank of Philadelphia

serve Bank of San Francisco

serve Bank of St. Louis

ogul

SA

vestments

l Bancorp

Fund Insurance

on National

y

d Enterprises

up USA

oratories

ands

mmunications WDAY

rks Group

o

ac

Communications

McMoRan Copper & Gold

vices

care

Atomics

ynamics

ills

otors

Financial

up

ages

hKline

ossing

t Life Annuity

Bank

Life

s

er

ds

Clarke

vidson

ternational Industries

k

erprises

ston

inancial Services

Electric

mmerz

thcare

re Services

t

s

ein

Miller

ackard

ecialty Chemicals

LaRoche

.

ods

n Mifflin

rth America

Broadcasting

nsolidated

n Bancshares

els

Active

dia

ce Solutions

th

nce Blue Cross

nergy Group

nal Flavors & Fragrances

nal Game Technology

al Paper

Bakeries

B-4

Contents

y (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

Companies Included in Towers Perrin 2009 Equity Grant Analysis

General Industry Compensation Survey Companies (2008)

Controls

hysical

ntain

mpany

ncial

rnational

y Company

cker

ot

e Box

gineering

.

ock

ville

Johnson

ontrols

mission

ndation Health Plan

dustrial Technologies

evision

tal

nternational

Clark

ealthcare

maceuticals

cor

stries

unications

orth America

akes

d Platt

ommunications

ss

s

nternational

onics USA

utual

nancial

Martin

g Stores

Tobacco

orado River Authority

e

k

Midstream Partners

Oil

nternational

z Ilsley

arietta Materials

y

setts Mutual

d

rth America Operations

ny

tt

s

Hill

rma Services

ources

vaco

alth Solutions

eneral

ancial

nsurance

abs

e Technologies

S Communications

gy

chnology

n Pharmaceuticals

rporation

erica

ors Brewing

Coach

m International

urphy Stations WISC

America

Water Products

e America

h

ineMedia

eographic Society

enewable Energy Laboratory

Semiconductor

tarch & Chemical

e

nternational

dings

A

A

Life

Power Authority

B-5

Contents

ny (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and on.

Companies Included in Towers Perrin 2009 Equity Grant Analysis

General Industry Compensation Survey Companies (2008)

k Times

Aluminum

uthern

works

Utilities

Grumman

tern Energy

ern Mutual

onsumer Health

harmaceuticals

disk Pharmaceuticals

nt Media Network

gy

al

-Conductor

US

National Laboratory

Petroleum

gy

blic Power

olutions

n Insurance

th America

Truck

rning

nois

s & Electric

e

of North America

nifin

lucation

Bank

dings

ricas

mer

an Heusen

ompanies

West Capital

ves

onnection

Rock Assurance

a

p

cial Services

urces

eneral Electric

tries

inancial

Holdings

nergy

e

Health System

Financial

vice Enterprise Group

gy

es

harma

MM

World US

nmunications

elley

Holdings

uperstores

Rauscher

Digest

ness Information

vier

bitions

nancial

sources

American

Devices

surance Group of America

lucts

sch

gnostics

Alto

Automation

Collins

Haas

ce North America

em

on

een Systems

Project

teur

entis

zian KTVN

zian WRCB

tute

ricas

Plough

ger

Electric

Foods

YTV

AGT

racle-Gro

chnology

inancial Group

B-6

Contents

y (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
n.

Companies Included in Towers Perrin 2009 Equity Grant Analysis

General Industry Compensation Survey Companies (2008)

ecurity Services USA

ergy

echnologies

l

stries

illiams

rmaceuticals

drich

oadcast Group

ellite Radio

Nephew

etection

one Container

armaceuticals

oducts

oration of America

son Mobile Communications

ncial Group

Company Services

Bancorp

ergy

Systems

lobal US

tel

niversity

Hotels & Resorts

Insurance

t

ncshares

Stevenson

ar Operating

rgy North America

inancial

Television WHDH

Data Systems

Bank

Stores

cial

spapers

ntal Specialties

Crop Protection

armaceutical

armaceutical

ources

Centers

orth

Holdings

land

thcare

Valley Authority

ustries

ruments

& Betts

Reuters Markets Division Americas

inancial for Lutherans

EF

ner

ner Cable

on

da

are

s Public Television TPT

ronics

orp

service

ngs

ters Laboratories

United States

k of California

ific

ct USA

Energy

lines

ntals

tes Cellular

chnologies

ter Resources

lth

Studios Orlando

of Texas M.D. Anderson Cancer Center

Communications

up

ergy

obile USA

urse Service

up North America

Contents

ny (or one of its subsidiaries) belongs to the subset of participants with global corporate revenue between $1 billion and
on.

Companies Included in Towers Perrin 2009 Equity Grant Analysis

General Industry Compensation Survey Companies (2008)

earning Company

Iaterials

t Services

ey

n Mutual

n Savannah River

nagement

ank

Iealth Plans

go

International

ergy

igital

use Electric

ods Market

Companies

Energy

ley Jr.

uwer US

in KTBS

Worldwide

gy

adcasting KRON

nds

oldings

rth America

B-8

Contents

Annex C

TIDEWATER INC.

