

GULF ISLAND FABRICATION INC
Form DEF 14A
March 20, 2015

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

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

GULF ISLAND FABRICATION, INC.

(Name of Registrant as Specified In Its Charter)

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

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No:

(3) Filing party:

(4) Date Filed:

GULF ISLAND FABRICATION, INC.

16225 PARK TEN PLACE

SUITE 280

HOUSTON, TEXAS 77084

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD APRIL 23, 2015

TO THE SHAREHOLDERS OF GULF ISLAND FABRICATION, INC.:

The annual meeting of shareholders of Gulf Island Fabrication, Inc. (the Company) will be held at 10:00 a.m., local time, on Thursday, April 23, 2015, at the Company's headquarters located at 16225 Park Ten Place, Suite 280, Houston, Texas, for the following purposes, more fully described in the accompanying proxy statement:

1. To elect three Class III director nominees;
2. To approve, on an advisory basis, the compensation of our named executive officers;
3. To approve the 2015 Stock Incentive Plan;
4. To ratify the appointment of the Company's independent registered public accounting firm; and
5. To transact such other business as may properly come before the annual meeting and any adjournments thereof.

The Board of Directors has fixed the close of business on March 16, 2015 as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting and all adjournments thereof.

Your vote is important regardless of the number of shares of the Company's common stock you own. Whether or not you plan to attend the annual meeting, **please complete, date and sign the enclosed proxy card and return it promptly in the enclosed stamped envelope.** Furnishing the enclosed proxy will not prevent you from voting in person at the annual meeting should you wish to do so. To obtain directions to attend the annual meeting and vote in person, please contact Jeffrey M. Favret at (713) 714.6100.

By Order of the Board of Directors

Jeffrey M. Favret
C.F.O. / Secretary

Houston, Texas

March 16, 2015

**IMPORTANT NOTICE REGARDING THE AVAILABILITY
OF THE PROXY MATERIALS FOR THE SHAREHOLDER
MEETING TO BE HELD ON APRIL 23, 2015.**

This proxy statement and the 2014 annual report are available at www.gulfisland.com/eproxy

GULF ISLAND FABRICATION, INC.

16225 PARK TEN PLACE, SUITE 280

HOUSTON, TEXAS 77084

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD APRIL 23, 2015

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Q: Why am I receiving this proxy statement?

A: Our Board of Directors (our Board) is soliciting your proxy to vote at the 2015 annual meeting of shareholders and at any adjournment thereof because you owned shares of our common stock at the close of business on March 16, 2015, the record date for determining shareholders entitled to vote at the annual meeting. The proxy statement, along with a proxy card or a voting instruction card, and our 2014 annual report are being mailed to shareholders on or about March 20, 2015. We have also made these materials available to you on the internet. This proxy statement summarizes the information you need to know to vote at the annual meeting. You do not need to attend the annual meeting to vote your shares of our common stock.

Q: When and where will the annual meeting be held?

A: The annual meeting will be held at 10:00 a.m., local time, on Thursday, April 23, 2015, at our principal executive offices located at 16225 Park Ten Place, Suite 280, Houston, Texas 77084.

Q: Who is soliciting my proxy?

A: Our Board, on behalf of Gulf Island Fabrication, Inc. (the Company), is soliciting your proxy to vote your shares of our common stock on all matters scheduled to come before the 2015 annual meeting of shareholders, whether or not you attend in person. By completing and returning the proxy card or voting instruction card, you are authorizing the proxy holder to vote your shares of our common stock at our annual meeting as you have instructed.

Q: On what matters will I be voting? How does the Board of Directors recommend that I cast my vote?

A: At the annual meeting, our shareholders will be asked to elect the three Class III director nominees named in this proxy statement, approve, on an advisory basis, the compensation of our named executive officers, approve the 2015 Stock Incentive Plan, ratify the appointment of our independent registered accounting firm and consider any other matter that properly comes before the annual meeting.

Our Board unanimously recommends that you vote:

FOR the election of the three Class III director nominees;

FOR the approval, on an advisory basis, of the compensation of our named executive officers (the say-on-pay proposal);

FOR the approval of the 2015 Stock Incentive Plan; and

FOR the ratification of the appointment of our independent registered public accounting firm.

