

AT&T INC.  
Form 4  
January 30, 2012

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
COUGHLIN CATHERINE M

(Last) (First) (Middle)  
208 S. AKARD STREET  
(Street)

DALLAS, TX 75202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
AT&T INC. [T]

3. Date of Earliest Transaction (Month/Day/Year)  
01/26/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Sr.EVP & Global Mktg. Officer

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	(A) or (D)	Amount	Price	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	01/26/2012		M	908	A	\$ 0	909.5517		D	
Common Stock	01/26/2012		A <sup>(1)</sup>	74,787.84	A	\$ 0	115,573.8059		I	By Benefit Plan
Common Stock	01/26/2012		F <sup>(2)</sup>	24,102.8432	D	\$ 29.45	91,470.9627		I	By Benefit Plan
Common Stock	01/26/2012		D <sup>(3)</sup>	25,342.9968	D	\$ 29.45	40,785.9659		I	By Benefit Plan

Edgar Filing: AT&T INC. - Form 4

Common Stock	01/26/2012	F <sup>(4)</sup>	908	D	\$ 29.45	25,343.5517 <sup>(5)</sup>	D	
Common Stock	01/27/2012	G V	2,000	D	\$ 0	60,053	I	By Trust
Common Stock						1,866.7566	I	By 401(k)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
				Code V (A) (D)	(A) (D)	Date Exercisable Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units (2012)	\$ 0	01/26/2012		A	40,747	<sup>(6)</sup> <sup>(6)</sup>	Common Stock	40,747
Restricted Stock Units (2012)	\$ 0	01/26/2012		M	908	<sup>(6)</sup> <sup>(6)</sup>	Common Stock	908

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director 10% Owner Officer Other

COUGHLIN CATHERINE M  
208 S. AKARD STREET  
DALLAS, TX 75202

Sr.EVP & Global Mktg. Officer

## Signatures

/s/ Ann E. Meuleman, Secy.,  
Attorney-in-fact

01/30/2012

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Total performance shares distributed.
- (2) Mandatory tax withholding on distribution of performance shares.
- (3) Represents portion of the performance shares distributed in cash, after taxes.
- (4) Mandatory tax withholding on vesting of Restricted Stock Units.
- (5) Reflects transfer of 25,342 shares owned indirectly in benefit plan to direct ownership due to distribution of performance shares.
- (6) Restricted stock units acquired pursuant to 2011 Incentive Plan. Each unit will convert into one share of Issuer's common stock. Units vested on 1/26/2012 and will distribute on 1/26/2016.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. TD>Fees Earned

or Paid in

Cash

(\$)

(b) Stock Awards

(\$)<sup>(1)</sup>

(c) Option Awards

(\$)<sup>(1)</sup>

(d) Non-Equity

Incentive Plan Compensation

(\$)

(e) Change in Pension Value and

Nonqualified Deferred Compensation Earnings

(\$)

(f) All Other Compensation

(\$)<sup>(2)</sup>

(g) Total

(\$)

(h)

Deanna L. Cannon<sup>(3)</sup>

\$88,244 \$140,004 \$ \$ \$ \$ \$228,248

Douglas J. Lanier<sup>(3)</sup>

\$89,000 \$140,004 \$ \$ \$ \$ \$229,004

## Edgar Filing: AT&T INC. - Form 4

Greg Matiuk<sup>(3)</sup>

\$89,000 \$140,004 \$ \$ \$ \$ \$229,004

Clyde W. Smith, Jr.<sup>(3)</sup>

\$83,456 \$140,004 \$ \$ \$ \$ \$223,460

Charles J. Swindells<sup>(3)</sup>

\$73,541 \$140,004 \$ \$ \$ \$ \$213,545

- (1) The amounts in columns (c) and (d) reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for awards granted during that year. Assumptions used in the calculation of these amounts are included in Note 6 to Consolidated Financial Statements to the Company's audited financial statements for the fiscal year ended December 31, 2013, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.
- (2) No perquisites are included in this column as to any independent director, as in the aggregate perquisites for any director during 2013 did not exceed \$10,000.
- (3) At December 31, 2013, the aggregate number of stock options and restricted stock awards outstanding include:

Name	Stock Options	Restricted Stock Awards
Deanna L. Cannon	6,000	14,970
Douglas J. Lanier		14,970
Greg Matiuk		14,970
Clyde W. Smith, Jr.	5,000	14,970
Charles J. Swindells		14,970

### Nominations for Directors

#### *Identifying Candidates*

The Corporate Governance Committee, in consultation with the Chairman of the Board, is responsible for identifying and screening potential director candidates and recommending qualified candidates to the Board for nomination. The Committee will also consider director candidates recommended by the shareholders in accordance with the Company's Bylaws. For information on how to recommend a director candidate, refer to Shareholder Proposals on page 57.

#### *Qualifications*

The Board codified standards for directors in the Board's Principles for Corporate Governance. These principles provide that the Board should encompass a diverse range of talent and perspectives, skill and expertise sufficient to provide sound and prudent guidance with respect to the Company's operations and interests. The Principles for Corporate Governance also provide that at all times a majority of the Board must be independent directors as defined from time to time by the listing requirements of the NYSE and any specific requirements established by the Board. The Corporate Governance Committee has not established a specific minimum or maximum age in any governing document, education, years of business experience or specific types of skills for potential director candidates, but, in general, consideration is given to each candidate's reputation, mature judgment, career specialization, relevant technical skills, diversity and the extent to which the candidate would fill a present need on the Board.

## **Table of Contents**

The Company's Principles for Corporate Governance require that each director:

understand Swift Energy's business and the marketplaces in which it operates;

regularly attend meetings of the Board and of the Board committee(s) on which he or she serves;

review the materials provided in advance of meetings and any other materials provided to the Board from time to time;

monitor and keep abreast of general economic, business and management news and trends, as well as developments in Swift Energy's competitive environment and Swift Energy's performance with respect to that environment;

actively, objectively and constructively participate in meetings and the strategic decision-making processes;

share his or her perspective, background, experience, knowledge and insights as they relate to the matters before the Board and its committees;

be reasonably available when requested to advise the CEO and management on specific issues not requiring the attention of the full Board but where an individual director's insights might be helpful to the CEO or management; and

be familiar and comply in all respects with the Code of Ethics and Business Conduct of the Company.

We have not adopted a specific written policy with respect to diversity; however, the Corporate Governance Committee considers principles of diversity as a factor in evaluating nominees to recommend for service on our Board. As part of the Board's succession planning and annual self-assessment process, the Board reviews the diversity of specific skills and characteristics necessary for the optimal functioning of the Board in its oversight of the Company over both the short and longer term. The Board's succession planning requires the Corporate Governance Committee and the Board to assess the skill areas currently represented on the Board and those skill areas represented by directors expected to retire or leave the Board in the near future against the target skill areas established annually by the Board, as well as recommendations of directors regarding skills that could improve the overall quality and ability of the Board to carry out its function. The Board then establishes the specific target skill areas or experiences that are to be the focus of a director search, when necessary. Specific qualities or experiences could include experience in the Company's industry, financial or technological expertise, experience in situations comparable to the Company's, leadership experience and relevant geographical experience. The effectiveness of the Board's diverse mix of skills and experiences is also considered and reviewed as part of each Board self-assessment.

### ***Nomination of Candidates***

In determining whether to nominate a candidate, either from an internally generated or shareholder recommendation, the Corporate Governance Committee will consider the composition and capabilities of existing board members, as well as additional capabilities considered necessary or desirable in light of existing and future Company needs. The Corporate Governance Committee also exercises its independent business judgment and discretion in evaluating the suitability of any recommended candidate for nomination.

### **Corporate Governance**

Part of the Company's historical and ongoing corporate governance practices is the Company's policy that requires officers, directors, employees and certain consultants of the Company to submit annual disclosure statements regarding their compliance with the Company's Conflict of Interest Policy. A management representation letter is provided to the Corporate Governance Committee of the Board regarding the results of the annual disclosure statements and management's assessment of any potential or actual conflict of interest. Based on this assessment and further

## Edgar Filing: AT&T INC. - Form 4

discussion with management, the Corporate Governance Committee then directs management on what additional action, if any, the committee determines is necessary to be undertaken with regard to any potential or actual conflict of interest or related-party transaction.

---

## **Table of Contents**

The Company also requires that officers, directors, employees and certain consultants of the Company provide an annual reaffirmation of the Company's Code of Ethics and Business Conduct. A copy of the Code of Ethics and Business Conduct is redistributed in connection with this requirement, and each person is asked to reaffirm and re-acknowledge that they have reviewed and refreshed their knowledge of the provisions of the Code of Ethics and Business Conduct and will comply with such code. They also reaffirm their understanding that their continued service to the Company is dependent upon compliance with the Company's Code of Ethics and Business Conduct. In addition, all officers, directors, employees and certain consultants are required to annually recertify their understanding of, and adherence to, the Company's Insider Trading Policy. A copy of the Insider Trading Policy is also redistributed in connection with this requirement.

Each of the Audit, Compensation and Corporate Governance Committees has a charter. Each such charter is reviewed annually by the applicable committee, and all of the charters are reviewed by the Corporate Governance Committee. The committee charters, the Board-adopted Principles for Corporate Governance and the Code of Ethics and Business Conduct are applicable to all employees and directors, and to certain consultants, and are posted on the Company's website at [www.swiftenergy.com](http://www.swiftenergy.com). The committee charters, Principles for Corporate Governance and Code of Ethics and Business Conduct are also available in print, without charge, to any shareholder who requests a copy. Requests should be directed to the Company's Investor Relations Department at 16825 Northchase Drive, Suite 400, Houston, Texas 77060; by telephone at (281) 874-2700 or (800) 777-2412; or by email to [info@swiftenergy.com](mailto:info@swiftenergy.com).

In addition, the Code of Ethics for Senior Financial Officers and Principal Executive Officer, as adopted by the Board, is posted on Swift Energy's website, where the Company also intends to post any waivers from or amendments to this code.

## **Related-Party Transactions**

We receive research, technical writing, publishing, and website-related services from Tec-Com Inc., a corporation located in Knoxville, Tennessee, which is controlled by Lorraine Abbott, the aunt of the Company's Chairman of the Board and Chief Executive Officer. This relationship is presented to the Corporate Governance Committee each year in the annual disclosure statement process as described above in Corporate Governance. The contract was renewed July 1, 2013, and expires June 30, 2014. In 2013, we paid approximately \$0.7 million to Tec-Com for such services pursuant to the terms of the contract between the parties and five employees of Tec-Com were granted 2,000 shares of restricted stock (in the aggregate) on February 12, 2013, under the Swift Energy's equity compensation plan, with a grant date fair value of \$30,940 and 3-year cliff vesting. We believe the compensation paid to Tec-Com is consistent with unrelated third-party arrangements for similar services.

The Company has not adopted a formal related-party transaction policy. As a matter of corporate governance policy and practice, all related-party transactions are presented and considered by the Corporate Governance Committee of the Company's Board of Directors. See discussion set forth above under Corporate Governance regarding the Conflict of Interest Policy and related annual disclosure process used to identify and evaluate related-party transactions, if any, disclosed by our directors, officers, employees and certain consultants.

## **Director Emeritus**

Mr. Virgil Swift served as a director from 1981 until the 2005 annual meeting of shareholders, at which time he was given the honorary title of Director Emeritus. As this is an honorary distinction, no compensation is paid to Mr. V. Swift as Director Emeritus. The full Board concluded that the service of Mr. V. Swift, due to his extensive experience with Swift Energy and the oil and gas industry, was an invaluable asset to the Company, and thus a consulting agreement was entered into with him. As such, Mr. V. Swift regularly attends Board and committee meetings. Mr. V. Swift received compensation during 2013 pursuant to a consulting agreement which has been in effect since July 2000 and was renewed on similar terms effective July 1, 2006 and amended on

**Table of Contents**

February 25, 2009. In 2013, Mr. V. Swift was paid approximately \$5,600 per month under the consulting agreement. Pursuant to such agreement and amendments, Mr. V. Swift provides advisory services to key employees, officers and directors, and as otherwise requested by the Chairman of the Board and Chief Executive Officer or by the President. The monthly payment will increase by four percent (4%) per year as a result of an annual inflation provision. The consulting agreement is terminable by either party without cause upon two weeks' written notice.



**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT****Security Ownership of Certain Beneficial Owners**

The following table sets forth information concerning the shareholdings of each person who, to the Company's knowledge, beneficially owned more than five percent of the Company's outstanding common stock as of February 28, 2014:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership (# of shares)	Percent of Class
FMR LLC 245 Summer Street Boston, Massachusetts 02210	4,339,690 <sup>(1)</sup>	9.9%
Franklin Resources, Inc. One Franklin Parkway San Mateo, CA 94403-1906	4,295,650 <sup>(2)</sup>	9.8%
BlackRock, Inc. 40 East 52 <sup>nd</sup> Street New York, New York 10022	3,911,997 <sup>(3)</sup>	9.0%
EARNEST Partners, LLC 1180 Peachtree Street NE, Suite 2300 Atlanta, Georgia 30309	3,466,570 <sup>(4)</sup>	7.9%
Wasatch Advisors, Inc. 505 Wakara Way Salt Lake City, Utah 84108	2,858,838 <sup>(5)</sup>	6.5%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, Pennsylvania 19355	2,651,328 <sup>(6)</sup>	6.1%
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, Texas 78746	2,376,602 <sup>(7)</sup>	5.4%

## Edgar Filing: AT&T INC. - Form 4

- (1) Based on a Schedule 13G dated March 7, 2014, FMR LLC is parent holding company in accordance with SEC Rule 13d-1(b)(1)(ii)(G) and, as of February 28, 2014, holds sole voting power as to 690 shares and sole dispositive power as to all 4,339,690 shares.
- (2) Based on a Schedule 13G dated February 5, 2014, Franklin Resources, Inc. ( FRI ) is an investment adviser in accordance with SEC Rule 13d-1(b)(1)(ii)(E) and a parent holding company in accordance with SEC Rule 13d-1(b)(1)(ii)(G). The securities reported are beneficially owned by one or more open- or closed-end investment companies or other managed accounts that are investment management clients of investment managers that are direct and indirect subsidiaries (each, an Investment Management Subsidiary ) of FRI, including the Investment Management Subsidiaries listed below. When an investment management contract (including a sub-advisory agreement) delegates to an Investment Management Subsidiary investment discretion or voting power over the securities held in the investment advisory accounts that are subject to that agreement, FRI treats the Investment Management Subsidiary as having sole investment discretion or voting authority, as the case may be, unless the agreement specifies otherwise. Accordingly each Investment Management Subsidiary reports on Schedule 13G that it has sole investment discretion and voting authority over the securities covered by any such investment agreement. The following Investment Management Subsidiaries have sole voting and dispositive power with respect to the following shares: Franklin Templeton Investment Management Limited 50,140; Templeton Global Advisors Limited 1,736,740; Templeton Investment Counsel, LLC 58,810; Franklin Templeton Investments Corp. 2,449,960.
- (3) Based on a Schedule 13G dated January 17, 2014, BlackRock, Inc. is a parent holding company in accordance with SEC Rule 13d-1(b)(1)(ii)(G) and holds sole voting and dispositive power as to all shares owned.

**Table of Contents**

- (4) Based on a Schedule 13G dated February 6, 2014, EARNEST Partners, LLC is an investment adviser in accordance with SEC Rule 13d-1(b)(1)(ii)(E) and holds sole voting power as to 1,505,031 shares, shared voting power as to 469,057 shares and sole dispositive power as to all 3,466,570 shares.
- (5) Based on a Schedule 13G dated February 13, 2014, Wasatch Advisors, Inc. is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940 and holds sole voting and dispositive power as to all shares owned.
- (6) Based on a Schedule 13G dated February 6, 2014, The Vanguard Group, Inc. is an investment adviser in accordance with SEC Rule 13d-1(b)(1)(ii)(E) and holds sole voting power as to 70,782 shares, sole dispositive power as to 2,584,846 shares and shared dispositive power as to 66,482 shares.
- (7) Based on a Schedule 13G dated February 10, 2014, Dimensional Fund Advisors LP is an investment adviser in accordance with SEC Rule 13d-1(b)(1)(ii)(E) and holds sole voting power as to 2,341,781 shares and sole dispositive power as to all 2,376,602 shares.