2009 STOCK INCENTIVE PLAN

e. The purpose of the Tidewater Inc. 2009 Stock Incentive Plan (the Plan) is to increase stockholder value and to e interests of Tidewater Inc. (Tidewater) and its subsidiaries (collectively with Tidewater, the Company) by furnishing d economic incentives (the Incentives) designed to attract, retain, reward, and motivate key employees, officers and f the Company and consultants and advisors to the Company and to strengthen the mutuality of interests between oviders and Tidewater s stockholders. Incentives consist of opportunities to purchase or receive shares of Common) par value per share, of Tidewater (the Common Stock) or cash valued in relation to Common Stock, on terms d under the Plan. As used in the Plan, the term subsidiary means any corporation, limited liability company or other which Tidewater owns (directly or indirectly) within the meaning of section 424(f) of the Internal Revenue Code of mended (the Code), 50% or more of the total combined voting power of all classes of stock, membership interests, or y interests issued thereby.

stration.

osition. The Plan shall generally be administered by the Compensation Committee of the Board of Directors of (the Board) or by a subcommittee thereof. The Compensation Committee or subcommittee thereof that generally s the Plan shall consist of not fewer than two members of the Board, each of whom shall (a) qualify as a non-employee under Rule 16b-3 under the Securities Exchange Act of 1934 (the 1934 Act) or any successor rule and (b) qualify as an irector under Section 162(m) of the Code (Section 162(m)). The Nominating and Corporate Governance Committee of shall administer the Plan with respect to grants to members of the Board who are not employees of the Company Directors). Members of the Nominating and Corporate Governance Committee shall qualify as non-employee directors e 16b-3 under the 1934 Act. Unless the context otherwise requires, the term Committee shall be used herein to refer to ompensation Committee (or subcommittee that administers the Plan) and the Nominating and Corporate Governance e.

rity. The Compensation Committee or a sub-committee thereof shall have plenary authority to award Incentives Plan and to enter into agreements with or provide notices to participants as to the terms of the Incentives (the Incentive ts), except that the Nominating and Corporate Governance Committee of the Board shall have the sole authority to ntives to Outside Directors and to enter into Incentive Agreements with Outside Directors. The Compensation e or a sub-committee thereof shall have the general authority to interpret the Plan, to establish any rules or regulations the Plan that it determines to be appropriate, and to make any other determination that it believes necessary or for the proper administration of the Plan, except that the Nominating and Corporate Governance Committee shall have rity with respect to matters relating to grants to Outside Directors. Committee decisions in matters relating to the Plan al and conclusive on the Company and participants. The Compensation Committee may delegate its authority to the extent provided in Section 3.

Participants. Key employees and officers of the Company and persons providing services as consultants or the Company shall become eligible to receive Incentives under the Plan when designated by the Committee. With participants not subject to either Section 16 of the 1934 Act or Section 162(m) of the Code, the Compensation e may delegate to appropriate officers of the Company its authority to designate participants, to determine the size and entives to be received by those participants, and to set and modify the terms of such Incentives; provided, however, r share exercise price of any options granted by an officer, rather than by the Compensation Committee, shall be equal Market Value (as defined in Section 13.10) of a share of Common Stock on the later of the date of grant or the date pant s employment with or service to the Company commences. Outside Directors shall receive Incentives under the granted by the Nominating and Corporate Governance Committee.

C-1

Contents

f Incentives. Incentives may be granted under the Plan to eligible participants in the forms of (a) incentive stock) non-qualified stock options; (c) restricted stock, (d) restricted stock units (RSUs); (e) stock appreciation rights and (f) Other Stock-Based Awards (as defined in Section 10).

Subject to the Plan.

er of Shares. Subject to adjustment as provided in Section 13.5, the maximum number of shares of Common Stock e delivered to participants and their permitted transferees under the Plan shall be 1,982,500 shares.

Counting. To the extent any shares of Common Stock covered by a stock option or SAR are not delivered to a or permitted transferee because the Incentive is forfeited or canceled, or shares of Common Stock are not delivered Incentive is paid or settled in cash, such shares shall not be deemed to have been delivered for purposes of g the maximum number of shares of Common Stock available for delivery under this Plan. In the event that shares of Stock are issued as an Incentive and thereafter are forfeited or reacquired by the Company pursuant to rights reserved nce thereof, such forfeited and reacquired Shares may again be issued under the Plan. With respect to SARs, if the vable in shares of Common Stock, all shares to which the SARs relate are counted against the Plan limits, rather than nber of shares delivered upon exercise of the SAR.

tions on Awards. Subject to adjustment as provided in Section 13.5, the following additional limitations are nder the Plan:

ximum number of shares of Common Stock that may be issued upon exercise of stock options intended to qualify as tock options under Section 422 of the Code shall be 1,982,500 shares.

ximum number of shares of Common Stock that may be covered by Incentives granted under the Plan to any one during any one calendar-year period shall be 500,000.

