

Murphy USA Inc.
Form DEF 14A
March 19, 2015
Table of Contents

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

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

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

Murphy USA Inc.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Notice of 2015
Annual Meeting
of Stockholders
and Proxy
Statement

YOUR VOTE IS IMPORTANT

DRIVEN TO PERFORM

Table of Contents

R. Madison Murphy

Chairman of the Board of Directors

March 19, 2015

Dear Shareholder:

The board of directors and management cordially invite you to attend Murphy USA's annual meeting of shareholders to be held at 1:00 p.m., Central Time, on Wednesday, May 6, 2015, at the South Arkansas Arts Center, 110 East 5th Street, El Dorado, Arkansas 71730. The formal notice of the annual meeting of shareholders and proxy statement are attached.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. Therefore, we urge you to promptly vote and submit your proxy via the Internet, by phone, or by signing, dating, and returning the enclosed proxy card. If you attend the Annual Meeting, you can vote in person, even if you have previously submitted your proxy.

On behalf of the Board of Directors, we would like to express our appreciation for your continued investment in Murphy USA. We look forward to greeting as many of you as possible.

Sincerely,

Murphy USA Inc. | 200 E. Peach St. | El Dorado, AR 71730 | 870-875-7600 | corporate.murphyusa.com | NYSE: MUSA

Table of Contents

2015 NOTICE OF MEETING AND PROXY STATEMENT

Notice of Annual Meeting

Wednesday, May 6, 2015	South Arkansas Arts Center	Record Date
1:00 p.m. Central Time	110 East 5 th Street, El Dorado, Arkansas, 71730	The close of business March 10, 2015

The Annual Meeting of Stockholders of Murphy USA Inc. (the Company) will be held at the South Arkansas Arts Center, 110 East 5th Street, El Dorado, Arkansas, 71730, on Wednesday, May 6, 2015, at 1:00 p.m., Central Time, for the following purposes:

1. Election of three Class II directors whose current terms expire on the date of the 2015 Annual Meeting;
 2. Approval of executive compensation on an advisory, non-binding basis;
 3. Ratification of the action of the Audit Committee of the Board of Directors in appointing KPMG LLP as the Company's independent registered public accounting firm for fiscal 2015; and
 4. Such other business as may properly come before the meeting.
- Only stockholders of record at the close of business on March 10, 2015, the record date fixed by the Board of Directors of the Company, will be entitled to notice of and to vote at the meeting or any adjournment thereof. A list of all stockholders entitled to vote is on file at the office of the Company, 200 Peach Street, El Dorado, Arkansas 71730.

Cast Your Vote Right Away

It is very important that you vote. Please cast your vote right away on all of the proposals listed above to ensure that your shares are represented. For specific instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials (Notice) you received in the mail or, if you requested to receive printed proxy materials, on your enclosed proxy card.

Notice and Access

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 6, 2015:

The Notice of 2015 Annual Meeting, 2015 Proxy Statement and 2014 Annual Report on Form 10-K are available, free of charge, at www.proxyvote.com.

This year, we will be furnishing proxy materials over the Internet to a number of our stockholders under the U.S. Securities and Exchange Commission's notice and access rules. Many of our stockholders will receive a Notice of Internet Availability of Proxy Materials (the Notice) in the mail instead of a paper copy of this Proxy Statement, a proxy card or voting instruction card and our 2014 Annual Report. We believe that this process will reduce the environmental impact of our Annual Meeting as well as reduce the costs of printing and distributing our proxy materials. The Notice will instruct you as to how you may access and review all of the proxy materials on the internet.

All stockholders who do not receive a Notice will receive a paper copy of the proxy materials by mail, unless they have previously elected to receive proxy materials by email. We remind stockholders who receive a Notice that the Notice is not itself a proxy card and should not be returned with voting instructions. The Notice only presents an overview of the more complete proxy materials. Shareholders should review the proxy materials before voting.

The Notice contains instructions on how to access our proxy materials and vote over the Internet at www.proxyvote.com and how stockholders can receive a paper copy of our proxy materials, including this Proxy Statement, a proxy card or voting instruction card and our 2014 Annual Report. At www.proxyvote.com stockholders can also request to receive future proxy materials in printed form by mail or electronically by email.