**Security Ownership of Management**

The following table sets forth information concerning the shareholdings of the members of the Board, the Named Executive Officers as defined on page 30 of this proxy statement, and all executive officers and directors as a group, as of February 28, 2014:

Name of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership <sup>(1)</sup> (# of shares)	Percent of Class
Terry E. Swift	Chairman of the Board and Chief Executive Officer	688,588	1.6%
Deanna L. Cannon	Director	28,090	(2)
Douglas J. Lanier	Director	38,980	(2)
Greg Matiuk	Director	26,980	(2)
Clyde W. Smith, Jr.	Director	47,301 <sup>(3)</sup>	(2)
Charles J. Swindells	Director	29,590	(2)
Bruce H. Vincent	Director and President	484,247	1.1%
Alton D. Heckaman, Jr.	Executive Vice President and Chief Financial Officer	309,352	(2)
Robert J. Banks	Executive Vice President and Chief Operating Officer	206,263	(2)
Steven L. Tomberlin	Senior Vice President		
	Resource Development and Engineering	204,030	(2)
All executive officers and directors as a group (12 persons)		2,222,920	5.0%

(1) Unless otherwise indicated below, the persons named have sole voting and investment power, or joint voting and investment power with their respective spouses, over the number of shares of the common stock of the Company shown as being beneficially owned by them, less the shares set forth in this footnote. None of the shares beneficially owned by our executive officers and directors are pledged as security, with the exception of 20,000 shares owned by Mr. Smith placed in a margin account, and, in addition to other personal assets, 6,000 shares owned by Ambassador Swindells used as collateral for a line of credit. The amounts include shares acquirable within 60 days of February 28, 2014, by vesting of restricted stock awards or exercise of options granted under the Company's stock plans. No individual in the table was entitled to receive shares from restricted stock awards within 60 days of February 28, 2014, and the following were entitled to shares through the exercise of stock options during the same period: Mr. Swift 331,748; Ms. Cannon 6,000; Mr. Lanier 0; Mr. Matiuk 0; Mr. Smith 5,000; Ambassador Swindells 0; Mr. Heckaman 147,621; Mr. Vincent 257,100; Mr. Banks 141,700; Mr. Tomberlin 37,033; and all executive officers and directors as a group 1,012,968.

(2) Less than one percent.

(3) Mr. Smith disclaims beneficial ownership as to 1,000 shares held in a Roth IRA for the benefit of Mr. Smith's son.

---

**Table of Contents**

**EXECUTIVE OFFICERS**

The Board appoints the executive officers of the Company annually. Information regarding Terry E. Swift, Chief Executive Officer, and Bruce H. Vincent, President, is set forth previously in this proxy statement under Continuing Members of the Board of Directors. Set forth below is certain information, as of the date of this proxy statement, concerning the other executive officers of the Company.

*Robert J. Banks*, 59, was appointed Executive Vice President and Chief Operating Officer in February 2008. From 2006 to 2008, he served as Vice President International Operations and Strategic Ventures. Mr. Banks has also served as Vice President International Operations of the Company's subsidiary, Swift Energy International, since he joined the Company in 2004. Mr. Banks has 37 years of experience in both U.S. and international exploration and production activities. His responsibilities have included exploration, development, exploitation and acquisition projects. Prior to joining Swift Energy, Mr. Banks held executive-level positions at Vanco Energy Company, Mosbacher Energy Company, and Kuwait Foreign Petroleum Company, and senior-level positions at Santa Fe International Corporation. His direct project responsibilities have included exploration and production operations in 13 different countries in North America, Africa, Asia, Europe and the Pacific Rim. Mr. Banks holds the degree of Bachelor of Science.

*Alton D. Heckaman, Jr.*, 57, was appointed Executive Vice President of Swift Energy in November 2004 and Chief Financial Officer in August 2000. He previously served as Senior Vice President Finance from August 2000 until November 2004 and served in other progressive positions of responsibility since joining the Company in 1982. He is a Certified Public Accountant and holds the degrees of Bachelor of Business Administration in Accounting and Master of Business Administration.

*James P. Mitchell*, 60, was appointed Senior Vice President Commercial Transactions and Land in February 2003. He previously served as Vice President Land and Property Transactions from December 2001 to February 2003 and Vice President Land from 1996 to 2001. He served in other progressive positions of responsibility since joining the Company in 1987. Mr. Mitchell holds the degree of Bachelor of Arts in History and Business Law.

*Steven L. Tomberlin*, 56, was appointed Senior Vice President Resource Development and Engineering in February 2012. Mr. Tomberlin previously served as Vice President Resource Development and Engineering from December 2009 to February 2012, and as Director of Reservoir Management and Technology from 2008 (when he joined the Company) to 2009. Prior to joining the Company, Mr. Tomberlin held key positions with BP Production America as Director Decommissioning from February 2008 to October 2008 and as Manager Operations Technical Group from January 2005 to January 2008. He has over thirty years of experience in the oil and gas industry in the areas of exploration and development of properties in the Mid-Continent, Gulf Coast onshore and Gulf of Mexico regions. Mr. Tomberlin holds the degree of Bachelor of Science in Chemical Engineering.

*Barry S. Turcotte*, 43, was appointed Vice President and Controller in December 2009 and serves as the Company's principal accounting officer under SEC guidelines. He previously served as Assistant Controller from April 2005 until December 2009 and served in other progressive positions of responsibility after joining the Company in 2001. He has over 21 years of experience in the accounting profession, both in public accounting firm practice and in the energy industry. Mr. Turcotte is a Certified Public Accountant and holds the degrees of Bachelor of Business Administration in Accounting and Master of Business Administration.

---

**Table of Contents**

**PROPOSAL 2 TO INCREASE THE NUMBER OF SHARES OF COMMON STOCK THAT MAY BE ISSUED UNDER THE SECOND AMENDED AND RESTATED**

**2005 SWIFT ENERGY COMPANY STOCK COMPENSATION PLAN**

**Executive Summary**

The shareholders are being asked to approve an amendment to the Second Amended and Restated Swift Energy Company 2005 Stock Compensation Plan (the "2005 Plan") that would increase the number of shares of the Company's common stock available for award by 475,000 shares.

The 2005 Plan is designed to offer equity-based incentive awards and cash incentives to our employees, thereby providing a proprietary interest in pursuing the long-term growth, profitability and financial success of the Company. The 2005 Plan is broad-based and designed, as a general matter, to grant equity awards on an annual basis to a majority of the Company's employees, although future grant awards and grant recipients have not been determined. Therefore, the number, amount and type of awards to be received by or allocated to eligible persons in the future under the 2005 Plan cannot be determined at this time. As the administrator of the 2005 Plan, we deem the following points relevant in considering this proposal:

77% of Swift Energy's current employees have received awards from the 2005 Plan;

The annual burn rate for fiscal year 2013 was 2.01% using the weighted average number of common shares outstanding of 43.33 million, and the average burn rate for the last three years was 2.0% using the weighted average shares outstanding for each of 2011, 2012, and 2013;

Using the fungible share ratio of the 2005 Plan, whereby the pool of shares is reduced by one share for every stock option granted and reduced by 1.44 shares for every full value Award granted, the one year burn rate for 2013 was 2.89%, and the three year burn rate for 2011 to 2013 was 2.64%;

We do not allow repricing of any awards, including stock options; and

We do not have an evergreen provision, which allows for automatic replenishment of available shares to the 2005 Plan, without shareholder approval.

Copies of the 2005 Plan as filed with the SEC may be obtained through the SEC's website at [www.sec.gov](http://www.sec.gov). The 2005 Plan appears as Exhibit 10.1 to the Company's Form 8-K filed May 24, 2013. A copy may also be obtained without charge by writing to the Company at 16825 Northchase Drive, Suite 400, Houston, Texas 77060, Attention: Secretary, or calling (281) 874-2700 or (800) 777-2412.

**Summary of the 2005 Plan**

The 2005 Plan authorizes the Company to grant various awards ("Awards") to all directors, officers and employees of the Company or its subsidiaries, including incentive stock options ("ISOs"), nonqualified stock options ("NSOs"), stock appreciation rights ("SARs"), restricted stock grants ("Restricted Stock Grants"), restricted unit grants ("Restricted Unit Grants") and performance bonus awards ("Performance Bonus Awards"). Terms used but not defined in this summary have the same meanings as defined in the 2005 Plan.

***Shares Subject to 2005 Plan***

When the 2005 Plan was first approved by shareholders at the Company's 2005 annual meeting, 900,000 shares of Swift Energy common stock were reserved for Awards to those eligible. At succeeding annual meetings, the Company's shareholders approved increases in the shares available under the 2005 Plan by an aggregate of 8,175,000 shares. Therefore, the maximum number of shares of common stock in respect of

## Edgar Filing: AT&T INC. - Form 4

which Awards could be granted under the 2005 Plan (the Plan Maximum ) is currently 9,075,000 shares in a fungible pool of shares.

## **Table of Contents**

The pool of shares is reduced by one share for every stock option that is granted and is reduced by 1.44 shares for every full-value Award that is granted. Full-value Awards consist of Restricted Stock Grants, Restricted Unit Grants and SARs. Thus, when considering all available shares approved at past annual meetings, if only stock options are granted, options covering up to 9,075,000 shares may be granted; if only full-value Awards are granted, Awards covering only 6,302,083 shares may be granted. If both stock options and full-value Awards are granted under the 2005 Plan, the number of shares which can be covered by Awards will fall somewhere between these two numbers, depending upon the ultimate mix of stock options and full-value Awards that are granted under the 2005 Plan. ISOs cannot be granted under the 2005 Plan covering more than 875,000 shares ( ISO Limit ). The reserved share numbers (and the share numbers constituting the Plan Maximum, ISO Limit, and Named Executive Officer limits) are subject to appropriate adjustment in the event of a reorganization, stock split, stock dividend, merger, consolidation, or other change in capitalization of the Company affecting its common stock.

As of February 28, 2014, the 2005 Plan had: (1) 1,177,169 shares of common stock available to cover awards granted (1,177,169 shares if only stock option Awards are granted, and 817,478 shares available if only full-value Awards are granted), which represents approximately 2.69% of the Company's issued and outstanding shares as of such date, (2) 1,385,365 stock option awards outstanding with a weighted average exercise price of \$33.95 and a weighted average remaining term of 5.51 years, and (3) 2,051,736 full-value awards (restricted stock awards and Performance RSU awards) outstanding.

If the proposal to make 475,000 additional shares available under the 2005 Plan is approved by shareholders, options covering up to 475,000 shares may be granted out of these additional reserved shares if only stock option are granted; if only full-value Awards are granted, Awards covering only 329,861 shares may be granted out of these additional reserved shares. Taking this into consideration, if the proposed additional shares are approved by our shareholders and made available under the 2005 Plan, the aggregate number of shares that could be awarded (inclusive of the available pool of shares at February 28, 2014) would fall somewhere between 1,652,169 shares and 1,147,339 shares if a combination of both stock options and full-value Awards are granted.

### ***Administration***

The Compensation Committee of the Board has sole authority to construe and interpret the 2005 Plan, to select participants ( Participants ), to grant Awards and to establish the terms and conditions of Awards. The Compensation Committee is allowed to give the Company's Chief Executive Officer specifically limited written authority to grant Awards to new employees.

The Compensation Committee may also modify or amend any Award, including, but not limited to, the acceleration of vesting and/or exercisability, provided, however, that any such modification or amendment (a) is subject to the plan amendment provisions set forth in the 2005 Plan, and (b) may not impair any outstanding Award unless agreed to in writing by the Participant, except that such agreement shall not be required if the administrator determines in its sole discretion that such modification or amendment either (y) is required or advisable in order for the Company, the 2005 Plan or the Award to satisfy any applicable law or to meet the requirements of any accounting standard, or (z) is not reasonably likely to significantly diminish the benefits provided under such Award, or that adequate compensation has been provided for any such diminishment, except following a Change of Control.

### ***Eligibility***

Any employee of the Company or its subsidiaries, any consultant, and any non-employee director of the Company, is eligible to receive various Awards under the 2005 Plan.

---

## **Table of Contents**

### ***Term***

The 2005 Plan will terminate on May 20, 2023, unless sooner terminated by the Board, except with respect to Awards then outstanding.

### ***Amendment***

The Board may amend the 2005 Plan at any time, except that (1) the Board must obtain shareholder approval to make any amendment that would increase the total number of shares reserved for issuance (except for adjustments necessary to reflect changes in capitalization), materially modify eligibility requirements, materially increase the benefits accruing to Participants resulting in the repricing of Awards already issued, materially extend the term of the plan, or increase the maximum number of shares covered by Awards to Named Executive Officers, and (2) certain amendments are altogether prohibited (e.g., any amendment that would impair a Participant's vested rights).

### ***Incentive Stock Options***

Options designated as ISOs within the meaning of Section 422 of the Code, together with the regulations promulgated thereunder, may be granted under the 2005 Plan up to the ISO Limit. To the extent that any portion of an ISO that first becomes exercisable by any Participant during any calendar year exceeds the \$100,000 aggregate fair market value limitation of Section 422(d) of the Code, or such other limit as may be imposed by the Code, such excess portion shall be treated as a validly granted NSO. ISOs shall be exercisable for such periods as the Compensation Committee shall determine, but in no event for a period exceeding ten years or, for Participants who own more than ten percent (10%) of the total combined voting power of all classes of stock of the Company (10% Shareholders), for a period exceeding five years.

### ***Non-Qualified Stock Options***

NSOs may be granted for a stated number of shares of common stock and will be exercisable for such period or periods as the Compensation Committee shall determine. Holders of NSOs may elect to have the Company withhold from shares to be delivered upon exercise of an NSO share whose fair market value satisfies withholding taxes attributable to the exercise of the NSOs.

### ***Exercisability***

ISOs and NSOs shall be exercisable at such time and in such installments during the period prior to the expiration of the Option's term as determined by the Compensation Committee in its sole discretion, and shall be subject to such other terms and conditions as the Compensation Committee shall determine at the date of grant, provided that if not otherwise determined by the Compensation Committee, ISOs and NSOs may be exercised as to twenty percent (20%) of the shares covered thereby beginning on the first anniversary date of the date of grant (Anniversary Date), and thereafter an additional twenty percent (20%) of the shares subject to such stock options may be exercisable beginning on the Anniversary Date in each of the following four years, except as otherwise provided in the 2005 Plan. The Compensation Committee shall have the right to make the timing of the ability to exercise any Stock Option granted under the 2005 Plan subject to continued active employment, the passage of time and/or such performance requirements as deemed appropriate by the Compensation Committee in its sole discretion. At any time after the grant of a Stock Option, the Compensation Committee may reduce or eliminate any restrictions surrounding any Participant's right to exercise all or part of the Stock Option, subject to any restrictions set forth in the 2005 Plan.

### ***Option Exercise Prices***

Stock options may only be issued at an exercise price that is at least 100% of the Fair Market Value of the common stock on the date of grant, and ISOs granted to 10% Shareholders must have an exercise price of at least 110% of the Fair Market Value of the common stock on the date of grant. The 2005 Plan provides that the option



---

## **Table of Contents**

exercise price may be paid in cash, by check, by cash equivalent, by a broker-assisted exercise, with shares of common stock (but only where acceptable to the Compensation Committee and only with shares owned for six months), or a combination of the above.

### ***Termination of Awards***

Unless otherwise provided in an Award or the 2005 Plan, Awards will terminate (i) three months following the holder's termination of employment by the Company, except for death, disability, retirement, or upon a Change of Control, (ii) on the first-year anniversary of a Participant's death or disability, or (iii) on the 10-year anniversary of the date of grant of the original option or the original option's term, if less. No change shall be made under the foregoing provision, however, that would cause an Award intended to qualify as a performance-based Award under Code Section 162(m) to fail to so qualify.

### ***Share Issuance***

The Company shall issue (or cause to be issued) the shares of Common Stock as soon as administratively practicable after a Stock Option is exercised. A Stock Option may not be exercised for a fraction of a share. Until the shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the shares subject to a Stock Option, notwithstanding the exercise of the Stock Option.