ximum number of shares of Common Stock that may be issued under the Plan as restricted stock, RSUs, and Other ed Awards (as defined in Section 10.1) shall be 1,387,750 shares.

ted stock, RSUs, and Other Stock-Based Awards with respect to an aggregate of 99,125 shares of Common Stock may to officers, employees, consultants, or advisors without compliance with the minimum vesting periods provided in 2, 8.2, and 10.2.

utside Director may be granted Incentives with respect to no more than 10,000 shares of Common Stock each calendar

ximum value of an Other Stock-Based Award that is valued in dollars (whether or not paid in Common Stock) to be paid out to any one participant in any calendar year shall be $2,000,000.

f Common Stock. Common Stock issued under the Plan may be authorized and unissued shares or issued shares asury shares.

ptions. A stock option is a right to purchase shares of Common Stock from Tidewater. Stock options granted under ay be incentive stock options (as such term is defined in Section 422 of the Code) or non-qualified stock options. Any is designated as a non-qualified stock option shall not be treated as an incentive stock option. Each stock option the Committee under this Plan shall be subject to the following terms and conditions:

The exercise price per share shall be determined by the Committee, subject to adjustment under Section 13.5; hat in no event shall the exercise price be less than the Fair Market Value (as

Contents

Section 13.10) of a share of Common Stock on the date of grant, except in the case of a stock option granted in
n of or substitution for an outstanding award of a company acquired by the Company or with which the Company

er. The number of shares of Common Stock subject to the option shall be determined by the Committee, subject to
nd subject to adjustment as provided in Section 13.5.

on and Time for Exercise. The term of each stock option shall be determined by the Committee, but shall not
aximum term of ten years. Each stock option shall become exercisable at such time or times during its term as shall be
l by the Committee. Notwithstanding the foregoing, the Committee may accelerate the exercisability of any stock
ny time, in addition to the automatic acceleration of stock options under Section 12.

chase. Upon approval of the Committee, the Company may repurchase a previously granted stock option from a
by mutual agreement before such option has been exercised by payment to the participant of the amount per share by
the Fair Market Value of the Common Stock subject to the option on the business day immediately preceding the date
e exceeds (b) the exercise price, or by payment of such other mutually agreed upon amount; provided, however, that
purchase shall be permitted if prohibited by Section 6.6.

er of Exercise. A stock option may be exercised, in whole or in part, by giving written notice to the Company,
the number of shares of Common Stock to be purchased. The exercise notice shall be accompanied by the full
rice for such shares. The option price shall be payable in United States dollars and may be paid (a) in cash; (b) by
by delivery of or attestation of ownership of shares of Common Stock, which shares shall be valued for this purpose at
arket Value on the business day immediately preceding the date such option is exercised; (d) by delivery of
e written instructions to a broker approved by the Company (with a copy to the Company) to immediately sell a
the shares, issuable under the option and to deliver promptly to the Company the amount of sale proceeds (or loan
f the broker lends funds to the participant for delivery to the Company) to pay the exercise price; (e) if approved by the
e, through a net exercise procedure whereby the optionee surrenders the option in exchange for that number of shares
n Stock with an aggregate Fair Market Value equal to the difference between the aggregate exercise price of the
ng surrendered and the aggregate Fair Market Value of the shares of Common Stock subject to the option; or (f) in
manner as may be authorized from time to time by the Committee.

ing. Except for adjustments pursuant to Section 13.5 or actions permitted to be taken by the Committee under
in the event of a Change of Control, unless approved by the stockholders of the Company, (a) the exercise or base
ny outstanding option or SAR granted under this Plan may not be decreased after the date of grant; and (b) an
g option or SAR that has been granted under this Plan may not, as of any date that such option or SAR has a per share
rice that is greater than the then current Fair Market Value of a share of Common Stock, be surrendered to the
as consideration for the grant of a new option or SAR with a lower exercise price, shares of restricted stock, restricted
, an Other Stock-Based Award, a cash payment, or Common Stock.

ive Stock Options. Notwithstanding anything in the Plan to the contrary, the following additional provisions shall
e grant of stock options that are intended to qualify as incentive stock options (as such term is defined in Section 422
e):

centive stock option agreement authorized under the Plan shall contain such other provisions as the Committee shall
sable, but shall in all events be consistent with and contain or be deemed to contain all provisions required in order to
options as incentive stock options.

entive stock options must be granted within ten years from the date on which this Plan is adopted by the Board of

Contents

entive stock options shall be granted to any non-employee or to any participant who, at the time such option is granted, n (within the meaning of Section 422 of the Code) stock possessing more than 10% of the total combined voting power es of stock of the employer corporation or of its parent or subsidiary corporation.

gregate Fair Market Value (determined with respect to each incentive stock option as of the time such incentive stock ranted) of the Common Stock with respect to which incentive stock options are exercisable for the first time by a during any calendar year (under the Plan or any other plan of Tidewater or any of its subsidiaries) shall not exceed To the extent that such limitation is exceeded, the excess options shall be treated as non-qualified stock options for ome tax purposes.