Q: How many votes may I cast?

A: You may cast one vote for every share of our common stock that you owned on March 16, 2015, the record date of the annual meeting.

Q: How many shares are eligible to be voted?

A: As of the record date, we had 14,539,866 shares of our common stock outstanding, each of which is entitled to one vote.

Q: How many shares must be present to hold the annual meeting?

A: Under Louisiana law and our By-laws, the presence, in person or by proxy, of a majority of the outstanding shares of our common stock is necessary to constitute a quorum at the annual meeting. As of the record date, 7,269,934 shares constitute a majority of our outstanding stock entitled to vote at the annual meeting. The inspector of elections will determine whether a quorum is present at the annual meeting. If you are a beneficial owner (as defined below) of shares of our common stock and you do not instruct your broker, bank or other nominee how to vote your shares on any of the proposals, your shares of our common stock will be counted as present at the annual meeting for purposes of determining whether a quorum exists. In addition, if you are a shareholder of record present at the annual meeting in person or by proxy, your shares of our common stock will be counted as present at the annual meeting for purposes of determining whether a quorum exists, whether or not you abstain from voting on any or all of the proposals.

Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A: If your shares of our common stock are registered directly in your name with our transfer agent, American Stock Transfer and Trust Company, LLC, you are considered, with respect to those shares, the shareholder of record. The proxy materials have been mailed to such shareholders of record by us.

If your shares of our common stock are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. The proxy materials have been forwarded to such beneficial owners by the organization that holds your shares of our common stock, which is considered, with respect to those shares, the shareholder of record. As the beneficial owner, you have the right to instruct your broker, bank or other nominee how to vote your shares by completing and returning the voting instruction card included in their mailing or by following the voting instructions you received from your broker, bank or other nominee.

Q: What happens if I don't vote for a proposal? What is discretionary voting? What is a broker non-vote?

A: If you properly complete and return a proxy or voting instruction card, your shares will be voted as you specify.

Shareholders of Record

If you are a shareholder of record and you sign and return your proxy card without giving specific voting instructions on some or all of the proposals, then the proxy holders will vote your shares of our common stock in the manner recommended by our Board on all matters presented in this proxy statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the annual meeting.

Beneficial Owners of the Shares Held in Street Name

If you are a beneficial owner of shares held in street name and do not provide specific voting instructions to the broker, bank or other nominee that holds your shares of our common stock, the organization that holds your shares of our common stock has discretion to vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, such organization will inform the inspector of elections that it does not have the authority to vote on this matter with respect to your shares of our common stock. This is generally referred to as a broker non-vote.

Q: Which proposals are considered routine and which are considered non-routine ?

A: The proposal relating to the ratification of the appointment of our independent registered public accounting firm is the only routine matter being considered at the annual meeting. The proposal relating to the election of directors, the say-on-pay proposal and the 2015 Stock Incentive Plan are non-routine matters. A broker, bank or other nominee cannot vote without instruction on non-routine matters, in which case there would be broker non-votes on such proposals. Shares subject to broker non-votes will not be counted as votes for or against and will not be included in calculating the number of votes necessary for approval of such non-routine matters to be presented at the annual meeting; however, such shares will be considered present at the annual meeting for purposes of determining the existence of a quorum.

Q: What vote is required to approve each item?

A: The election of directors will be decided by plurality vote, that is, the three nominees receiving the highest number of affirmative votes will be elected. The say-on-pay proposal, the 2015 Stock Incentive Plan and the ratification of the appointment of our independent registered public accounting firm will be decided by a majority of votes actually cast. All other matters properly brought before the annual meeting for a vote of shareholders will be decided by a majority of the votes actually cast.

Abstentions and broker non-votes will have no effect on the voting calculations for any of the proposals.

Q: How do I vote?

A: You may submit your proxy and/or voting instructions for your shares of our common stock by using any of the following methods:

Proxy card or voting instruction card: Be sure to complete, sign and date your proxy card or voting instruction card and return it in the prepaid envelope provided.