### ***Transferability***

The Compensation Committee may allow transfer of Awards to family members, trusts and partnerships for their benefit or owned by them, or to charitable trusts. Awards held by transferees are subject to the same restrictions and forfeiture upon termination of employment applicable to the original holder of the Award. ISOs are not transferable except by will or the laws of descent and distribution.

### ***Change of Control***

In the event of a change of control of the Company as described in the 2005 Plan, all stock options and SARs outstanding for more than a year shall become fully vested and fully exercisable (unless otherwise excepted), and all restrictions and conditions of Restricted Stock Grants and Restricted Unit Grants outstanding shall be deemed to be satisfied, unless the Board expressly provides otherwise. A change of control occurs when:

- (i) any person or group, as defined in Section 13(d)(3) of the Exchange Act, becomes the beneficial owner of shares of the Company with respect to which 40% or more of the total number of votes for the election of the Board may be cast;
- (ii) as a result of, or in connection with, any cash tender offer, exchange offer, merger or other business combination, sale of assets, or contested election, or combination of the above, persons who were directors of the Company immediately prior to such event cease to constitute a majority of the Board; or
- (iii) the Company either ceases to be an independent publicly owned corporation or sells or otherwise disposes of all or substantially all the assets of the Company.

In connection with a change of control, the Compensation Committee may also cash out Awards at the higher of the highest price for shares of the Company's common stock in reported NYSE trading or the highest price paid in any bona fide transaction related to a change of control. The 2005 Plan also contains provisions that create a mechanism for a conditional exercise in certain change of control transactions pending a cancellation of vested unexercised options.

---

## **Table of Contents**

### ***Stock Appreciation Rights***

Under the 2005 Plan, the Compensation Committee may grant an Award of SARs that entitles a Participant to receive the excess (if any) of the Fair Market Value of a share of common stock on the date of exercise of the SAR over the Fair Market Value of a share of common stock on the date of grant of the SAR ( Spread ). The Spread may be paid in shares having a Fair Market Value on the date of payment equal to the Spread or in cash, as determined by the Compensation Committee. The Compensation Committee may establish procedures for exercise and restrictions regarding the dates on which SARs may be exercised, and subject to the other provisions of the 2005 Plan, a SAR shall not be exercisable before the first anniversary date of the date of grant.

### ***Stock Grants, Restricted Stock Grants, and Restricted Unit Grants***

The Compensation Committee may in its discretion grant shares of common stock to a Participant with or without restrictions, vesting requirements or other conditions.

A Restricted Stock Grant is an award of shares of the Company's common stock that does not vest until certain conditions established by the Compensation Committee have been satisfied. A Restricted Unit Grant is an Award of units subject to similar vesting conditions, each unit having a value equal either to a share of common stock or the amount by which a share of common stock appreciates in value between the date of grant and the date at which any restrictions lapse. Restricted Stock Grants and Restricted Unit Grants are collectively referred to herein as

Restricted Awards. No condition that is based upon performance criteria and level of achievement versus such criteria shall be based on performance over a period of less than one year, and no condition that is based upon continued employment or the passage of time shall provide for vesting in full of a Restricted Award to Participant who is an employee in less than three years ( Restriction Period ) (but permitting pro rata vesting over such time) from the date the Restricted Award is made, other than (i) with respect to such Restricted Awards that are issued upon the exercise or settlement of Stock Options or Stock Appreciation Rights, (ii) upon a Change of Control as specified in the 2005 Plan, or (iii) upon the death, disability or retirement of the Participant, in each case as specified in the Award agreement. Notwithstanding the foregoing, the restrictions in the preceding sentence shall not be applicable to (y) grants to new hires to replace forfeited awards from a prior employer, or (z) grants of Restricted Awards in payment of other earned cash-based incentive compensation. The grant, issuance, retention and/or vesting of Restricted Awards based on performance issued to employees may be subject to such performance criteria and level of achievement versus these criteria as the Compensation Committee shall determine, which criteria may be based on financial performance, personal performance evaluations and/or completion of service by the Participant.

### ***Restricted Awards for Non-Employee Directors***

Under the 2005 Plan, non-employee directors can only receive Restricted Awards described in this paragraph. Under the 2005 Plan, on the date following each annual meeting of shareholders, each non-employee director will receive a Restricted Award consisting of that number of shares of Company common stock determined by dividing a fixed dollar amount (currently \$140,000) by the closing price of a share of common stock on the date of the Award (rounded up to the nearest multiple of 10 shares of Common Stock), provided that such dollar amount may not be increased more than 10% per year, and may not be increased more frequently than annually. If a non-employee director first becomes a non-employee director other than by being elected by shareholders at an annual meeting (which shall be the date of grant), that director shall automatically receive that portion of an Annual Director Award equal to the portion of a full twelve month period between the date of his or her election as a director and the next annual meeting of shareholders.

### ***Performance Bonus Awards***

Performance Bonus Awards granted under this Plan may be in the form of cash or shares of Common Stock, or a combination thereof. Performance Bonus Awards shall be subject to such terms and conditions as the Compensation Committee shall determine in its sole discretion. If a Performance Bonus Award is a combination

**Table of Contents**

of cash and shares of Common Stock, the portion of the Performance Bonus Award comprised of cash and the portion comprised of shares of Common Stock will be determined by the Compensation Committee based upon the Compensation Committee's judgment as to the best interests of the Company as a whole, taking into account both long-term and short-term strategic goals, provided that in determining the number of shares to be issued in consideration of a specific dollar value, the number of shares shall be determined based upon the Fair Market Value of such shares on the date of grant or vesting, as applicable. The grant, issuance, retention and/or vesting of Performance Bonus Awards issued to employees may be subject to such performance criteria and level of achievement versus these criteria as the Compensation Committee shall determine, which criteria may be based on financial performance, personal performance evaluations and/or completion of service by the Participant.

***Performance Criteria for Performance-Based Awards***

Notwithstanding anything to the contrary herein, the performance criteria for any performance based Award that is intended to satisfy the requirements for performance-based compensation under Section 162(m) of the Code shall be established by the Compensation Committee based on one or more Qualifying Performance Criteria selected by the Compensation Committee and specified in writing not later than ninety (90) days after the commencement of the period of service (or, if earlier, the lapse of 25% of such period) to which the performance goals relate or otherwise within the time period required by the Code or the applicable Treasury Regulations, provided that the outcome is substantially uncertain at that time. The Compensation Committee may, in its sole discretion, waive the vesting restrictions and any other conditions set forth in any such Award agreement under such terms and conditions as the Compensation Committee shall deem appropriate, subject to the limitations imposed under Code Section 162(m) and the regulations thereunder in the case of an Award intended to comply with the performance-based exception under Code Section 162(m), unless determined otherwise under the circumstances by the Compensation Committee. The foregoing minimum vesting restrictions shall not apply to Restricted Awards granted to directors or Company consultants. During the Restriction Period, a Participant may not vote and is not eligible to receive dividends on the shares of common stock awarded, and a Participant may not sell, assign, transfer, pledge, encumber, or otherwise dispose of shares of Common Stock to be received under a Restricted Award, including but not limited to any attempted assignment or transfer in connection with the settlement of marital property or other rights incident to a divorce or dissolution, and any such attempted assignment or transfer shall be of no effect during the Restriction Period.

**Federal Income Tax Considerations**

Under current U.S. federal tax law, the following are the U.S. federal income tax consequences generally arising with respect to Awards made under the 2005 Plan.

***Exercise of Incentive Stock Option and Subsequent Sale of Shares***

A Participant who is granted an ISO does not realize taxable income at the time of the grant or at the time of exercise. If the Participant makes no disposition of shares acquired pursuant to the exercise of an ISO before the later of two years from the date of grant or one year from such date of exercise (statutory holding period), any gain (or loss) realized on such disposition will be recognized as a long-term capital gain (or loss). Under such circumstances, the Company will not be entitled to any deduction for federal income tax purposes.

However, if the Participant disposes of the shares during the statutory holding period, that will be considered a disqualifying disposition. Provided the amount realized in the disqualifying disposition exceeds the exercise price, the ordinary income a Participant shall recognize in the year of a disqualifying disposition will be the lesser of (i) the excess of the amount realized over the exercise price, or (ii) the excess of the fair market value of the shares at the time of the exercise over the exercise price; and the Company generally will be entitled to a deduction for the amount of ordinary income recognized by such Participant. The ordinary income recognized by the Participant is not considered wages and the Company is not required to withhold, or pay

---

**Table of Contents**

employment taxes, on such ordinary income. Finally, in addition to the ordinary income described above, the Participant shall recognize capital gain on the disqualifying disposition in the amount, if any, by which the amount realized in the disqualifying disposition exceeds the fair market value of the shares at the time of the exercise, which shall be long-term or short-term capital gain depending on the Participant's post-exercise holding period for such shares.

To the extent a Participant pays all or part of the exercise price of an ISO by tendering previously acquired common stock owned by such Participant, the tax consequences described above generally will apply to such exchange. However, if a Participant exercises an ISO by tendering shares previously acquired on the exercise of an ISO, a disqualifying disposition will occur if the applicable holding period requirements described above have not been satisfied with respect to the surrendered stock. The consequence of such a disqualifying disposition is that the Participant may recognize ordinary income at that time.

Notwithstanding the favorable tax treatment of ISOs for regular tax purposes, as described above, for alternative minimum tax purposes, an ISO is generally treated in the same manner as an NSO. Accordingly, a Participant must generally include as alternative minimum taxable income for the year in which an ISO is exercised the excess of the fair market value of the shares acquired on the date of exercise over the exercise price of such shares. However, to the extent a Participant disposes of such shares in the same calendar year as the exercise, only an amount equal to the Participant's ordinary income for regular tax purposes with respect to such disqualifying disposition will be recognized for the Participant's calculation of alternative minimum taxable income in such calendar year.

***Exercise of Nonqualified Stock Option and Subsequent Sale of Shares***

A Participant who is granted an NSO does not realize taxable income at the time of the grant, but does recognize ordinary income at the time of exercise in an amount equal to the excess of the fair market value of the shares acquired on the date of exercise over the exercise price of such shares; and the Company generally will be entitled to a deduction for the amount of ordinary income recognized by such Participant. The ordinary income recognized by the Participant is considered supplemental wages and the Company is required to withhold, and the Company and the Participant are required to pay, applicable employment taxes on such ordinary income.

Upon the subsequent disposition of shares acquired through the exercise of an NSO, any gain (or loss) realized on such disposition will be recognized as a long-term or short-term capital gain (or loss) depending on the Participant's post-exercise holding period for such shares. The tax basis in the shares acquired at exercise of the NSO used to determine the amount of any capital gain or loss on a future taxable disposition of such shares is the fair market value of the shares on the date of exercise.

To the extent a Participant pays all or part of the exercise price of an NSO by tendering shares of common stock previously owned by the Participant, the tax consequences described above generally would apply. However, the number of shares received upon exercise of such option equal to the number of shares surrendered in payment of the exercise price will have the same basis and tax holding period as the shares surrendered. The additional shares received upon such exercise will have a tax basis equal to the amount of ordinary income recognized on such exercise and a holding period that commences on the date of the exercise.

***Lapse of Restrictions on Restricted Stock and Subsequent Sale of Shares***

When the restrictions on a Restricted Award lapse, the Participant will recognize ordinary income in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for such shares; and the Company generally will be entitled to a deduction for the amount of ordinary income recognized by such Participant. The ordinary income recognized by the Participant is considered supplemental wages, and the Company is required to withhold, and the Company and the Participant are required to pay,

---

**Table of Contents**

applicable employment taxes on such ordinary income. Upon the subsequent disposition of the formerly restricted shares, any gain (or loss) realized on such disposition will be recognized as a long-term or short-term capital gain (or loss) depending on the Participant's holding period for such shares after their restrictions lapse.

Under Section 83(b) of the Code, a Participant who receives a Restricted Award may elect to recognize ordinary income for the taxable year in which the restricted stock was received equal to the excess of the fair market value of the restricted stock on the date of the grant, determined without regard to the restrictions, over the amount (if any) paid for the restricted stock. Any gain (or loss) recognized upon a subsequent disposition of the shares will be capital gain (or loss) and will be long-term or short-term depending on the post-grant holding period of such shares. The amount recognized as taxable income is added to any amount paid for the shares to determine their tax basis. If, after making the election, a Participant forfeits any shares of restricted stock, such Participant is only entitled to a tax deduction with respect to the consideration (if any) paid for the restricted stock, not the amount elected to be included as income at the time of grant.

***Stock Appreciation Rights and Performance Awards***

A Participant who is granted an SAR does not realize taxable income at the time of the grant, but does recognize ordinary income at the time of exercise of the SAR in an amount equal to the excess of the fair market value of the shares (on the date of exercise) with respect to which the SAR is exercised, over the grant price of such shares; and the Company generally will be entitled to a deduction for the amount of ordinary income recognized by such Participant.

A Named Executive Officer who has been awarded a Performance Bonus Award does not realize taxable income at the time of the grant, but does recognize ordinary income at the time the Award is paid equal to the amount of cash (if any) paid and the fair market value of shares (if any) delivered; and the Company generally will be entitled to a deduction for the amount of ordinary income recognized by such Participant.

The ordinary income recognized by a Participant in connection with an SAR or Performance Bonus Award is considered supplemental wages and the Company is required to withhold, and the Company and the Participant are required to pay, applicable employment taxes on such ordinary income.

To the extent, if any, that shares are delivered to a Participant in satisfaction of either the exercise of an SAR, or the payment of a Performance Bonus Award, upon the subsequent disposition of such shares any gain (or loss) realized will be recognized as a long-term, or short-term, capital gain (or loss) depending on the participant's post-delivery holding period for such shares.

***Code Section 162(m)***

Section 162(m) of the Code generally disallows a tax deduction to publicly held companies for compensation in excess of \$1 million paid to the Company's Chief Executive Officer or any of the three other most highly compensated officers who are employed as of the end of the year. This limitation does not apply to compensation that meets the requirements under Section 162(m) for qualifying performance-based compensation (i.e., compensation paid only if a Participant's performance meets pre-established objective measures based on performance criteria approved by shareholders). These requirements include that the compensation be paid upon attainment of performance measures that are determined by a board's compensation committee comprised solely of two or more outside directors, disclosure and shareholder approval of the performance goals every five years, and compensation committee certification that the measures have been met. Stock options and SARs generally qualify as performance-based compensation. Other awards, grants or bonuses will be performance-based compensation if they are so designated and if their grant, vesting or settlement is subject to the performance criteria described above meeting specified performance criteria and

**Table of Contents**

complying with Section 162(m) of the Code, including related regulations. Restricted stock awards that vest solely upon the passage of time do not qualify as performance-based compensation.

No Participant shall be eligible to receive Awards granted under the 2005 Plan during any calendar year with respect to, or measured by, more than 200,000 shares of Common Stock, or if any such Awards are settled in cash, the maximum amount of cash payable to any one Participant during a single calendar year with respect to such Awards shall not exceed the equivalent of 200,000 shares of Common Stock. The 2005 Plan limitations shall be construed so as to comply with Section 162(m) of the Code whenever applicable. The limitations set forth shall be subject to adjustment under the Plan only to the extent that such adjustment will not affect the status of any Award intended to qualify as performance-based compensation under Section 162(m) of the Code unless the Compensation Committee determines otherwise. This enables the Company to maximize income tax deduction available to the Company for individual compensation.