ted Stock.

of Restricted Stock. The Committee may award shares of restricted stock to such eligible participants as d pursuant to the terms of Section 3. An award of restricted stock shall be subject to such restrictions on transfer and ty provisions and such other terms and conditions, including the attainment of specified performance goals, as the e may determine, subject to the provisions of the Plan. To the extent restricted stock is intended to qualify as nce-based compensation under Section 162(m), it must be granted subject to the attainment of performance goals as n Section 11 below and meet the additional requirements imposed by Section 162(m).

estricted Period. At the time an award of restricted stock is made, the Committee shall establish a period of time ch the transfer of the shares of restricted stock shall be restricted and after which the shares of restricted stock shall be Restricted Period). Each award of restricted stock may have a different Restricted Period. The Restricted Period shall num of three years with incremental vesting of portions of the award over the three-year period permitted, with the exceptions:

esting of the shares of restricted stock is based upon the attainment of performance goals as described in Section 11, ted Period shall be a minimum of one year.

imum Restricted Period applies to grants to Outside Directors, to grants issued in payment of cash amounts earned Company s annual incentive plan, or to grants made under Section 5.3(d).

tion of the Restricted Period shall also occur (1) as provided under Section 13.3 in the event of termination of nt under the circumstances provided in the Incentive Agreement, and (2) as described in Section 12 in the event of a Control of the Company.

v. The participant receiving restricted stock shall enter into an Incentive Agreement with the Company setting forth ons of the grant. Any certificates representing shares of restricted stock shall be registered in the name of the and deposited with the Company, together with a stock power endorsed in blank by the participant. Each such shall bear a legend in substantially the following form:

erability of this certificate and the shares of Common Stock represented by it are subject to the terms and conditions conditions of forfeiture) contained in the Tidewater Inc. 2009 Stock Incentive Plan (the Plan), and an agreement o between the registered owner and Tidewater Inc. (the Company) thereunder. Copies of the Plan and the agreement at the principal office of the Company.

ely, in the discretion of the Company, ownership of the shares of restricted stock and the appropriate restrictions shall d in the records of the Company s transfer agent and no physical certificates shall be issued prior to vesting.

C-4

Contents

nds on Restricted Stock. Any and all cash and stock dividends paid with respect to the shares of restricted stock bject to any restrictions on transfer, forfeitability provisions, or reinvestment requirements as the Committee may, in on, prescribe in the Incentive Agreement.

ture. In the event of the forfeiture of any shares of restricted stock under the terms provided in the Incentive t (including any additional shares of restricted stock that may result from the reinvestment of cash and stock dividends, ded in the Incentive Agreement), such forfeited shares shall be surrendered and the certificates cancelled. The s shall have the same rights and privileges, and be subject to the same forfeiture provisions, with respect to any shares received pursuant to Section 13.5 due to a recapitalization or other change in capitalization.

ation of Restricted Period. Upon the expiration or termination of the Restricted Period and the satisfaction of any itions prescribed by the Committee, the restrictions applicable to the restricted stock shall lapse and, unless otherwise by the participant, a stock certificate for the number of shares of restricted stock with respect to which the restrictions d shall be delivered, free of all such restrictions and legends, except any that may be imposed by law, to the participant cipant s estate, as the case may be.

as a Stockholder. Subject to the terms and conditions of the Plan and subject to any restrictions on the receipt of that may be imposed in the Incentive Agreement, each participant receiving restricted stock shall have all the rights of der with respect to shares of stock during the Restricted Period, including without limitation, the right to vote any Common Stock.

ted Stock Units.

of Restricted Stock Units. A restricted stock unit, or RSU, represents the right to receive from the Company on the scheduled vesting or payment date for such RSU, one share of Common Stock. An award of RSUs may be subject to nent of specified performance goals or targets, forfeitability provisions and such other terms and conditions as the e may determine, subject to the provisions of the Plan. To the extent an award of RSUs is intended to qualify as ce-based compensation under Section 162(m), it must be granted subject to the attainment of performance goals as n Section 11 and meet the additional requirements imposed by Section 162(m).

g Period. At the time an award of RSUs is made, the Committee shall establish a period of time during which the tock units shall vest (the Vesting Period). Each award of restricted stock units may have a different Vesting Period. g Period shall be a minimum of three years with incremental vesting over the three-year period permitted, with the exceptions:

esting of RSUs is based upon the attainment of performance goals as described in Section 11, the Vesting Period shall num of one year.

imum Vesting Period applies to grants to Outside Directors, to grants issued in payment of cash amounts earned under ny s annual incentive plan, or to grants made under Section 5.3(d).

ation of the expiration of the Vesting Period shall occur (1) as provided under Section 13.3 in the event of termination ment under the circumstances provided in the Incentive Agreement, and (2) as described in Section 12 in the event of a Control of the Company.

nd Equivalent Accounts. Subject to the terms and conditions of this Plan and the applicable Incentive Agreement, any procedures established by the Committee, prior to the expiration of the applicable Vesting Period of an RSU a participant hereunder, the Committee may determine to pay dividend equivalent rights with respect to RSUs, in , unless determined by the Committee to be paid currently, the Company shall establish an account for the participant in that account any securities, cash or other property comprising any dividend or property distribution with respect to f Common Stock underlying each RSU. The participant shall have rights to the amounts or other property credited to nt.