By the Order of the Board of Directors

Edgar Filing: Murphy USA Inc. - Form DEF 14A

John A. Moore

Secretary

El Dorado, Arkansas

March 19, 2015

MURPHY USA INC. 1

Table of Contents

2015 NOTICE OF MEETING AND PROXY STATEMENT

Table of Contents

<u>Proxy Statement</u>	
<u>Solicitation</u>	4
<u>Quorum and Voting Procedures</u>	4
<u>Voting Securities</u>	4
<u>Proposal 1 Election of Three Class II Directors Whose Current Term Expires on the Date of the Annual Meeting</u>	
<u>Director Nominees</u>	5
<u>Continuing Directors</u>	6
<u>Board and Governance Matters</u>	
<u>Board Leadership Structure</u>	9
<u>Risk Management</u>	9
<u>Committees</u>	9
<u>Meeting and Attendance</u>	10
<u>Compensation of Directors</u>	10
<u>2014 Director Compensation Table</u>	11
<u>Review, Approval or Ratification of Transactions with Related Persons</u>	11
<u>Audit Committee Report</u>	11
<u>Ownership of Murphy USA Common Stock</u>	
<u>Security Ownership of Certain Beneficial Owners</u>	12
<u>Security Ownership of Directors and Management</u>	12
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	13
<u>Compensation Discussion & Analysis</u>	
<u>Overview</u>	14
<u>2014 Business Highlights</u>	14
<u>Executive Compensation Philosophy and Objectives</u>	14
<u>Compensation Design Principles and Governance Practices</u>	15
<u>The Compensation Process</u>	
<u>Role of the Committee</u>	15
<u>Role of Market Data</u>	16
<u>Role of the CEO in Compensation Decisions</u>	16
<u>Elements of Compensation</u>	16
<u>Other Policies</u>	20
<u>Role of the Compensation Consultant</u>	21
<u>Compensation-based Risk Assessment</u>	21
<u>Executive Compensation Committee Report</u>	22
<u>Executive Compensation</u>	
<u>2014 Summary Compensation Table</u>	23
<u>Grants of Plan-Based Awards in 2014</u>	25
<u>Outstanding Equity Awards at Fiscal Year End 2014</u>	26
<u>Option Exercises and Stock Vested in 2014</u>	27
<u>2014 Pension Benefits Table</u>	27
<u>2014 Non-Qualified Deferred Compensation Table</u>	28
<u>Potential Payments Upon Termination or Termination in Connection with a Change in Control</u>	29
<u>Proposal 2 Approval of Executive Compensation on an Advisory, Non-Binding Basis</u>	31
<u>Proposal 3 Ratification of Appointment of Independent Registered Public Accounting Firm for Fiscal 2015</u>	32

Table of Contents

2015 NOTICE OF MEETING AND PROXY STATEMENT

Table of Contents (continued)

<u>Submission of Stockholder Proposals</u>	32
<u>Electronic Availability of Proxy Materials for 2015 Annual Meeting</u>	33
<u>Other Information</u>	33

This proxy statement is issued by Murphy USA Inc. in connection with the 2015 Annual Meeting of Stockholders scheduled for May 6, 2015. This proxy statement and accompanying proxy card are first being made available to stockholders on or about March 19, 2015.

MURPHY USA INC. 3

Table of Contents

2015 NOTICE OF MEETING AND PROXY STATEMENT

Proxy Statement

Solicitation

The solicitation of the enclosed proxy is made on behalf of the Board of Directors of Murphy USA Inc. (the Board) for use at the Annual Meeting of Stockholders to be held on May 6, 2015. It is expected that the Notice of Internet Availability of Proxy Materials will be mailed to stockholders beginning on or about March 19, 2015.

The complete mailing address of the Company's principal executive office is 200 Peach Street, El Dorado, Arkansas 71730.

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

Quorum and Voting Procedures

Quorum Requirement

A quorum of stockholders is necessary to hold a valid meeting. The presence, in person or by proxy, of the holders of a majority of the total voting power of all outstanding securities of the Company entitled to vote at a meeting of stockholders shall constitute a quorum. Abstentions and broker non-votes are counted as present for establishing a quorum. A broker non-vote occurs on a proposal when shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote and that the broker or nominee does not have discretionary power to vote on a non-routine matter.

Vote Necessary to Approve Proposals

General

Votes cast by proxy or in person at the meeting will be counted by the persons appointed by the Company to act as Judges of Election for the meeting. The Judges of Election will treat shares represented by proxies that reflect abstentions as shares that are present and entitled to vote for purposes of determining the outcome of any other business submitted at the meeting to the stockholders for a vote.

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

Proposal 1 Election of Three Class II Directors Whose Current Terms Expire on the Date of the 2015 Annual Meeting

The Class II directors shall be elected by a plurality of the votes cast at the Annual Meeting so long as a quorum is present. Under this stan-

dard, you may eithe