**Material Performance Measures Qualifying Performance Criteria**

For purposes of the 2005 Plan, the term Qualifying Performance Criteria shall mean any one or more of the following performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit, subsidiary or business segment, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to results over a previous period or to a designated comparison group, in each case as specified by the Compensation Committee in the Award: (i) finding costs of oil and gas reserves; (ii) volumes of oil and gas reserves or adjusted reserves or changes therein; (iii) percentage of reserves replaced; (iv) production or adjusted production or production exit rate; (v) lease operating cost ( LOE ) measures, or adjusted LOE measures; (vi) general and administrative ( G&A ) or adjusted G&A measures; (vii) net asset value ( NAV ) or NAV per share; (viii) return on equity, return on capital, return on net assets, or assets, return on investments or return on operating revenue; (ix) revenues or oil and gas sales; (x) operating cost measures or reductions; (xi) cash flow or increase in free cash flow or net cash from operations; (xii) earnings (including earnings before or after interest and taxes, earnings before taxes, EBITDA or net earnings); (xiii) basic or diluted earnings per share; or growth in earnings or earnings per share; (xiv) stock price or change in stock price; (xv) return on equity or average shareholders equity; (xvi) total shareholder return; (xvii) return on capital or change in working capital or return on capital employed; (xviii) operating income or net operating income; (xix) growth in shareholder value relative to the average or ranking of a peer group or equity market index; or (xx) health, safety and environmental performance. With respect to any Award that is intended to satisfy the requirements for performance-based compensation under Section 162(m) of the Code, the performance criteria must be Qualifying Performance Criteria, and the Compensation Committee will (within the first quarter of the performance period, but in no event more than ninety (90) days into that period) establish the specific performance targets (including thresholds and whether to exclude certain extraordinary, non-recurring, or similar items) and Award amounts (subject to the right of the Compensation Committee to exercise discretion to reduce payment amounts following the conclusion of the performance period).

**Certification**

Prior to the payment of any compensation under an Award that vests based upon meeting Qualifying Performance Criteria under Section 162(m) of the Code to a covered employee within the meaning of Section 162(m) of the Code, the Compensation Committee shall certify in writing the extent to which any Qualifying Performance Criteria and any other material terms under such Award have been satisfied (other than in cases where such criteria relate solely to the increase in the value of the Common Stock).

**Discretionary Adjustments Pursuant to Section 162(m)**

Notwithstanding satisfaction or completion of any Qualifying Performance Criteria, to the extent specified as of the Grant Date, the number of shares of Common Stock, Stock Options or other benefits granted, issued,

**Table of Contents**

retainable and/or vested under an Award on account of satisfaction of such Qualifying Performance Criteria may be reduced by the Compensation Committee on the basis of such further considerations as the Compensation Committee in its sole discretion shall determine.

**Code Section 409A**

To the extent that any Award under the 2005 Plan is or may be considered to involve a payment of deferred compensation or a deferral subject to Code Section 409A, the Company intends that the terms and administration of such Award shall comply with the provisions of such section, applicable Treasury Regulations, IRS guidance and good faith reasonable interpretations thereof.

The foregoing is only a summary of the effect of U.S. federal income taxation upon employees and the Company with respect to the grant and exercise of stock options, SARs, restricted stock and performance awards under the 2005 Plan. It is not intended as tax advice to employees participating in the 2005 Plan, who should consult their own tax advisors. It does not purport to be a complete description of the tax consequences under all circumstances, nor does it describe the tax laws of any municipality, state or foreign country in which the employee's income or gain may be taxable.

**Equity Compensation Plan Information**

The following table provides information as of December 31, 2013, regarding shares outstanding and available for issuance under the Company's existing stock compensation and employee stock purchase plans:

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))
Equity compensation plans approved by security holders	1,488,314	\$ 33.38	2,789,328 <sup>(1)</sup>
Equity compensation plans not approved by security holders		\$	
<b>Total</b>	<b>1,488,314</b>	<b>\$ 33.38</b>	<b>2,789,328</b>

(1) Includes 405,656 shares remaining available for issuance under the Swift Energy Company Employee Stock Purchase Plan and 2,383,672 under the 2005 Plan.

**Board Recommendation**

The affirmative vote of the holders of a majority of the shares entitled to vote on, and that voted for or against or expressly abstained with respect to, Proposal 2, is required to increase the number of shares of common stock that may be issued under the 2005 Plan. Unless otherwise directed by a proxy marked to the contrary, it is the intention of the persons designated on the proxy card to vote the proxies FOR increasing the number of shares of common stock that may be issued under the 2005 Plan. The Board believes that such approval is essential to enable the Company to continue to attract and retain qualified employees and directors. The Board supports management's belief that the approval of the

## Edgar Filing: AT&T INC. - Form 4

proposal to increase the number of shares of the Company's common stock that may be issued for Awards under the 2005 Plan will contribute to the continuation of the Company's history of employee and director longevity, as the Company's stock compensation plans have done in the past.



**Table of Contents**

A majority of the votes cast is required to approve this Proposal 2. Brokers do not have discretion to vote on this proposal without your instruction. If you do not instruct your broker how to vote on this proposal, your broker will deliver a non-vote. Abstentions will have the same effect as votes against the proposal, but broker non-votes will not affect the outcome of the voting on the proposal.

*The Board of Directors unanimously recommends that shareholders vote **FOR** increasing the number of shares of common stock that may be issued under the Second Amended and Restated Swift Energy Company 2005 Stock Compensation Plan.*

---

**Table of Contents**

**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis ( CD&A )**

***Named Executive Officers***

In this proxy statement our Named Executive Officers ( NEOs ) are: Terry Swift, Chief Executive Officer (CEO); Bruce Vincent, President; Alton Heckaman, Executive Vice President and Chief Financial Officer (EVP & CFO); Robert Banks, Executive Vice President and Chief Operating Officer (EVP & COO); and Steven Tomberlin, Senior Vice President Resource Development and Engineering (SVP-RDE).

***Executive Summary***

**New 2013 Program Design Highlights**

Our Compensation Committee adopted and implemented a new executive compensation program design for our NEOs in 2013. The primary objective of the new design was to increase the amount that an executive's compensation is specifically tied to the operational and financial performance of Swift Energy. More extensive details of this new design are provided later in this CD&A; however, the following highlights certain actions taken by our Compensation Committee during 2013 based on this new design:

Our CEO was granted long-term equity incentives of which 70% are Performance Restricted Stock Units ( Performance RSUs ) and 30% are time-based restricted stock awards; the Performance RSUs will only vest if threshold levels of certain operational and financial metrics are met using a 3-year performance measurement period;

All other NEOs were granted similar long-term equity incentives with the ratio of Performance RSUs to time-based restricted stock awards being 50/50; and

A new formulaic annual incentive cash bonus program was established for fiscal year 2013 based upon the levels of achievement of five operational and financial metrics.

We believe the changes made to our annual incentive cash bonus and long-term equity incentive programs for 2013 represent a significant step toward enhancing our executive pay structure and further aligning our NEOs' pay opportunities with the interests of our long-term shareholders.

**Pay-for-Performance Philosophy**

Our executive compensation program is designed to reward our officers, including our NEOs, for creating long-term value for Swift Energy's shareholders. This approach allows us to incentivize our executives for delivering value to shareholders while reducing or eliminating certain compensation if we do not achieve our performance goals. Although we are not a large oil and gas company, we compete for the same talent against all companies in the oil and gas industry, especially in Houston, Texas, and, therefore, a primary objective of our compensation program is to attract, retain and challenge executive talent.

**Table of Contents**

Our Compensation Committee and, when applicable, our executive officers, use pay-for-performance principles in making compensation decisions. For instance, the Compensation Committee exercised negative discretion by reducing each NEO's 2013 annual incentive cash bonus amount to zero due to the Company's overall lower achievement. The following chart tracks our CEO's Total Annual Compensation with changes in our stock price over the last five years, reflecting the intent of Swift Energy's compensation program to align compensation with our shareholders' interests:

Total Annual Compensation includes all cash compensation received from salary and bonuses as well as the vested restricted stock awards and stock options for each year.

Base means base salary paid during each calendar year.

Bonus means the annual cash bonus paid for each calendar year, typically paid in the first quarter of the following year.

Equity Vested means the value of the equity as of December 31 that vested during each year. For all stock options vesting during each year, the value shown is based on the amount, if any, that our stock price on December 31 exceeds the option's exercise price; for options where the exercise price exceeds the stock price on the vesting date, the value shown is \$0 (this number differs from the grant date fair value of stock awards and stock option awards granted in each year which appears in the Summary Compensation Table).

**Table of Contents**

Executive Compensation Elements

Our compensation program is comprised of elements common in our industry and each individual element serves an important purpose toward the total compensation package. The primary elements of our 2013 executive compensation are base salary, annual incentive cash bonus and long-term equity incentives.

<b>Component</b>	<b>Type of Payment/Benefit</b>	<b>Purpose</b>
Base Salary	Fixed cash payment with NEO generally available for annual increase	Attract and retain talent; designed to be competitive with those of comparable companies
Annual Incentive Cash Bonus	Annual cash payments based on performance	Pay for performance tied to success in achieving the following metrics:  1-year Relative Total Shareholder Return ( TSR )  Annual Production Increase  Annual Reserves Increase  HSE-Total Recordable Incident Rate
Long-term Equity Incentives	3-year cliff Performance RSUs and restricted stock awards	Align NEO compensation with that of our long-term shareholders; Performance RSUs vest at levels corresponding to the achievement of the following metrics:  3-year TSR  3-Year Relative Return on Capital Employed ( ROCE )

2013 NEO Compensation

In our executive compensation program implemented in 2013, the Compensation Committee desired to increase the amount of an executive's compensation linked directly to either Swift Energy's stock price or achievement of meaningful operational or financial metrics. With these changes, significant Company performance, led by our NEOs, was necessary in order for our NEOs to receive their target total compensation. NEOs have an opportunity to receive above target compensation should the Company's performance exceed certain benchmarks, as discussed later in this CD&A.

The allocation of the CEO's 2013 target total compensation among the primary compensation components is set forth in the chart below assuming and based upon the following: (1) base salary during 2013, (2) target annual incentive cash bonus for 2013 and (3) long-term equity incentive awards made up of restricted stock and Performance RSUs that were granted at the beginning of 2013 (assuming Performance RSUs vest at target levels) along with the amounts actually received (base salary and annual incentive cash bonus) by the CEO or for which he is eligible (long-term incentive equity awards that vest in 2016).

---

**Table of Contents**

**CEO 2013 Target Total Compensation**

The actual amounts received in 2013 (i.e. base salary and annual cash bonus) are the amounts reflected in the Summary Compensation Table and the reasoning and basis for the approved compensation decisions are described below. The 2013 base salary amounts reflect modest increases of 3% for all NEOs from base salaries in the prior year. The Compensation Committee also utilized negative discretion and approved no annual incentive cash bonuses for 2013 performance to any of our NEOs.

The 2013 long-term equity incentive awards (Performance RSUs and restricted stock awards) were granted in February 2013 by our Compensation Committee and, as reflected in the chart above, make up a significant portion of our CEO's target compensation and the largest component of our CEO's compensation disclosed in the Summary Compensation Table. The rules governing the Summary Compensation Table mandate that the value disclosed for equity awards be the grant date fair value. For the Performance RSUs granted, this amount is calculated based on the expected probable outcome grant date fair value, using a Monte Carlo simulation. The actual amount realized by the recipient of these long-term equity incentive awards could be higher or lower depending on the Company's actual performance. For instance, the grant date fair value disclosed in the Summary Compensation Table for the Performance RSUs awarded to our CEO in 2013 is \$1,290,430 (using a grant date fair value per share of \$15.01 as calculated in footnote 1 of the Grants of Plan-Based Awards Table); however, a hypothetical realizable value of those Performance RSUs solely for 2013 based on Swift Energy's performance versus our peers' performance in 2013 is \$145,125, noting that the performance period for the actual award is three years, two of which have yet to occur.

**2014 Executive Compensation Design**

Our 2014 executive compensation design will be very similar to the program disclosed in this CD&A. Several of the metrics used in determining our NEOs' 2013 annual incentive bonuses are the same under the 2014 program; however, some metrics may be substituted that are reflective of Swift Energy's 2014 goals and objectives.

***Independent Compensation Consultant and Use of Benchmarking and Marketplace Data***

Aon Hewitt, a global professional services firm (Aon Hewitt or our independent compensation consultant), has served as the independent executive compensation consultant reporting directly to our Compensation Committee since the fourth quarter of 2012. Aon Hewitt has provided the Compensation Committee with benchmarking and marketplace data on executive compensation design and position specific data on each element. All of the data provided to the Compensation Committee by Aon Hewitt is for companies in the same industry and of relevant comparison to Swift Energy. The ultimate executive compensation program design and compensation decisions regarding our NEOs lie in the hands of our Compensation Committee; however, the consultation, peer and position-specific current and historic benchmarking data, and the assessment

---

**Table of Contents**

of our annual cash bonus and long-term incentive design provided by Aon Hewitt are important elements in the Compensation Committee's overall executive compensation decisions. The work of Aon Hewitt has raised no conflicts of interest under the Company's Conflict of Interest Policy.

To be successful in recruiting and retaining top talent in the current highly competitive oil and gas industry in Houston, Texas, we believe it is necessary and appropriate to benchmark our executive compensation against that of our relevant peers. During 2013, the market data provided by Aon Hewitt was not used in any formulaic or statistical manner to determine our NEOs' compensation program or actual pay decisions. Rather, this data was used as a critical point of reference for 2013 pay decisions and helped our Compensation Committee identify and evaluate pay trends in our industry and determine whether they are appropriate to implement at Swift Energy. Specifically, for 2013 executive compensation, Aon Hewitt provided consultation and current marketplace data that assisted the Compensation Committee to: (1) establish the design of the executive compensation program, (2) set 2013 incentive targets levels, including minimum and maximum levels where applicable and (3) approve actual 2013 incentive pay levels.

***Timing of Setting and Reviewing Performance Criteria***

In preparation for the February 2013 Compensation Committee and Board meetings, for several months prior, part of the executive management team (the CEO, President, and CFO) led by our CEO prepared a recommended compensation program for 2013 for all officers (other than the CEO) based on current and long-term business objectives, benchmarking and peer data and discussions held with our independent compensation consultant at the request of the Compensation Committee. During these months, the CEO and Compensation Committee Chair had multiple meetings to discuss the recommendation process and the Compensation Committee Chair had regular discussions with Aon Hewitt.

At the February 2013 Compensation Committee meeting, the CEO presented the recommendations as to compensation design for all officers other than himself. The Compensation Committee members, having the ultimate responsibility of reviewing and recommending the compensation program to the Board of Directors, deliberated among themselves as to the recommendation for all officers. The Compensation Committee also reviewed all peer, market and internal data used in preparing its recommendation. After deliberation and discussion, the Compensation Committee set the CEO's compensation and made changes to the proposal for all other officers and then recommended the compensation program for all other officers for 2013 to the Board of Directors for approval.

In preparation for the Compensation Committee's evaluation of 2013 performance and compensation, in late 2013 and early 2014 the Compensation Committee Chairman requested that Aon Hewitt work with our executive management team to develop recommendations for (1) officer annual incentive cash bonus amounts (NEOs were determined by the matrix of operational and financial metrics) and (2) salary adjustments and long-term equity incentive awards based on an internal database of compensation levels, structures and trends, so that our independent compensation consultant would be in a position to advise the Compensation Committee regarding those recommendations.

At the February 2014 Compensation Committee meeting, the Compensation Committee reviewed the recommendations presented by the executive management team, discussed those recommendations with the independent compensation consultant who attended the Compensation Committee meeting, deliberated among themselves and with other Board members, and approved the annual incentive cash bonus and long-term equity incentive award amounts for 2013 performance discussed in this CD&A. The Compensation Committee also approved and granted long-term equity incentive awards based on the recommendations provided.

At no point did our CEO participate in recommendations or decisions regarding his compensation.

**Table of Contents*****Industry Peer Group***

The companies chosen by the Compensation Committee for purposes of 2013 compensation represent companies in the exploration and production sector of the energy industry and/or are companies that compete in the Company's core areas of operation for both business opportunities and talent. The Company's 2013 peer group selected was as follows:

**2013 Peer Group**

Berry Petroleum	Forest Oil	Quicksilver Resources
Bill Barrett Corp.	Kodiak Oil & Gas	Rosetta Resources
Carrizo Oil & Gas	Newfield Exploration	SM Energy
Clayton Williams Energy	Oasis Petroleum	Stone Energy
Comstock Resources	Penn Virginia	Ultra Petroleum
Denbury Resources	Petroleum Development	W&T Offshore
Energy XXI (Bermuda)	Petroquest Energy	

The peer group changes from time to time due to business combinations, asset sales and other types of transactions that cause peer companies to no longer exist or to no longer be comparable. The Compensation Committee approves all revisions to the 2013 peer group. In consultation with Aon Hewitt, the Compensation Committee eliminated Berry Petroleum from our peer group for 2014 due to its acquisition by Linn Energy in late 2013. The Compensation Committee also approved the addition of Magnum Hunter Resources to the peer group for 2014. The Company's 2014 peer group is identical to the 2013 peer group after the addition of Magnum Hunter Resources and the removal of Berry Petroleum.