Contents

as a Stockholder. Subject to the restrictions imposed under the terms and conditions of this Plan and subject to any ctions that may be imposed in the Incentive Agreement, each participant receiving restricted stock units shall have no stockholder with respect to such restricted stock units until such time as shares of Common Stock are issued to the .

ppreciation Rights.

of Stock Appreciation Rights. A stock appreciation right, or SAR, is a right to receive, without payment to the a number of shares of Common Stock, cash, or any combination thereof, the number or amount of which is l pursuant to the formula set forth in Section 9.5. Each SAR granted by the Committee under the Plan shall be subject s and conditions of the Plan and the applicable Incentive Agreement.

er. Each SAR granted to any participant shall relate to such number of shares of Common Stock as shall be l by the Committee, subject to adjustment as provided in Section 13.5.

on and Time for Exercise. The term of each SAR shall be determined by the Committee, but shall not exceed a term of ten years. Each SAR shall become exercisable at such time or times during its term as shall be determined by ittee. Notwithstanding the foregoing, the Committee may accelerate the exercisability of any SAR at any time in its in addition to the automatic acceleration of SARs under Section 12.

se. A SAR may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of the holder wishes to exercise. The date that the Company receives such written notice shall be referred to herein as the Date. The Company shall, within 30 days of an Exercise Date, deliver to the exercising holder certificates for the shares n Stock to which the holder is entitled pursuant to Section 9.5 or cash or both, as provided in the Incentive Agreement.

nt. The number of shares of Common Stock which shall be issuable upon the exercise of a SAR payable in Stock shall be determined by dividing:

nber of shares of Common Stock as to which the SAR is exercised, multiplied by the amount of the appreciation in share (for this purpose, the appreciation shall be the amount by which the Fair Market Value (as defined in .10) of a share of Common Stock subject to the SAR on the trading day prior to the Exercise Date exceeds the Base ich is an amount, not less than the Fair Market Value of a share of Common Stock on the date of grant, which shall be l by the Committee at the time of grant, subject to adjustment under Section 13.5); by

r Market Value of a share of Common Stock on the Exercise Date.

nal shares of Common Stock shall be issued upon the exercise of a SAR; instead, the holder of a SAR shall be entitled e the portion necessary to make a whole share at its Fair Market Value on the Exercise Date.

ded in the Incentive Agreement, a SAR may be exercised for cash equal to the Fair Market Value of the shares of Stock that would be issuable under this Section 9.5, if the exercise had been for Common Stock.

Stock-Based Awards.

t of Other Stock-Based Awards. Subject to the limitations described in Section 10.2 hereof, the Committee may gible participants Other Stock-Based Awards, which shall consist of awards (other than options, restricted stock, SARs described in Sections 6 through 9 hereof) paid out in shares of Common Stock or the value of which is based in n part on the value of shares of Common Stock. Other Stock-Based Awards may be awards of shares of Common rds of phantom stock, or may be denominated or payable in, valued in whole or in part by reference to, or

C-6

Contents

based on or related to, shares of, or appreciation in the value of, Common Stock (including, without limitation, convertible or exchangeable into or exercisable for shares of Common Stock), as deemed by the Committee consistent urposes of this Plan. The Committee shall determine the terms and conditions of any Other Stock-Based Award which rights of a stockholder, if any, the recipient shall have with respect to Common Stock associated with any such l may provide that such award is payable in whole or in part in cash. An Other Stock-Based Award may be subject to nent of such specified performance goals or targets as the Committee may determine, subject to the provisions of this he extent that an Other Stock-Based Award is intended to qualify as performance-based compensation under 2(m), it must be granted subject to the attainment of performance goals as described in Section 11 below and meet the requirements imposed by Section 162(m).

ations. Other Stock-Based Awards granted under this Section 10 shall be subject to a minimum vesting period of with incremental vesting of portions of the award over the three-year period permitted, with the following exceptions:

esting of the award is based upon the attainment of performance goals as described in Section 11, the award shall be a minimum vesting period of one year.

nimum vesting period applies to grants to Outside Directors, to grants issued in payment of cash amounts earned under any s annual incentive plan, or to grants made under Section 5.3(d).

ation of the expiration of the applicable vesting period shall occur (1) as provided under Section 13.3 in the event of n of employment under the circumstances provided in the Incentive Agreement, and (2) as described in Section 12 in f a Change of Control of the Company.

mance Goals for Section 162(m) Awards. To the extent that shares of restricted stock, RSUs, or Other ed Awards granted under the Plan are intended to qualify as performance-based compensation under Section 162(m), , grant, or payment of such awards shall be conditioned on the achievement of one or more performance goals and y the other requirements of Section 162(m). The performance goals pursuant to which such awards shall vest, be be paid out shall be any or a combination of the following performance measures applied to the Company, Tidewater, or a subsidiary: earnings per share; return on assets; an economic value added measure; shareholder return; earnings or efore interest, taxes, depreciation and amortization; stock price; total shareholder return; return on equity; return on l; safety performance; reduction of expenses; increase in cash flow; free cash flow; income or net income; operating net operating income; gross profit; operating profit or net operating profit; operating margin or profit margin; return on revenue; return on invested capital; return on capital employed; or market segment share. For any performance period, rmance objectives may be measured on an absolute basis, relative to a group of peer companies selected by the e, relative to internal goals, or relative to levels attained in prior years. The performance goals may be subject to such s as are specified in advance by the Committee in accordance with Section 162(m).

e of Control; Tender Offer or Exchange Offer.

itions. As used in this Section 12, the following words or terms shall have the meanings indicated:

on Date shall mean the date of the Board s adoption of this Plan.

e (and variants thereof) shall mean a Person that controls, or is controlled by, or is under common control with, ecified Person, either directly or indirectly.

C-7

Contents

cial Owner (and variants thereof), with respect to a security, shall mean a Person who, directly or indirectly (through ct, understanding, relationship or otherwise), has or shares (i) the power to vote, or direct the voting of, the security, the power to dispose of, or to direct the disposition of, the security.

ss Combination shall mean the consummation of a reorganization, merger or consolidation (including a merger or on of the Company or any direct or indirect subsidiary of the Company), or sale or other disposition of all or ly all of the assets of the Company.

e of Control Value shall equal the amount determined by whichever of the following items is applicable:

share price to be paid to the Company s stockholders in any such merger, consolidation or other reorganization;

ce per share offered to the Company s stockholders in any tender offer or exchange offer whereby a Change of Control ;

other events, the Fair Market Value (as defined in Section 13.10) per share of Common Stock into which such options verted are exercisable, as determined by the Committee as of the date determined by the Committee to be the date of of such options; or

event that the consideration offered to the Company s stockholders in any transaction described in this Section 12 anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration t is other than cash.

ent Board shall mean the individuals who, as of the Adoption Date, constitute the Board.

shall mean a natural person or company, and shall also mean the group or syndicate created when two or more t as a syndicate or other group (including, without limitation, a partnership or limited partnership) for the purpose of holding, or disposing of a security, except that Person shall not include an underwriter temporarily holding a security an offering of the security.

ransaction Corporation.

a Change of Control includes a Business Combination, Post-Transaction Corporation shall mean the Company after e of Control.

ange of Control includes a Business Combination, Post-Transaction Corporation shall mean the corporation resulting usiness Combination unless, as a result of such Business Combination, an ultimate parent corporation controls the or all or substantially all of the Company s assets either directly or indirectly, in which case, Post-Transaction n shall mean such ultimate parent corporation.

ge of Control Defined. Unless otherwise provided in an Incentive Agreement, Change of Control shall mean:

uisition by any Person of Beneficial Ownership of 30% or more of the outstanding shares of the Common Stock, or re of the combined voting power of the Company s then outstanding securities; provided, however, that for purposes of tion (a), the following shall not constitute a Change of Control:

uisition (other than a Business Combination which constitutes a Change of Control under Section 12.2(c)) of Common ctly from the Company,

Contents

quisition of Common Stock by the Company or its subsidiaries,

quisition of Common Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company
poration controlled by the Company, or

quisition of Common Stock by any corporation pursuant to a Business Combination which does not constitute a
Control under Section 12.2(c); or

rs of the Incumbent Board cease for any reason to constitute at least a majority of the Board; provided, however, that
dual becoming a director subsequent to the Adoption Date whose election or nomination for election by the Company s
rs was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be
a member of the Incumbent Board, unless such individual s initial assumption of office occurs as a result of an actual
ed election contest with respect to the election or removal of directors or other actual or threatened solicitation of
consents by or on behalf of a Person other than the Incumbent Board; or

ess Combination, unless, immediately following such Business Combination,

viduals and entities who were the Beneficial Owners of the Company s outstanding Common Stock and the Company s
urities entitled to vote generally in the election of directors immediately prior to such Business Combination have
direct Beneficial Ownership, respectively, of more than 50% of the then outstanding shares of common stock, and
50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election
s, of the Post-Transaction Corporation, and

to the extent that such ownership existed prior to the Business Combination, no Person (excluding the
action Corporation and any employee benefit plan or related trust of either the Company, the Post-Transaction
n or any subsidiary of either corporation) Beneficially Owns, directly or indirectly, 30% or more of the then
g shares of common stock of the corporation resulting from such Business Combination or 30% or more of the
voting power of the then outstanding voting securities of such corporation, and

t a majority of the members of the board of directors of the Post-Transaction Corporation were members of the
Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business
on; or

al by the shareholders of the Company of a complete liquidation or dissolution of the Company.

t of a Change of Control.