***2013 Executive Compensation Components***

The primary elements of our executive compensation are base salary, annual incentive cash bonus and long-term equity incentives. Except for certain life insurance benefits, all other retirement, health and welfare benefits received by our NEOs are also generally available to all Swift Energy employees.

For each primary component, Aon Hewitt provided, and our Compensation Committee reviewed, historical and current marketplace data both when setting target compensation levels, including minimum and maximum opportunity levels where applicable, and when approving actual payment levels.

**Base Salary**

Base Salary provides our NEOs with a base level of income and is based on an individual's responsibility, performance assessment, and career experience. We have historically set base salaries for our officers within the third quartile of the competitive market to attract and retain the best talent, and base salary adjustments are made from time to time as a result of our review of market data.

The following schedule shows the percentage increase in base salaries for our NEOs (approved in February 2013 and February 2014) along with the actual base salaries for our NEOs for 2013 and 2014:

Named Executive Officer	2013 Percentage of Salary Increase	2014 Percentage of Salary Increase	2013 and 2014 Salary
-------------------------	---	---	-------------------------

Edgar Filing: AT&T INC. - Form 4

Terry E. Swift, CEO	3%	0%	\$ 685,450
Bruce H. Vincent, President	3%	0%	\$ 536,560
Alton D. Heckaman, EVP & CFO	3%	0%	\$ 462,090
Robert J. Banks, EVP & COO	3%	0%	\$ 461,540
Steven L. Tomberlin, SVP RDE	3%	0%	\$ 342,000



**Table of Contents**

No salary increases were approved during February 2014, primarily due to the Company's overall lower performance in 2013 and general and administrative cost-cutting initiatives. The 5-year average increase of our NEOs' base salaries was: Mr. Swift 2.40%, Mr. Vincent 2.40%, Mr. Heckaman 2.60%, Mr. Banks 5.20%, and Mr. Tomberlin 7.37%.

**Annual Incentive Cash Bonus**

The 2013 annual cash incentive bonus program is based purely on our pay for performance philosophy. For 2013, the annual target cash bonus is stated as a percentage of base salary. The target award levels were set, in part, based on discussions with our independent compensation consultant regarding industry trends and competitive compensation data for similar executive positions of our peers. The following displays for each NEO (1) their target bonus opportunity, (2) the calculation of their potential annual cash bonus (47% of target) based on actual 2013 performance detailed below and (3) the fact that the Compensation Committee utilized negative discretion and did not approve any 2013 bonuses for NEOs:

Named Executive Officer	2013 Target as Percentage of Base Salary	2013 Annual Target Bonus	2013 Annual Cash Bonus Potential Based on 2013 Performance (47% of Target)	Approved 2013 Annual Cash Bonus
Terry E. Swift, CEO	100%	\$ 685,450	\$ 322,161	\$ 0
Bruce H. Vincent, President	90%	\$ 482,904	\$ 226,964	\$ 0
Alton D. Heckaman, EVP & CFO	90%	\$ 415,881	\$ 195,464	\$ 0
Robert J. Banks, EVP & COO	90%	\$ 415,386	\$ 195,231	\$ 0
Steven L. Tomberlin, SVP RDE	60%	\$ 205,200	\$ 96,444	\$ 0

The metrics, metric weightings and the required performance levels upon which the 2013 annual cash bonus amount was based, as well as the 2013 performance results for each of the metrics are listed in the performance matrix below:

Metric	Weighting	Actual 2013 Results	Threshold Performance (50% of Target)	Target Performance (100% of Target)	Challenge Performance (200% of Target)	Outstanding Performance (250% of Target)
1Yr Relative Total Shareholder Return <sup>(1)</sup>	30%	Below Threshold	>30th %ile	>50th %ile	>75th %ile	>90th %ile
Adjusted Annual Production Increase <sup>(2)</sup>	25%	Below Threshold	3%	5%	7%	10%
Adjusted Annual Reserves Increase <sup>(2)</sup>	25%	14%	10% <sup>(3)</sup>	17%	20%	25%
HSE Total Recordable Incident Rate ( TRIR <sup>(5)</sup> )	10%	.97 TRIR	<2.3 TRIR	<1.8 TRIR	<1.5 TRIR	<1.3 TRIR <sup>(4)</sup>
Adjusted LOE per BOE <sup>(2)(6)</sup>	10%	Below Threshold	<\$9.85	<\$9.60	<\$9.45	<\$9.00
	100%					

(1) Total Shareholder Return is the percentage change in common stock price from the beginning of a calendar year to the end of the calendar year. This metric was based upon the 2013 Peer Group previously mentioned to determine achievement.

**Table of Contents**

- (2) For those metrics marked adjusted, the Compensation Committee may make adjustments to reflect certain non-recurring impacts during the period. However, for 2013, no adjustments were necessary.
- (3) Reserves for 2013 increased 14% from prior year end; this performance between the threshold and target levels, pro rata, yielded a 22% credit for the metric.
- (4) Outstanding achievement on this metric yielded 25% credit (10% target weighting multiplied by the 250% performance level).
- (5) TRIR is an OSHA indicator that measures a company's total recordable injury rate.
- (6) Adjusted LOE per BOE measures lease operating costs (other than hydrocarbon taxes) per Boe.

The performance levels for each metric (threshold, target, challenge and outstanding) were approved by the Compensation Committee based on the Company's 2013 operating budget and related 2013 operating work program approved by the Board of Directors. Each metric is intended to incentivize NEOs to achieve near-term operational and financial objectives critical to our overall long-term mission and business goals. The weighting of each metric establishes the importance of a given metric and, coupled with the minimum and maximum cash bonus opportunity range, incentivizes our NEOs to focus on all performance metrics and prevents one metric from yielding a payout inconsistent with the intent of the bonus program. Performance below the threshold level on any metric resulted in no credit awarded for that metric. Performance at or above the threshold level on any metric resulted in computing the pro rata percentage points achieved for such given metric.

The Company performed below the threshold levels on three metrics (1-year TSR, Adjusted Annual Production Increase and Adjusted LOE per BOE) and therefore NEOs did not receive credit toward their 2013 annual cash bonus payout for these metrics. The calculation of Adjusted Annual Reserves Increase (22%) and Health, Safety and Environmental (HSE) Total Recordable Incident Rate (25%) resulted in a potential annual cash bonus payout of up to 47% of target. See footnotes 3 and 4 above. The Compensation Committee exercised negative discretion in determining not to award any cash bonuses for 2013, based on (i) the Company's failure to meet threshold operational performance targets on 1-year TSR, Adjusted Annual Production Increase and Adjusted Lease Operating Costs per BOE and (ii) the Company's ongoing general and administrative cost-cutting initiatives for 2014.

**Long-Term Equity Incentives**

Long-term equity incentive awards are a critical element in our executive compensation design and are the largest component of an executive's potential compensation. Similar to our annual incentive cash bonus program, our long-term equity incentive program was modified in February 2013 to more directly align an executive's compensation with the performance of the Company. For the same reason, the Compensation Committee decided to eliminate the use of stock options in 2013, which were critical components of the compensation design in 2011 and 2012, and maintain the use of restricted stock awards and introduce Performance RSUs for our NEOs. The Compensation Committee chose to maintain the use of restricted stock awards for the 2013 grants, because (i) the majority of Swift Energy's competitors have shifted to restricted stock awards and away from stock option awards, (ii) restricted stock awards are less dilutive than stock options, and (iii) in the Compensation Committee's opinion, restricted stock awards provide a more effective retention incentive than stock options. As such, in consultation with our independent compensation consultant, the 2013 program included February awards to our NEOs of Performance RSUs and time-based restricted stock awards.

**Table of Contents**

To set the target level amount of long-term equity incentives, our Compensation Committee utilized position-specific marketplace data comparing our 2012 long-term incentive target for our NEOs to the market median provided by our independent compensation consultant. This marketplace data identified that the 2012 long-term incentive targets for our NEOs were lower than the median of our peer group and led our Compensation Committee to increase the target for long-term incentives awarded in February 2013 by 20% for each NEO. Although the approved 2013 target levels are still below the median level in most respects, the Compensation Committee decided that the selected target levels were appropriate for 2013 and that moving target levels toward the median should be a gradual process. The following summarizes the 2013 long-term incentive targets as a percentage of the NEO's base salary:

Named Executive Officer	Approved 2013 Long-Term Incentive Target As a Percentage of Base Salary
Terry E. Swift, CEO	300%
Bruce H. Vincent, President	240%
Alton D. Heckaman, EVP & CFO	180%
Robert J. Banks, EVP & COO	180%
Steven L. Tomberlin, SVP RDE	150%

The basis for equally allocating the mix of long-term equity awards for NEOs (other than the CEO) between Performance RSUs and restricted stock awards was to divide the equity incentives among time-vested and performance-based awards to incentivize the officers to achieve short-term and long-term success and to provide a retention incentive for our officers. The CEO's allocation is weighted more heavily to Performance RSUs to reflect the higher level of responsibility this position holds. The following charts summarize the mix of Performance RSUs and restricted stock awards granted during 2013 for our CEO and for the Company's other NEOs:

**CEO Long-Term Incentives****Other NEO Long-Term Incentives**

**Table of Contents**

The new Performance RSUs granted to our NEOs will measure performance over a 3-year performance period (for 2013 awards, January 1, 2013 to December 31, 2015). Each NEO's Performance RSU award payout opportunity ranges from zero to 200% of target depending on level of performance, with performance levels above target intending to reward NEOs for overachievement. Assisted through discussion with, and benchmarking data provided by, our compensation consultant, the Compensation Committee approved the following table of metrics, weightings and performance levels (threshold, target and challenge):

Metric	Weighting	Threshold Performance (50% of Target)	Target Performance (100% of Target)	Challenge Performance (200% of Target)
3Yr Relative Total Shareholder Return <sup>(1)</sup>	75%	>30 <sup>th</sup> Percentile	>50 <sup>th</sup> Percentile	>75 <sup>th</sup> Percentile
3Yr Relative Adjusted Return on Capital Employed <sup>(1)</sup>	25%	>30 <sup>th</sup> Percentile	>50 <sup>th</sup> Percentile	>75 <sup>th</sup> Percentile
	100%			

(1) Metric will use 2013 Peer Group previously mentioned to determine relative performance.

Each metric is intended to link executive pay to achievement of Swift Energy's long-term mission and business goals. The Compensation Committee believes the 75% weighting of the 3-year TSR metric is justified because it considers performance in relation to the 2013 peer group and provides a strong link between the performance of the NEO team and their realized compensation. Because our business is capital intensive, requiring large investments, in most cases over a number of years, before tangible financial returns are achieved, our Compensation Committee selected 3-year relative ROCE as a good indicator of long-term performance. This metric measures the profitability of our capital employed in our business compared with that of our 2013 peer group.

To determine payout levels, at the end of the 3-year performance period, each performance metric will be compared to actual performance to determine the number of shares earned by NEO. Performance below the threshold level on any metric will result in no credit awarded for that metric. Performance at or above the threshold level on any metric will result in computing the pro rata percentage points achieved for such given metric. The Compensation Committee will certify the performance results. The Performance RSU Agreements for the 2013 awards allow negative discretion of the Compensation Committee.

The rules governing the Summary Compensation Table mandate that the value disclosed for equity awards be the grant date fair value. For the Performance RSUs granted, this amount is calculated based on the expected probable outcome grant date fair value, using a Monte Carlo simulation. The actual amount realized by the recipient of these long-term equity incentive awards could be higher or lower depending on the Company's actual performance. For instance, the grant date fair value disclosed in the Summary Compensation Table for the Performance RSUs awarded to our CEO in 2013 is \$1,290,430 (using a grant date fair value per share of \$15.01 (as calculated in footnote 1 of the Grants of Plan-Based Awards Table); however, the realizable value of those Performance RSUs based on Swift Energy's performance versus our peers performance through December 31, 2013, (assuming the 3-year performance period ended on that day) would have been \$145,125. This discrepancy between grant date fair value and realized value is an example of why the Compensation Committee seeks to align the executive compensation plan directly to the Company's performance.

Based on industry marketplace data provided by our independent compensation consultant, 2013 time-based restricted stock awards were granted with 3-year cliff vesting, which requires service for the full three years prior to vest and represents a change from previous awards vesting schedule of one-third on each anniversary of the grant date. All other terms of restricted stock awards remain unchanged from 2012. The amount reflected in the Summary Compensation Table for restricted stock awards for our CEO is \$570,843.

Further details of these long-term equity incentive awards are disclosed in the Summary Compensation Table and Grants of Plan-Based Awards Table.

**Table of Contents*****Other Compensation Related Policies*****Stock Ownership Guidelines**

To further align senior management's interests with the interests of shareholders with respect to long-term shareholder growth, the Board of Directors adopted Board and Executive Stock Ownership Guidelines in March 2012. The Board has approved equity ownership guidelines for the Company's officers and directors as follows:

<b>Position</b>	<b>Ownership Guidelines</b>
CEO	5x base salary or ownership of 75,000 shares of common stock
President	4x base salary or ownership of 35,000 shares of common stock
Executive Vice Presidents and Section 16 Officers	3x base salary
Non-employee Board of Director	5x annual cash retainer

All covered individuals were given a 5-year transition period beginning in March 2012 to achieve compliance with the above guidelines.

**Prohibition on Hedging Swift Energy Securities**

Our Insider Trading Policy, adopted in November 2006 by the Board of Directors, is applicable to all Board members, officers, and employees and prohibits short sales of Swift Energy securities or any hedging or monetization transaction, such as zero-cost collars or forward sale contracts.

In addition, the Insider Trading Policy prohibits transactions in publicly traded options, such as puts, calls and other derivative securities, involving Swift Energy securities.

**Clawback Provision**

The Performance RSUs awarded to our NEOs as part of the 2013 executive compensation program contain a clawback provision related to any misconduct, malfeasance or gross negligence by the individual that contributes to any inaccuracy of the Company's financial results or the results to the performance metrics tied to the awards. The Company does not have any other clawback policy with respect to the 2013 compensation elements which would allow the Company to recoup paid compensation from designated individuals in the event of a financial restatement.

**Compensation Policies and Practices as They Relate to Risk Management**

In accordance with the requirements of Regulation S-K, Item 402(s), to the extent that risks may arise from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company, we are required to discuss those policies and practices for compensating the employees of the Company (including employees that are not NEOs) as they relate to the Company's risk management practices and the possibility of incentivizing risk-taking. We have determined that the compensation policies and practices established with respect to the Company's employees are not reasonably likely to have a material adverse effect on the Company and, therefore, no such disclosure is necessary.

**Table of Contents**

**Compensation Committee Report**

The Compensation Committee reviewed and discussed the above Compensation Discussion and Analysis with management. Based upon this review, the related discussions and other matters deemed relevant and appropriate by the Compensation Committee, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement to be delivered to shareholders of Swift Energy.

**COMPENSATION COMMITTEE**

Clyde W. Smith, Jr. (Chair)

Douglas J. Lanier

Greg Matiuk

Charles J. Swindells

**Table of Contents****Summary Compensation Table**

The following table sets forth certain summary information regarding compensation paid or accrued by the Company to or on behalf of the Company's Chief Executive Officer, Chief Financial Officer, and each of the three most highly compensated executive officers of the Company other than the CEO and CFO, who were serving as an executive officer at the end of the last fiscal year, for the fiscal years ended December 31, 2011, December 31, 2012, and December 31, 2013. These five individuals are referred to throughout this proxy statement as "Named Executive Officers" or "NEOs."

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus (\$) (d)	Stock	Option	Non-Equity Incentive Plan Compensation (\$) <sup>(3)</sup> (g)	Change in Pension and Non- qualified Deferred Compensation Earnings (\$) (h)	All Other Compensation (\$) <sup>(4)</sup> (i)	Total (\$) (j)
				Awards (\$) <sup>(1)(2)</sup> (e)	Awards (\$) <sup>(1)</sup> (f)				
<b>Terry E. Swift</b> Chairman of the Board and Chief Executive Officer	2013	\$ 685,450	\$	\$ 1,861,273	\$	\$	\$	\$ 34,608	\$ 2,581,331
	2012	\$ 665,480	\$	\$ 1,700,023	\$ 1,207,500	\$ 266,192	\$	\$ 40,811	\$ 3,880,006
<b>Alton D. Heckaman, Jr.</b> Executive Vice President and Chief Financial Officer	2011	\$ 646,090	\$	\$ 1,951,538	\$ 2,218,991	\$ 1,001,440	\$	\$ 45,700	\$ 5,863,759
	2013	\$ 462,090	\$	\$ 758,828	\$	\$	\$	\$ 25,911	\$ 1,246,829
<b>Bruce H. Vincent</b> President	2012	\$ 448,630	\$	\$ 779,857	\$ 553,840	\$ 201,884	\$	\$ 43,238	\$ 2,027,449
	2011	\$ 435,560	\$	\$ 754,197	\$ 722,453	\$ 607,606	\$	\$ 42,685	\$ 2,562,501
<b>Robert J. Banks</b> Executive Vice President and Chief Operating Officer	2013	\$ 536,560	\$	\$ 1,173,288	\$	\$	\$	\$ 32,464	\$ 1,742,312
	2012	\$ 520,930	\$	\$ 1,425,931	\$ 1,014,300	\$ 234,419	\$	\$ 93,746	\$ 3,289,326
<b>Steve L. Tomberlin</b> Senior Vice President Resource Development and Engineering	2011	\$ 505,750	\$	\$ 1,406,130	\$ 1,005,338	\$ 705,521	\$	\$ 84,773	\$ 3,707,512
	2013	\$ 461,540	\$	\$ 758,828	\$	\$	\$	\$ 37,743	\$ 1,258,111
<b>Steve L. Tomberlin</b> Senior Vice President Resource Development and Engineering	2012	\$ 448,090	\$	\$ 871,221	\$ 618,240	\$ 201,641	\$	\$ 67,619	\$ 2,206,811
	2011	\$ 435,030	\$	\$ 856,461	\$ 611,320	\$ 606,867	\$	\$ 54,477	\$ 2,564,155
<b>Steve L. Tomberlin</b> Senior Vice President Resource Development and Engineering	2013	\$ 342,000	\$	\$ 469,315	\$	\$	\$	\$ 16,572	\$ 827,887
	2012	\$ 332,030	\$	\$ 391,560	\$ 278,530	\$ 119,531	\$	\$ 16,173	\$ 1,137,824
<b>Steve L. Tomberlin</b> Senior Vice President Resource Development and Engineering	2011	\$ 301,840	\$	\$ 336,619	\$ 238,204	\$ 256,564	\$	\$ 13,610	\$ 1,146,837

- (1) The amounts in columns (e) and (f) reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for awards granted during that year. Assumptions used in the calculation of these amounts are included in Note 6 to Consolidated Financial Statements to the Company's audited financial statements for the fiscal years ended December 31, 2011, December 31, 2012, and December 31, 2013, included in the Company's Annual Report on Forms 10-K for the years ended December 31, 2011, December 31, 2012, and December 31, 2013, respectively.
- (2) Prior to 2013, amounts in column (e) were exclusively time-based restricted stock awards. Beginning in 2013, column (e) is comprised of both time-based restricted stock and Performance RSUs. The value of each respective component for 2013 is as follows:

Time-Based Restricted Stock Awards (\$)	Performance RSUs (\$)^
---	------------------------------

## Edgar Filing: AT&T INC. - Form 4

Terry E. Swift	\$ 570,843	\$ 1,290,430
Alton D. Heckaman, Jr.	\$ 385,203	\$ 373,625
Bruce H. Vincent	\$ 595,595	\$ 577,693
Robert J. Banks	\$ 385,203	\$ 373,625
Steven L. Tomberlin	\$ 238,238	\$ 231,077

^ The disclosed amounts with respect to the Performance RSUs are calculated based on the expected probable (target) outcome grant date fair value computed in accordance with FASB ASC Topic 718. The threshold and maximum amounts, respectively, for each NEO's awards are: Mr. Swift \$645,215, \$2,580,860; Mr. Heckaman \$186,813, \$747,250; Mr. Vincent \$288,847, \$1,555,386; Mr. Banks \$186,813, \$747,250; and Mr. Tomberlin \$115,539, \$462,154.



**Table of Contents**

See Compensation Discussion and Analysis 2013 Executive Compensation Components Long-Term Equity Incentives beginning on page 37, Grants of Plan-Based Awards on page 44 and Outstanding Equity Awards at December 31, 2013, beginning on page 45 for a description of these awards.

- (3) Amounts in column (g) for 2011, 2012 and 2013 include amounts earned during 2011, 2012 and 2013, but paid in 2012, 2013 and 2014, respectively. See Compensation Discussion and Analysis 2013 Executive Compensation Components Annual Incentive Cash Bonus beginning on page 36 for more information.
- (4) Includes all other compensation items (column (i)) for each of 2011, 2012, and 2013 in addition to that reported in columns (c) through (h):

		Swift	Heckaman	Vincent	Banks	Tomberlin
Vacation Buyback	2013	\$	\$	\$	\$	\$
	2012	\$ 3,100	\$ 8,376	\$ 9,726	\$ 8,366	\$
	2011	\$	\$ 14,248	\$ 10,257	\$ 3,655	\$
Savings Plan Contributions*	2013	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300
	2012	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
	2011	\$ 12,250	\$ 12,250	\$ 12,250	\$ 12,250	\$ 12,250
Life Insurance Premiums**	2013	\$ 12,243	\$ 7,570	\$ 14,603	\$ 14,395	\$
	2012	\$ 16,324	\$ 10,093	\$ 19,471	\$ 14,395	\$
	2011	\$ 16,324	\$ 10,093	\$ 19,471	\$ 14,395	\$
Tax Reimbursements***	2013	\$ 5,793	\$ 1,769	\$ 1,289	\$ 6,776	\$
	2012	\$ 7,672	\$ 11,054	\$ 29,561	\$ 14,953	\$ 2,458
	2011	\$ 5,293	\$ 4,734	\$ 14,157	\$ 7,915	\$
Contributions to Employee Stock Ownership Plan Account****	2013	\$ 1,272	\$ 1,272	\$ 1,272	\$ 1,272	\$ 1,272
	2012	\$ 1,215	\$ 1,215	\$ 1,215	\$ 1,215	\$ 1,215
	2011	\$ 1,360	\$ 1,360	\$ 1,360	\$ 1,360	\$ 1,360
Perquisites*****	2013	\$	\$	\$	\$	\$
	2012	\$	\$	\$ 21,273 <sup>a</sup>	\$ 16,190 <sup>b</sup>	\$
	2011	\$ 10,473 <sup>c</sup>	\$	\$ 27,278 <sup>d</sup>	\$ 14,902 <sup>e</sup>	\$

\* Company contributions to the Named Executive Officer's Swift Energy Company Employee Savings Plan account (100% in Company common stock).

\*\* Insurance premiums paid by the Company with respect to life insurance for the benefit of the Named Executive Officer.

\*\*\* Amounts paid by the Company to reimburse the Named Executive Officer for the amount taxed on certain taxable benefits.

\*\*\*\* Company contributions (100% in Company common stock) to the Named Executive Officer's Swift Energy Company Employee Stock Ownership Plan account.

\*\*\*\*\* Perquisites are quantified only where the aggregate perquisites for the Named Executive Officer exceeded \$10,000 during 2012 and 2011. No NEO had perquisites greater than \$10,000 during 2013.

a Perquisites for Mr. Vincent in 2012 include the following amounts: reserved parking \$260, sporting event and theater tickets \$2,227, tax preparation \$605, estate planning \$8,117, and spousal travel \$10,064.

b Perquisites for Mr. Banks in 2012 include the following amounts: reserved parking \$260, sporting event and theater tickets \$977, and estate planning \$14,953.

c Perquisites for Mr. Swift in 2011 include the following amounts: reserved parking \$260, sporting event and theater tickets \$983, tax preparation \$1,250, and spousal travel \$7,980.

d Perquisites for Mr. Vincent in 2011 include the following amounts: reserved parking \$260, sporting event and theater tickets \$2,334, tax preparation \$571, estate planning \$10,000, and spousal travel \$14,113.

e Perquisites for Mr. Banks in 2011 include the following amounts: reserved parking - \$260, sporting event and theater tickets \$843, estate planning \$10,000, and spousal travel \$3,799.

**Table of Contents****Grants of Plan-Based Awards**

The following table sets forth certain information with respect to the equity awards granted during the year ended December 31, 2013, to each Named Executive Officer listed in the Summary Compensation Table:

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(1)</sup>			All Other Stock Awards: Number of Shares of Stock or Units <sup>(1)</sup>	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards
		Threshold	Target	Maximum	Threshold	Target	Maximum				
(a)	(b)	(\$) (c)	(\$) (d)	(\$) (e)	(#) (f)	(#) (g)	(#) (h)	(#) (i)	(#) (j)	(\$/Sh) (k)	Awards (l)
Terry E. Swift	02/12/2013				43,000	86,000	172,000				\$ 15.01 <sup>(2)</sup>
	02/12/2013							36,900 <sup>(3)</sup>		\$	\$ 15.47
Alton D. Heckaman, Jr.	02/12/2013				12,450	24,900	49,800			\$	\$ 15.01 <sup>(2)</sup>
	02/12/2013							24,900 <sup>(3)</sup>		\$	\$ 15.47
Bruce H. Vincent	02/12/2013				19,250	38,500	77,000			\$	\$ 15.01 <sup>(2)</sup>
	02/12/2013							38,500 <sup>(3)</sup>		\$	\$ 15.47
Robert J. Banks	02/12/2013				12,450	24,900	49,800			\$	\$ 15.01 <sup>(2)</sup>
	02/12/2013							24,900 <sup>(3)</sup>		\$	\$ 15.47
Steven L. Tomberlin	02/12/2013				7,700	15,400	30,800			\$	\$ 15.01 <sup>(2)</sup>
	02/12/2013							15,400 <sup>(3)</sup>		\$	\$ 15.47

(1) Awards are granted under the 2005 Plan and, therefore, maximum future payouts may be limited by the terms of such plan.

(2) Amount shown is a weighted average calculation of the grant date fair value of the two components of the award as follows: TSR (\$14.85 x 75%) + ROCE (\$15.47 x 25%).

(3) Amount shown reflects number of restricted shares granted to the Named Executive Officer during 2013 pursuant to the 2005 Plan. Restrictions on restricted shares lapse as to all of such shares on the third anniversary of the grant date.

**Table of Contents****Outstanding Equity Awards at December 31, 2013**

The following table includes certain information about stock options and restricted stock outstanding at December 31, 2013, for each Named Executive Officer listed in the Summary Compensation Table:

Name and Grant Date (a)	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) <sup>(2)</sup> (j)
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unearned Options (#) (d)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(1)</sup> (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)	
Terry E. Swift									
<i>Stock Options</i>									
11/15/2005	3,011			\$ 43.48	11/08/2014				
02/07/2006	25,400			\$ 44.24	02/08/2016				
11/28/2006	2,556			\$ 51.21	11/08/2014				
02/06/2007	34,100			\$ 43.48	02/06/2017				
02/11/2008	37,800			\$ 43.21	02/11/2018				
02/10/2009	27,902			\$ 14.66	02/10/2019				
02/08/2010	43,334			\$ 24.52	02/08/2020				
02/09/2011	44,000	22,000		\$ 42.61	02/09/2021				
03/21/2011	9,390			\$ 41.83	11/08/2014				
03/21/2011	19,555			\$ 41.83	02/10/2019				
03/21/2011	12,700			\$ 41.83	02/08/2020				
02/13/2012	25,000	50,000		\$ 32.63	02/13/2022				
<i>Restricted Stock</i>									
02/09/2011						15,267 <sup>(4)</sup>	\$ 206,105		
02/13/2012						34,734 <sup>(4)</sup>	\$ 468,909		
02/12/2013						36,900 <sup>(5)</sup>	\$ 498,150	43,000 <sup>(6)</sup>	\$ 580,500
Alton D. Heckaman, Jr.									
<i>Stock Options</i>									
11/08/2004	477			\$ 25.18	11/08/2014				
02/07/2006	11,100			\$ 44.24	02/08/2016				
02/06/2007	14,300			\$ 43.48	02/06/2017				
02/11/2008	17,100			\$ 43.21	02/11/2018				
05/14/2008	2,221			\$ 57.80	11/08/2014				
02/10/2009	19,867			\$ 14.66	02/10/2019				
02/08/2010	28,300			\$ 24.52	02/08/2020				
03/17/2010	2,197			\$ 33.50	11/08/2014				
12/03/2010	3,626			\$ 40.15	02/01/2019				
02/09/2011	17,000	8,500 <sup>(3)</sup>		\$ 42.61	02/09/2021				
02/13/2012	11,466	22,934 <sup>(3)</sup>		\$ 32.63	02/13/2022				
<i>Restricted Stock</i>									
02/09/2011						5,900 <sup>(4)</sup>	\$ 79,650		
02/13/2012						15,934 <sup>(4)</sup>	\$ 215,109		
02/12/2013						24,900 <sup>(5)</sup>	\$ 336,150	12,450 <sup>(6)</sup>	\$ 168,075

## Edgar Filing: AT&T INC. - Form 4

Bruce H. Vincent

*Stock Options*

11/08/2004	10,800		\$ 25.18	11/08/2014
02/07/2006	16,700		\$ 44.24	02/08/2016
02/06/2007	21,100		\$ 43.48	02/06/2017
02/11/2008	25,600		\$ 43.21	02/11/2018
02/10/2009	52,400		\$ 14.66	02/10/2019
02/08/2010	41,000		\$ 24.52	02/08/2020
02/09/2011	31,666	15,834 <sup>(3)</sup>	\$ 42.61	02/09/2021
02/13/2012	21,000	42,000 <sup>(3)</sup>	\$ 32.63	02/13/2022

*Restricted Stock*

02/09/2011			11,000 <sup>(4)</sup>	\$ 148,500
02/13/2012			29,134 <sup>(4)</sup>	\$ 393,309
02/12/2013			38,500 <sup>(5)</sup>	\$ 519,750
				19,250 <sup>(6)</sup>
				\$ 259,875

2014 Proxy Statement

145

**Table of Contents**

Name and Grant Date (a)	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) (b)	Number of Securities Underlying Unexercised Options (#) (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (d)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(1)</sup> (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$) <sup>(2)</sup> (j)
Robert J. Banks									
<i>Stock Options</i>									
02/06/2004	7,000			\$ 16.16	02/06/2014				
11/08/2004	4,100			\$ 25.18	11/08/2014				
02/07/2006	4,500			\$ 44.24	02/08/2016				
02/06/2007	11,500			\$ 43.48	02/06/2017				
02/11/2008	13,700			\$ 43.21	02/11/2018				
02/10/2009	25,000			\$ 14.66	02/10/2019				
02/08/2010	28,300			\$ 24.52	02/08/2020				
02/09/2011	19,333	9,667 <sup>(3)</sup>		\$ 42.61	02/09/2021				
02/13/2012	12,800	25,600 <sup>(3)</sup>		\$ 32.63	02/13/2022				
<i>Restricted Stock</i>									
02/09/2011						6,700 <sup>(4)</sup>	\$ 90,450		
02/13/2012						17,800 <sup>(4)</sup>	\$ 240,300		
02/12/2013						24,900 <sup>(5)</sup>	\$ 336,150	12,450 <sup>(6)</sup>	\$ 168,075
Steven L. Tomberlin									
<i>Stock Options</i>									
02/08/2010	14,200			\$ 24.52	02/08/2020				
02/09/2011	7,533	3,767 <sup>(3)</sup>		\$ 42.61	02/09/2021				
02/13/2012	5,766	11,534 <sup>(3)</sup>		\$ 32.63	02/13/2022				
<i>Restricted Stock</i>									
02/09/2011						2,634 <sup>(4)</sup>	\$ 35,559		
02/13/2012						8,000 <sup>(4)</sup>	\$ 108,000		
02/12/2013						15,400 <sup>(5)</sup>	\$ 207,900	7,700 <sup>(6)</sup>	\$ 103,950

- (1) Amount reflects the aggregate market value of unvested restricted shares at December 31, 2013, which equals the number of unvested restricted shares in column (g) multiplied by the closing price of the Company's common stock at December 31, 2013 (\$13.50).
- (2) Amount reflects the aggregate market value of unvested equity incentive plan awards at December 31, 2013, which equals the number of unvested equity incentive plan awards in column (g) multiplied by the closing price of the Company's common stock at December 31, 2013 (\$13.50).
- (3) Stock options become exercisable in three equal installments each year beginning on the first anniversary of the grant date.
- (4) Restrictions on these restricted shares lapse as to one-third of such shares each year beginning on the first anniversary of the grant date.
- (5) Restrictions on these restricted shares lapse as to all of such shares on the third anniversary of the grant date.
- (6) The Performance RSUs are weighted 75% toward achievement of a certain 3-year TSR and 25% toward achievement of a certain 3-year ROCE. The disclosed amounts are based on achieving threshold performance goals. See Compensation Discussion and Analysis 2013 Executive Compensation Components Long-Term Equity Incentives beginning on page 37 and Grants of Plan-Based Awards on page 44 for more information on these awards.