nstanding any other provision of the Plan (or any provision of any agreement with respect to any grant hereunder),
mediately prior to any Change of Control (as defined in Section 12.2), all outstanding Incentives granted pursuant to
all automatically become fully vested and exercisable, all restrictions or limitations on any outstanding Incentives
, and all performance criteria and other conditions relating to the payment of Incentives shall be deemed to be achieved
by the Company without the necessity of action by any person.

d in this Section 12.3, immediately prior to the Change of Control shall mean sufficiently in advance of the Change of
permit the grantee to take all steps reasonably necessary (i) to exercise any option or SAR fully, and (ii) to deal with
purchased or acquired under any Incentive so that all types of shares may be treated in the same manner in connection
hange of Control as the shares of Common Stock of other shareholders.

extent, if any, required by section 422(d) of the Code, incentive stock options which become exercisable immediately
Change of Control pursuant to this Section 12.3 shall

C-9

Contents

come non-qualified stock options. Subject to Section 12.5 but notwithstanding any other provision of the Plan, without limitation, Section 12.4 (or any provision of any agreement with respect to any grant hereunder), (i) any stock SAR which becomes exercisable pursuant to this Section 12.3 shall remain exercisable until the earlier of the end of the n or the lapse of the option, and (ii) any lapse and deemed waiver of restrictions and limitations on any restricted stock es of restricted stock and any Other Stock-Based Awards pursuant to this Section 12.3 shall be a permanent lapse and aiver of such restrictions and limitations.

t of a Tender Offer or Exchange Offer. If any corporation, person or other entity (other than the Company) makes fer or exchange offer for shares of the Common Stock pursuant to which purchases are made (an Offer), then from and ate of the first purchase of the Common Stock pursuant to the Offer (the Acceleration Date), all outstanding options shall automatically become fully exercisable, all restrictions or limitations on any Incentives shall lapse and all ce criteria and other conditions relating to the payment of Incentives shall be deemed to be achieved or waived by the without the necessity of any action by any person, for a period of 30 calendar days following the Acceleration Date. the other provisions of this Section 12, following the expiration of the 30-day period, any options or SARs not nd any shares of Common Stock issued hereunder not tendered or exchanged shall again be subject to the terms and applicable prior to the Offer.

mittee Discretion to Set Terms of Exercise or Exchange. No later than 30 days after the approval by the Board of of Control of a type described in subsections (c) or (d) of Section 12.2 and no later than 30 days after a Change of a type described in subsection (a) and (b) of Section 12.2, the Committee (meaning either the Nominating and Governance with regard to grants made to Outside Directors or the Compensation Committee with regard to all other he applicable Committee was composed immediately prior to such Change of Control and notwithstanding any attempted removal of some or all of the members thereof as directors or relevant Committee members), acting in its tion without the consent or approval of any participant, may act to effect one or more of the alternatives listed below ct by the Committee may not be revoked or rescinded by persons not members of the Committee immediately prior to e of Control:

that all outstanding options and SARs be exercised on or before a specified date (before or after such Change of t no earlier than the date on which all such options and SARs have become fully vested and exercisable) fixed by the , after which specified date all unexercised options and SARs shall lapse and terminate;

uch equitable adjustments to Incentives then outstanding as the Committee deems appropriate to reflect such Change (provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary);

for mandatory conversion of some or all of the outstanding options and SARs held by some or all participants as of a e or after such Change of Control) specified by the Committee, in which event such options and SARs shall be tomatically cancelled and the Company shall pay, or cause to be paid, to each such participant an amount of cash per l to the excess, if any, of the Change of Control Value of the shares subject to such option and SAR over the exercise such options and SARs or, in lieu of such cash payment, the issuance of Common Stock or securities of an acquiring ng a Fair Market Value (as defined in Section 13.10) equal to such excess; or

that thereafter upon any exercise of an option or SAR the participant shall be entitled to purchase under such option lieu of the number of shares of Common Stock then covered by such option or SAR, the number and class of shares other securities or property (including, without limitation, cash) to which the participant would have been entitled the terms of the agreement providing for the reorganization, merger, consolidation, or asset sale, if immediately prior ange of Control, the participant had been the holder of record of the number of shares of Common Stock then covered tions and SARs.

Contents

al.

tion. No Incentives may be granted under the Plan after July 9, 2019; provided, however, that subject to 9, the Plan shall remain in effect after such date with respect to Incentives granted prior to that date, until all such have either been satisfied by the issuance of shares of Common Stock or otherwise been terminated under the terms of nd all restrictions imposed on shares of Common Stock in connection with their issuance under the Plan have lapsed.

sferability. No Incentives granted hereunder may be transferred, pledged, assigned or otherwise encumbered by a except: (a) by will; (b) by the laws of descent and distribution; (c) pursuant to a domestic relations order, as defined in or (d) as to options only, if permitted by the Committee and so provided in the Incentive Agreement or an amendment to Immediate Family Members, (ii) to a partnership in which the participant and/or Immediate Family Members, or which the participant and/or Immediate Family Members are the sole owners, members or beneficiaries, as e, are the sole partners, (iii) to a limited liability company in which the participant and/or Immediate Family Members, in which the participant and/or Immediate Family Members are the sole owners, members or beneficiaries, as e, are the sole members, or (iv) to a trust for the sole benefit of the participant and/or Immediate Family Members. te Family Members shall be defined as the spouse and natural or adopted children or grandchildren of the participant pouses. To the extent that an incentive stock option is permitted to be transferred during the lifetime of the participant, treated thereafter as a nonqualified stock option. Any attempted assignment, transfer, pledge, hypothecation or other of Incentives, or levy of attachment or similar process upon Incentives not specifically permitted herein, shall be null nd without effect.