**Table of Contents****Option Exercises and Stock Vested**

The following table includes information regarding stock options exercised and restricted stock vested for the Named Executive Officers listed in the Summary Compensation Table during the fiscal year ended December 31, 2013:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
(a)	(b)	(c)	(d)	(e) <sup>(1)</sup>
Terry E. Swift		\$	47,667	\$ 751,014
Alton D. Heckaman, Jr.		\$	20,433	\$ 321,910
Bruce H. Vincent	11,577	\$ 12,272	35,066	\$ 552,408
Robert J. Banks		\$	22,167	\$ 349,218
Steven L. Tomberlin		\$	9,933	\$ 156,483

(1) Amount reflects value realized by multiplying the number of shares of restricted stock vesting by the market value on the vesting date.

**Potential Payments Upon Termination or Change in Control**

The table below and the discussion that follows reflect the amount of compensation payable to each Named Executive Officer upon the occurrence of the different circumstances of death, permanent disability, change of control, or other termination under each Named Executive Officer's employment agreement (except for Mr. Tomberlin who does not have an employment agreement) and the Company's Change of Control Severance Plan, the Performance RSU agreements and equity compensation plans. The amounts shown assume that such termination was effective December 31, 2013. The actual amounts to be paid out can only be determined at the time of such executive's separation from the Company.

**Table of Contents**

These employment agreements automatically extend for one year on each anniversary of the agreement. However, each officer with an employment agreement serves at the pleasure of the Board as the agreements allow for termination at any time with sixty days written notice. We also adopted the Swift Energy Company Change of Control Severance Plan (the Change of Control Severance Plan) in November 2008, under which all employees (including officers) are participants. It is a double-trigger plan and benefits are only payable if there is both a Change of Control and a qualified employment termination. Each Named Executive Officer's employment agreement enhances certain payment amounts and other benefits provided in the Change of Control Severance Plan, which amounts were determined based on the Compensation Committee's study of peer programs of this nature. The performance RSU agreements are discussed in more detail in the Compensation Discussion and Analysis 2013 Executive Compensation Components Long-Term Equity Incentives section beginning on page 37 and Grants of Plan-Based Awards section on page 44.

	Equity Acceleration					Total
	Cash Payments	Benefit Cost <sup>(1)</sup>	Stock Options <sup>(2)</sup>	Restricted Stock <sup>(2)</sup>	Restricted Stock Units	
<b>Terry E. Swift</b>						
Death	\$ 5,060,670	\$ 18,072	\$	\$ 1,173,164	\$ 1,161,000	\$ 7,412,906
Disability	\$ 5,060,670	\$ 61,500	\$	\$ 1,173,164	\$ 1,161,000	\$ 7,456,334
Change of Control	\$ 5,060,670	\$ 38,392	\$	\$ 1,173,164	\$ 1,161,000	\$ 7,433,226
Senior Officer Tenure <sup>(3)</sup>	\$ 3,373,780	\$ 43,428	\$	\$ 1,173,164	\$ <sup>(5)</sup>	\$ 4,590,372
Termination by Employee Without Good Reason	\$ 1,686,890	\$ 25,356	\$	\$	\$	\$ 1,712,246
Termination by Employee for Good Reason or by the Company Without Cause	\$ 5,060,670	\$ 61,500	\$	\$ 1,173,164	\$ <sup>(5)</sup>	\$ 6,295,334
<b>Alton D. Heckaman, Jr.</b>						
Death	\$ 3,209,088	\$ 18,072	\$	\$ 630,909	\$ 336,150	\$ 4,194,219
Disability	\$ 3,209,088	\$ 55,272	\$	\$ 630,909	\$ 336,150	\$ 4,231,419
Change of Control	\$ 3,777,852 <sup>(4)</sup>	\$ 32,164	\$	\$ 630,909	\$ 336,150	\$ 4,777,075
Senior Officer Tenure <sup>(3)</sup>	\$ 2,139,392	\$ 37,200	\$	\$ 630,909	\$ <sup>(5)</sup>	\$ 2,807,501
Termination by Employee Without Good Reason	\$ 1,069,696	\$ 19,128	\$	\$	\$	\$ 1,088,824
Termination by Employee for Good Reason or by the Company Without Cause	\$ 3,209,088	\$ 55,272	\$	\$ 630,909	\$ <sup>(5)</sup>	\$ 3,895,269
<b>Bruce H. Vincent</b>						
Death	\$ 3,726,243	\$ 18,072	\$	\$ 1,061,559	\$ 519,750	\$ 5,325,624
Disability	\$ 3,726,243	\$ 64,656	\$	\$ 1,061,559	\$ 519,750	\$ 5,372,208
Change of Control	\$ 4,454,412 <sup>(4)</sup>	\$ 41,548	\$	\$ 1,061,559	\$ 519,750	\$ 6,077,269
Senior Officer Tenure <sup>(3)</sup>	\$ 2,484,162	\$ 46,584	\$	\$ 1,061,559	\$ <sup>(5)</sup>	\$ 3,592,305
Termination by Employee Without Good Reason	\$ 1,242,081	\$ 28,512	\$	\$	\$	\$ 1,270,593
Termination by Employee for Good Reason or by the Company Without Cause	\$ 3,726,243	\$ 64,656	\$	\$ 1,061,559	\$ <sup>(5)</sup>	\$ 4,852,458
<b>Robert J. Banks</b>						
Death	\$ 2,671,018	\$ 18,072	\$	\$ 666,900	\$ 336,150	\$ 3,692,140
Disability	\$ 2,671,018	\$ 50,544	\$	\$ 666,900	\$ 336,150	\$ 3,724,612
Change of Control	\$ 3,173,510 <sup>(4)</sup>	\$ 36,472	\$	\$ 666,900	\$ 336,150	\$ 4,213,032
Senior Officer Tenure <sup>(3)</sup>	\$ 1,602,611	\$ 32,472	\$	\$ 666,900	\$ <sup>(5)</sup>	\$ 2,301,983
Termination by Employee Without Good Reason	\$	\$	\$	\$	\$	\$
Termination by Employee for Good Reason or by the Company Without Cause	\$ 2,671,018	\$ 50,544	\$	\$ 666,900	\$ <sup>(5)</sup>	\$ 3,388,462
<b>Steven L. Tomberlin</b>						
Death	\$	\$	\$ <sup>(6)</sup>	\$ <sup>(6)</sup>	\$ 207,900	\$ 207,900
Disability	\$	\$	\$ <sup>(6)</sup>	\$ <sup>(6)</sup>	\$ 207,900	\$ 207,900
Change of Control	\$ 1,197,128	\$ 27,712	\$	\$	\$ 207,900	\$ 1,432,740
Senior Officer Tenure	\$ <sup>(7)</sup>	\$ <sup>(7)</sup>	\$ <sup>(7)</sup>	\$ <sup>(7)</sup>	\$ <sup>(5)</sup>	\$
Termination by Employee Without Good Reason <sup>(7)</sup>	\$	\$	\$	\$	\$	\$
Termination by Employee for Good Reason or by the Company Without Cause	\$ <sup>(7)</sup>	\$ <sup>(7)</sup>	\$ <sup>(7)</sup>	\$ <sup>(7)</sup>	\$ <sup>(5)</sup>	\$

(1) Includes payment of insurance continuation as provided in employment agreement and the Change of Control Severance Plan.





**Table of Contents**

- (2) Includes value of option spread and full-value awards upon accelerated vesting of equity grants at \$13.50 per share (closing price on December 31, 2013).
- (3) Termination by employee upon achieving Senior Officer Tenure, which requires that the 1-year anniversary of the Named Executive Officer's employment agreement has occurred, the Named Executive Officer has reached the age of 55 years or older, and the Named Executive Officer has been employed by the Company for a minimum of ten years. The Named Executive Officer must meet the conditions for Senior Officer Tenure and provide at least six months written notice to the Company of his intention to terminate his employment. As of December 31, 2013, Mr. Banks was not eligible for Senior Officer Tenure; however, amounts are shown for this officer to satisfy Regulation S-K 402(j).
- (4) Amount includes a gross-up reimbursement payment for amounts that would be owed in taxes pursuant to Section 4999 of the Internal Revenue Code as follows: Mr. Heckaman \$568,764; Mr. Vincent \$728,169; Mr. Banks \$502,493.
- (5) Pursuant to the terms of the award agreement, the Performance RSUs would be paid on a pro rata basis based on length of service. Performance will be measured at the end of the original 3-year performance period. As such, it is impossible to determine the payout at December 31, 2013, but the value of such awards, based on achieving target performance at \$13.50 per share (the closing price on December 31, 2013), if the performance period ended on December 31, 2013, would be: Mr. Swift \$145,125; Mr. Heckaman \$42,019; Mr. Vincent \$64,969; Mr. Banks \$42,019; and Mr. Tomberlin \$25,988.
- (6) The provisions of the 2005 Plan apply to Mr. Tomberlin because he does not have an employment agreement.
- (7) These provisions do not apply to Mr. Tomberlin because he does not have an employment agreement.

***Computation of Payments***

Under the employment agreements (except for Mr. Tomberlin who does not have an employment agreement) executed November 4, 2008, the Performance RSU agreements, the Company's compensation plans and the Company's Change of Control Severance Plan, in the event of termination of employment of a Named Executive Officer, that Named Executive Officer would receive the payments, accelerations and benefits described below. All of our employment agreements and compensation arrangements have been drafted to comply with Section 409A of the Internal Revenue Code, principally by deferring amounts payable upon termination, as applicable, for at least six months. In each scenario, Annual Compensation is the Named Executive Officer's annual base salary, plus the highest of his annual cash bonuses paid in the prior 36 months:

**Death**

Messrs. T. Swift, Vincent and Heckaman

Cash Payment of 3 x Annual Compensation

Acceleration of vesting of restricted stock

Acceleration of vesting and exercisability of all stock options

Acceleration of vesting of Performance RSUs at the target level

Health Insurance for dependents for 12 months

Mr. Banks

Cash Payment of 2.5 x Annual Compensation

Acceleration of vesting of restricted stock

Acceleration of vesting and exercisability of all stock options

Acceleration of vesting of Performance RSUs at the target level

Health Insurance for dependents for 12 months

Mr. Tomberlin

Acceleration of vesting of Performance RSUs at the target level

**Disability**

Messrs. T. Swift, Vincent and Heckaman

Cash Payment of 3 x Annual Compensation

Acceleration of vesting of restricted stock

**Table of Contents**

Acceleration of vesting and exercisability of all stock options

Acceleration of vesting of Performance RSUs at the target level

Health Insurance for 30 months

Life Insurance for 12 months

**Mr. Banks**

Cash Payment of 2.5 x Annual Compensation

Acceleration of vesting of restricted stock

Acceleration of vesting and exercisability of all stock options

Acceleration of vesting of Performance RSUs at the target level

Health Insurance for 24 months

Life Insurance for 12 months

**Mr. Tomberlin**

Acceleration of vesting of Performance RSUs at the target level

**By Employee for Good Reason or by Company Without Cause**

**Messrs. T. Swift, Vincent and Heckaman**

Cash Payment of 3 x Annual Compensation

Acceleration of vesting of restricted stock

Acceleration of vesting and exercisability of all stock options

## Edgar Filing: AT&T INC. - Form 4

Performance RSUs prorated as to length of service provided during the performance period and payment levels not determinable and/or payable until performance period ends

Health Insurance for 30 months

Life Insurance for 12 months

Mr. Banks

Cash Payment of 2.5 x Annual Compensation

Acceleration of vesting of restricted stock

Acceleration of vesting and exercisability of all stock options

Performance RSUs prorated as to length of service provided during the performance period and payment levels not determinable and/or payable until performance period ends

Health Insurance for 24 months

Life Insurance for 12 months

Mr. Tomberlin

Performance RSUs prorated as to length of service provided during the performance period and payment levels not determinable and/or payable until performance period ends

### **Change of Control**

Messrs. T. Swift, Vincent and Heckaman

Cash Payment of 3 x Annual Compensation

Reimbursement for amounts due pursuant to Section 4999 of the Internal Revenue Code

Acceleration of vesting of restricted stock

**Table of Contents**

Acceleration of vesting and exercisability of all stock options

Acceleration of vesting of Performance RSUs at the target level

Health Insurance for 12 months

Life Insurance for 12 months

Outplacement services up to \$4,000

**Mr. Banks**

Cash Payment of 2.5 x Annual Compensation

Reimbursement for amounts due pursuant to Section 4999 of the Internal Revenue Code

Acceleration of vesting of restricted stock

Acceleration of vesting and exercisability of all stock options

Acceleration of vesting of Performance RSUs at the target level

Health Insurance for 12 months

Life Insurance for 12 months

Outplacement services up to \$4,000

**Mr. Tomberlin**

Cash Payment of 2 x Annual Compensation

Reimbursement for amounts due pursuant to Section 4999 of the Internal Revenue Code

Acceleration of vesting of Performance RSUs at the target level

Health Insurance for 12 months

Outplacement services up to \$4,000

**Termination by Employee Upon 60 Days Notice Without Good Reason**

Messrs. T. Swift, Vincent and Heckaman

Cash Payment of 1 x Annual Compensation

Acceleration of vesting of stock options (exercisability dates remain the same)

Health Insurance for 6 months

Life Insurance for 12 months

**Termination by Employee Upon Achieving Senior Officer Tenure, which requires reaching the age of 55, being employed by the Company for at least ten years and providing six months advance notice**

Messrs. T. Swift, Vincent and Heckaman

Cash Payment of 2 x Annual Compensation

Acceleration of vesting of stock options (exercisability dates remain the same)

Acceleration of vesting of restricted stock, subject to meeting certain service requirements

Performance RSUs prorated as to length of service provided during the performance period and payment levels not determinable and/or payable until performance period ends

Health Insurance for 18 months

Life Insurance for 12 months

**Table of Contents**

Mr. Banks

Cash Payment of 1.5 x Annual Compensation

Acceleration of vesting of stock options (exercisability dates remain the same)

Acceleration of vesting of restricted stock, subject to meeting certain service requirements

Performance RSUs prorated as to length of service provided during the performance period and payment levels not determinable and/or payable until performance period ends

Health Insurance for 12 months

Life Insurance for 12 months

**Conditions and Covenants**

Each Named Executive Officer must also observe a noncompete provision in his employment agreement (except for Mr. Tomberlin who does not have an employment agreement). Based on the terms of the employment agreements, the covenant not to compete provision would be effective for a maximum of three years following the termination of a Named Executive Officer.

A Named Executive Officer will not receive compensation under his employment agreement if the Company terminates the Named Executive Officer for Cause. Cause is generally defined in the employment agreement as commission of fraud against the Company, willful refusal, without proper legal cause to faithfully and diligently perform the Named Executive Officer's duties as directed, or breach of the confidentiality provision of the employment agreement.

**Table of Contents****PROPOSAL 3 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act ) requires all public companies to solicit from shareholders an advisory, nonbinding vote to approve the compensation of their named executive officers in accordance with SEC rules. At the 2011 annual meeting, Swift Energy shareholders approved an annual advisory proposal to approve the compensation of Swift Energy's Named Executive Officers, and the Board of Directors determined to submit such a proposal, commonly known as a say on pay proposal, to shareholders annually.

This proposal grants shareholders the opportunity to express their views on the compensation of our Named Executive Officers, whose compensation is reflected in the Summary Compensation Table and CD&A. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the policies and practices described in this proxy statement.

In our last shareholder say on pay vote at our 2013 annual meeting, 93.23% of votes were cast for approval of the compensation paid to our Named Executive Officers for the 2012 fiscal year. Our independent Compensation Committee believes this demonstrates significant shareholder support of Swift Energy's approach to executive compensation. In last year's proxy statement and in response to the 2011 and 2012 say on pay votes, our Compensation Committee, assisted by an independent compensation consultant, revised our annual incentive cash bonus and long-term incentive programs. In implementing such revised programs, the Compensation Committee awarded certain long-term equity incentives to the Named Executive Officers (comprised of both Performance RSUs, which will only vest if threshold levels of certain operational and financial metrics are met using a 3-year performance measurement period, and time based restricted stock awards) and paid no incentive cash bonus amounts to Named Executive Officers for fiscal year 2013 due to the Company's overall lower achievement. In deciding how to vote on this proposal, we encourage you to read Executive Compensation Compensation Discussion and Analysis for a detailed description of our executive compensation philosophy and program, the compensation decisions the Compensation Committee, comprised entirely of independent directors, has made under the program and the factors considered in making those decisions.

We have designed our executive compensation program to attract, retain and motivate talented executives to deliver business results and value to our shareholders, reward performance, and align our executive's interests with the interests of our shareholders. We believe that our compensation program encourages executive decision making that is aligned with the long-term interests of our shareholders by tying the largest portion of executive compensation to Company performance.

We are asking for shareholder approval of the compensation of our Named Executive Officers as disclosed in this proxy statement in accordance with SEC rules, which includes the disclosures under Executive Compensation Compensation Discussion and Analysis, the compensation tables and the narrative discussions following the compensation tables.

Because this vote is advisory, it will not be binding and the Compensation Committee of the Board of Directors has the responsibility for determining executive compensation. However, the Compensation Committee values the opinions of the Company's shareholders and will consider the outcome of the advisory vote when making future decisions and recommendations about executive compensation. No determination has been made as to what action the Board of Directors may take if shareholders do not approve the executive compensation, but the Compensation Committee will consider voting results and how they should be addressed.

A majority of the votes cast is required to approve this Proposal 3. Brokers do not have discretion to vote on this proposal without your instruction. If you do not instruct your broker how to vote on this proposal, your broker will deliver a non-vote.

***The Board of Directors unanimously recommends that shareholders vote FOR approving the compensation of Swift Energy's Named Executive Officers as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC.***



**Table of Contents**

**PROPOSAL 4 RATIFICATION OF SELECTION OF ERNST & YOUNG LLP AS SWIFT ENERGY COMPANY S INDEPENDENT AUDITOR FOR THE FISCAL YEAR ENDING DECEMBER 31, 2014**

The Audit Committee of the Board of Directors has selected Ernst & Young LLP as the independent registered public accounting firm for the Company to audit its consolidated financial statements and internal control over financial reporting for 2014. See Audit Committee Disclosure following this proposal for more information related to Ernst & Young LLP.

Shareholder approval or ratification is not required for the selection of Ernst & Young LLP, since the Audit Committee of the Board of Directors has the responsibility for selecting the Company s independent auditor. However, the selection is being submitted for ratification at the Annual Meeting as a matter of good corporate practice. No determination has been made as to what action the Board of Directors would take if shareholders do not approve the appointment, but the Audit Committee may reconsider whether or not to retain the firm. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the selection of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the Company s and its shareholders best interests.

*The Board of Directors unanimously recommends that shareholders vote FOR the ratification of the selection of Ernst & Young LLP as the Company s independent auditor.*

**Table of Contents****AUDIT COMMITTEE DISCLOSURE****Preapproval Policies and Procedures**

The charter of the Audit Committee provides that the Audit Committee shall approve, in its sole discretion, any professional services to be provided by the Company's independent auditor, including audit services and significant non-audit services (significant being defined for these purposes as non-audit services for which fees in the aggregate equal 5% or more of the base annual audit fee paid by the Company to its independent auditor), before such services are rendered, and consider the possible effect of the performance of such latter services on the independence of the auditor. The Audit Committee may delegate preapproval authority to a member of the Audit Committee. The decisions of any Audit Committee member to whom preapproval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting. All of the services described below for 2013 and 2012 were preapproved by the Audit Committee before Ernst & Young LLP was engaged to render the services.

**Services Fees Paid to Independent Public Accounting Firm**

Ernst & Young LLP, certified public accountants, began serving as the Company's independent auditor in 2002. The Audit Committee, with ratification of the shareholders, engaged Ernst & Young LLP to perform an annual audit of the Company's financial statements for the fiscal year ended December 31, 2013. A representative from Ernst & Young LLP will be present at this year's Annual Meeting. Such representative will have the opportunity to make a statement if he or she desires to do so and is expected to be available to respond to appropriate questions.

The following table presents fees and expenses billed by Ernst & Young LLP for its audit of the Company's annual consolidated financial statements and for its review of the financial statements included in the Company's Quarterly Reports on Form 10-Q for 2013 and 2012, and for its audit of internal control over financial reporting for 2013 and 2012, and for other services provided by Ernst & Young LLP.

	<b>2013</b>	<b>2012</b>
Audit Fees	\$ 1,603,953	\$ 1,458,110
Audit-Related Fees	0	0
Tax Fees	\$ 125,131	\$ 160,444
All Other Fees	0	0
<b>Totals</b>	<b>\$ 1,729,084</b>	<b>\$ 1,618,554</b>

The audit fees for 2013 and 2012 were for professional services rendered in connection with the audits of our consolidated financial statements and reviews of our quarterly consolidated financial statements within such years. These fees also include the issuance of comfort letters, consents and assistance with review of various documents filed with the SEC in 2013 and 2012. The tax services provided in 2013 and 2012 generally consisted of compliance, tax advice and tax planning services.

**Report of the Audit Committee**

In connection with the financial statements for the fiscal year ended December 31, 2013, the Audit Committee has:

reviewed and discussed the audited financial statements with management;

discussed with Ernst & Young LLP, the Company's independent registered public accounting firm (the Auditor), the matters required to be discussed by the Statement on Auditing Standards (SAS) No. 61 (codification of SAS AU § 380) as adopted by the Public Accounting Oversight Board in Rule 3200T, as amended; and

**Table of Contents**

obtained the written disclosures and the letter from the Auditor in accordance with the applicable requirements of the Public Company Accounting Oversight Board regarding the Auditor's communications with the Audit Committee concerning independence, and has discussed with the Auditor the Auditor's independence.

Based on the reviews and discussion referred to above, we recommended to the Board of Directors that the Company's audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission.

**AUDIT COMMITTEE**

Deanna L. Cannon (Chair)  
Clyde W. Smith, Jr.  
Charles J. Swindells

---

**Table of Contents**

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires the Company's directors, executive officers, and persons who own more than 10% of the Company's common stock to file reports with the SEC regarding their ownership of, and transactions in, the Company's common stock. SEC regulations require Swift Energy to identify anyone who filed a required report late during the most recent fiscal year. Based on a review of the Forms 3 and 4 filed during the 2013 fiscal year and written certifications provided to the Company, the Company believes that all of these reporting persons timely complied with their filing requirements during 2013.

**SHAREHOLDER PROPOSALS**

**Proposals for Inclusion in the Company's 2015 Proxy**

Pursuant to various rules promulgated by the SEC, a shareholder who seeks to include a proposal in the Company's proxy materials for the annual meeting of the shareholders of the Company to be held in 2015 must timely submit such proposal in accordance with SEC Rule 14a-8 to the Company, addressed to the Secretary, Swift Energy Company, 16825 Northchase Drive, Suite 400, Houston, Texas 77060, no later than December 3, 2014, unless the date of our 2015 annual meeting is more than 30 days before or after May 20, 2015, in which case the proposal must be received a reasonable time before we begin to print and send our proxy materials. Further, a shareholder may not submit a matter for consideration at the 2015 annual meeting, unless the shareholder shall have timely complied with the requirements in the Company's Bylaws.

**Advanced Notice of Nominations or Proposed Business for the Company's 2015 Annual Meeting of Shareholders**

Our Bylaws require advanced written notice from any shareholder seeking to present nominations of persons for election to the Board and other proposed business (other than proposals submitted in accordance with Rule 14a-8 for inclusion in our proxy materials) for consideration at our 2015 annual meeting of shareholders. Notice of such proposals must be delivered to or mailed and received by the Corporate Governance Committee Chair, Swift Energy Company, c/o Office of the Corporate Secretary, 16825 Northchase Drive, Suite 400, Houston, Texas 77060, not less than sixty (60) days nor more than ninety (90) days prior to the date of the one-year anniversary of the immediately preceding year's annual meeting. Based on the anniversary date of our 2014 annual meeting, a shareholder must send advanced written notice of any such nomination or other proposed business such that the notice is received by us no earlier than February 19, 2015 and no later than March 21, 2015. In the event the 2015 annual meeting of shareholders is convened on a date more than 30 days before, or more than 30 days after, such anniversary date, such notice by the shareholder must be so received not later than the close of business on the later of the sixtieth (60th) day before such annual meeting or the tenth (10th) day following the date on which public disclosure of the date of the 2015 annual meeting is first made by the Company. Any such nomination must be made in writing and include certain information about the recommended nominee, the class and number of shares, if any, of Swift Energy stock which are beneficially owned by the recommended nominee, the candidate's consent to being named in the proxy statement as a nominee and to serve as a director if elected, and all other information about the candidate required under SEC Rule 14A and the Company's Bylaws. Additionally, the recommendation must include certain information about the nominating shareholder, including the number of shares of the Company's stock that the shareholder beneficially owns, and the period for which the shareholder has held such shares. Nominations must be addressed as follows in order to be considered for the next annual election of directors:

Corporate Governance Committee Chair  
Swift Energy Company

c/o Office of the Corporate Secretary  
16825 Northchase Drive, Suite 400  
Houston, Texas 77060

## **Table of Contents**

Shareholders who wish to nominate an individual to the Board must also follow the requirements of the Company's Bylaws and applicable SEC and NYSE rules and regulations. For more information on shareholders' nomination of directors, refer to page 12 ( Nominations for Directors ) in this proxy statement.

With respect to business to be brought before the 2014 Annual Meeting, the Company has not received any notices, proposals, or nominees from shareholders that the Company is required to include in this proxy statement.

### **COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

The Board of Directors welcomes questions or comments about the Company and its operations. Any communications that shareholders or other interested parties may wish to send to the Board of Directors or the non-management-independent directors may be directly sent to the following address:

Lead Director  
Swift Energy Company

c/o CCI  
P.O. Box 561915  
Charlotte, NC 28256

Historically, the Company's annual meeting of its Board of Directors was held to coincide with the annual meeting of its shareholders and a majority of the directors would attend the annual meeting of shareholders; however, with the increased responsibilities and time requirements in connection with the Board meeting, the Board's annual meeting is now held three weeks before the shareholders' annual meeting. Therefore, the Company does not have a policy with regard to Board members' attendance at its annual meetings of shareholders. Although some of the members of the Board will attend the 2014 Annual Meeting, it is not expected that a majority will be in attendance. Those in attendance will be available to address shareholder questions. Two directors attended the 2013 annual meeting.

### **FORWARD-LOOKING STATEMENTS**

Certain statements set forth in this proxy statement that are not historical are forward-looking statements as that term is defined in Section 21E of the Exchange Act. These statements include estimates of future amounts payable under awards, plans or agreements or upon the occurrence of certain events, such as a change of control, the present value of such awards, and the estimated value of awards the vesting of which will depend on performance over future periods. In order to estimate amounts that may be paid in the future, we made assumptions as to a number of variables, which may, and in many cases will, differ from future actual conditions. These variables include the price of our common stock, the dates of termination of employment, final pay, interest rates, applicable tax rates and other assumptions. The Company will not update these forward-looking statements unless required to do so by applicable law. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. Management cautions all readers that the forward-looking statements contained in this proxy statement are not guarantees of future values or payments, and we cannot assure any reader that such statements will be realized or that the events and circumstances that they describe will occur.

**Table of Contents**

**ANNUAL REPORT ON FORM 10-K**

Upon written request, Swift Energy will provide any shareholder of the Company, at no charge, a copy of the Company's Annual Report on Form 10-K for 2013, as filed with the SEC, including the financial statements and schedules, but without exhibits. Direct requests should be made by mail to Swift Energy Company, Investor Relations Department, 16825 Northchase Drive, Suite 400, Houston, Texas 77060; by telephone at (281) 874-2700 or (800) 777-2412; or by email to [info@swiftenergy.com](mailto:info@swiftenergy.com).

By Order of the Board of Directors,

Christopher M. Abundis  
*Secretary*

Houston, Texas

April 2, 2014

2014 Proxy Statement

159

**Table of Contents**

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: x

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

<p><b>The Board of Directors recommends you vote FOR the following:</b></p>	<p><b>For All</b></p>	<p><b>Withhold All</b></p>	<p><b>For All Except</b></p>	<p>To withhold authority to vote for any individual nominee(s), mark <b>For All Except</b> and write the number(s) of the nominee(s) on the line below.</p>
---	-----------------------	----------------------------	------------------------------	---

<p>1. Election of Directors Nominees</p>	<p>..</p>	<p>..</p>	<p>..</p>
--	-----------	-----------	-----------

<p>01 Deanna L. Cannon Lanier</p>	<p>02 Douglas J.</p>
---------------------------------------	----------------------

**The Board of Directors recommends you vote FOR proposals 2, 3 and 4.**

	For	Against	Abstain
<p>2. To increase the number of shares of common stock that may be issued under the Second Amended and Restated Swift Energy Company 2005 Stock Compensation Plan (the 2005 Plan ).</p>	<p>..</p>	<p>..</p>	<p>..</p>
<p>3. To conduct a nonbinding advisory vote to approve the compensation of Swift Energy s named executive officers as presented in this proxy statement.</p>	<p>..</p>	<p>..</p>	<p>..</p>
<p>4. To ratify the selection of Ernst &amp; Young LLP as Swift Energy s independent auditor for the fiscal year ending December 31, 2014.</p>	<p>..</p>	<p>..</p>	<p>..</p>

**NOTE:** To conduct such other business as may properly be presented at the annual meeting, or at any and all adjournments or postponements thereof.

For address change/comments, mark here. ..

(see reverse for instructions) Yes No

Please indicate if you plan to attend this meeting .. ..

# Edgar Filing: AT&T INC. - Form 4

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

**JOB #**

**SHARES  
CUSIP #**

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

**SEQUENCE #**

0000207088\_1 R1.0.0.51160



---

**Table of Contents**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:** The 10-K/AR, Notice & Proxy Statement is/are available at [www.proxyvote.com](http://www.proxyvote.com).

**SWIFT ENERGY COMPANY**

**Annual Meeting of Shareholders**

**May 20, 2014 3:00 PM**

**This proxy is solicited by the Board of Directors**

The shareholder(s) hereby appoint Terry E. Swift, Bruce H. Vincent and Alton D. Heckaman, Jr., or any of them, as proxies, each with the power to appoint his substitute, and hereby authorize them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common stock of SWIFT ENERGY COMPANY that the shareholder(s) are entitled to vote at the Annual Meeting of shareholders to be held at 3:00 PM, CDT on May 20, 2014, at the Hilton Houston North, 12400 Greenspoint Drive, Houston, Texas 77060, and any adjournment or postponement thereof.

**This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.**

**Address change/comments:**

---

---

---

---

---

---

(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed on reverse side**

0000207088\_2 R1.0.0.51160