t of Termination of Employment or Death. In the event that a participant ceases to be an employee of the or to provide services to the Company for any reason, including death, disability, early retirement, or normal any Incentives may be exercised, shall vest, or shall expire at such times as may be determined by the Committee and n the Incentive Agreement.

tional Conditions. Anything in this Plan to the contrary notwithstanding: (a) the Company may, if it shall determine y or desirable for any reason, at the time of award of any Incentive or the issuance of any shares of Common Stock any Incentive, require the recipient of the Incentive, as a condition to the receipt thereof or to the receipt of shares of Stock issued pursuant thereto, to deliver to the Company a written representation of present intention to acquire the or the shares of Common Stock issued pursuant thereto for his own account for investment and not for distribution; and y time the Company further determines, in its sole discretion, that the listing, registration, or qualification (or any f any such document) of any Incentive or the shares of Common Stock issuable pursuant thereto is necessary on any exchange or under any federal or state securities or blue sky law, or that the consent or approval of any governmental body is necessary or desirable as a condition of, or in connection with the award of any Incentive, the issuance of Common Stock pursuant thereto, or the removal of any restrictions imposed on such shares, such Incentive shall not be r such shares of Common Stock shall not be issued or such restrictions shall not be removed, as the case may be, in n part, unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of ions not acceptable to the Company.

stment. In the event of any recapitalization, reclassification, stock dividend, stock split, combination of shares, or ar change in the Common Stock, the number of shares of Common Stock then subject to the Plan, including shares outstanding Incentives, and any and all other limitations provided in the Plan limiting the number of shares of Stock that may be issued hereunder, shall be adjusted in proportion to the change in outstanding shares of Common he event of any such adjustments, the price of any option, the Base Price of any SAR, and the performance objectives entive, shall also be adjusted as and to the extent appropriate, in the reasonable

Contents

of the Committee, to provide participants with the same relative rights before and after such adjustment. No
n or adjustment shall require the Company to issue a fractional share under the Plan and the substitution or adjustment
nited by deleting any fractional share.

holding.

mpany shall have the right to withhold from any payments made or stock issued under the Plan or to collect as a
of payment, issuance or vesting, any taxes required by law to be withheld. At any time that a participant is required to
Company an amount required to be withheld under applicable income tax laws in connection with an Incentive, the
may, subject to Section 13.6(b) below, satisfy this obligation in whole or in part by electing (the Election) to deliver
wned shares of Common Stock or to have the Company withhold shares of Common Stock, in each case having a
l to the minimum statutory amount required to be withheld under federal, state, and local law. The value of the shares
ered or withheld shall be based on the Fair Market Value of the Common Stock on the date that the amount of tax to
d shall be determined (Tax Date).

lection must be made prior to the Tax Date. For participants not subject to Section 16 of the 1934 Act, The Committee
prove of any Election, may suspend or terminate the right to make Elections, or may provide with respect to any
hat the right to make Elections shall not apply to such Incentive. If a participant makes an election under Section 83(b)
e with respect to shares of restricted stock, an Election to have shares withheld to satisfy withholding taxes is not
o be made.

ontinued Employment. No participant under the Plan shall have any right, because of his or her participation, to
the employ of the Company for any period of time or to any right to continue his or her present or any other rate of
ion.

ral Permitted. Payment of an Incentive may be deferred at the option of the participant if permitted in the Incentive
t. Any deferral arrangements shall comply with Section 409A of the Code.

ndments to or Termination of the Plan. The Board may amend or discontinue this Plan at any time; provided,
hat no such amendment may:

lly revise the Plan without the approval of the stockholders;

Section 6.6 to permit repricing of options or SARs without the approval of stockholders; or

lly impair, without the consent of the recipient, an Incentive previously granted, except that the Company retains all of
nder Section 12.

revision of the Plan as used in this Section 13.9 includes (1) except for adjustments permitted herein, a material
the maximum number of shares of Common Stock that may be issued through the Plan; (2) a material increase to the
cruing to participants under the Plan; (3) a material expansion of the classes of persons eligible to participate in the
n expansion of the types of awards available for grant under the Plan; (5) a material extension of the term of the Plan;
naterial change that reduces the price at which shares of Common Stock may be offered through the Plan.

nition of Fair Market Value. Whenever Fair Market Value of Common Stock shall be determined for purposes of
t shall be the closing sale price on the consolidated transaction reporting system for the New York Stock Exchange on
ble date, or if no sale of the Common Stock shall have been made on that day, on the next preceding day on which
sale of the Common Stock.

002CS-18503

Contents