By telephone or Internet: Shareholders of record cannot vote by telephone or Internet. The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other nominee. Therefore, we recommend that you follow the instructions on how to submit your voting instruction in the materials you receive from your broker, bank or other nominee.

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In person at the annual meeting: All shareholders may vote in person at the annual meeting. You may also be represented by another person at the annual meeting by executing a proper proxy designating that person as your representative. If you are a beneficial owner of shares of our common stock, you must obtain a legal proxy from your broker, bank or other nominee and present it to the inspectors of election with your ballot when you vote at the annual meeting.

Q: Can I revoke or change my voting instructions after I deliver my proxy?

A: Yes. Your proxy may be revoked or changed at any time before it is exercised by filing with our Secretary an instrument revoking it or a duly executed proxy bearing a later date, or by attending the annual meeting and voting in person. Your attendance alone at the annual meeting will not be enough to revoke your proxy.

Q: Who pays for soliciting proxies?

A: We pay all expenses incurred in connection with the solicitation of proxies for the annual meeting. We will also request banks, brokers, and other nominees holding shares of our common stock beneficially owned by others to send these proxy materials and 2014 annual report to, and obtain voting instructions from, the beneficial owners and will reimburse such shareholders of record for their reasonable expenses in so doing. Solicitation of proxies by mail may be supplemented by telephone, email and other electronic means, advertisements and personal solicitation by our directors, officers and employees. No additional compensation will be paid to directors, officers or employees for such solicitation efforts.

Q: Could other matters be decided at the annual meeting?

A: Our Board does not expect to bring any other matter before the annual meeting, and it is not aware of any other matter that may be considered at the annual meeting. In addition, the time has passed for any shareholder to properly bring a matter before the annual meeting. The enclosed proxy will, however, confer discretionary authority with respect to any other matter that may properly come before the annual meeting or any adjournment thereof. It is the intention of the person(s) named in the enclosed proxy to vote any shares of our common stock for which he has a proxy to vote at the annual meeting in accordance with his best judgment on any such matter.

Q: What happens if the annual meeting is postponed or adjourned?

A: Unless a new record date is fixed, your proxy will be valid and may be voted at the annual meeting, whether postponed or adjourned. You will still be able to change or revoke your proxy until your shares of our common stock are voted.

Q: I share an address with another shareholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

A: Some banks, brokers and other nominees are householding our proxy materials for their customers. This means that only one copy of our proxy materials may have been sent to multiple shareholders in your household. We will promptly deliver a separate copy of any of these proxy materials and the 2014 annual report to you if you call us at (713) 714-6100 or write to us at: Gulf Island Fabrication, Inc., 16225 Park Ten Place, Suite 280, Houston, Texas 77084.

If you would like to receive separate copies of our annual report and proxy statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee or you may contact us at the above address and telephone number.

Shareholder Proposals and Nominations for 2016 annual meeting

Any shareholder who wishes to bring a matter, other than shareholder nominations of directors, before the 2016 annual meeting must notify our Secretary, in writing at the address shown on the first page of this proxy statement, no later than February 4, 2016. However, if the date of the

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2016 annual meeting is changed by more than 30 calendar days from the date of the anniversary of the 2015 annual meeting, the notice must be received by our Secretary a reasonable time before the date we intend to distribute our proxy materials with respect to the 2016 annual meeting. If a shareholder does not provide such notice timely, proxies solicited on behalf of our Board for the 2016 annual meeting will confer discretionary authority to vote with respect to any such matter, as permitted by the proxy rules of the Securities and Exchange Commission (the SEC).

Shareholders intending to nominate a director for consideration at the 2016 annual meeting of shareholders may do so if they comply with our Amended and Restated Articles of Incorporation by furnishing timely written notice containing specified information concerning, among other things, information about the nominee and the shareholder making the nomination. See Corporate Governance Consideration of Director Nominees for more information. To be timely, any shareholder who wishes to nominate a director for consideration at the 2016

annual meeting must notify our Secretary, in writing at the address shown on the first page of this proxy statement, no later than March 9, 2016, unless we provide less than 55 days' notice of the 2016 annual meeting then the shareholder must provide notice to our Secretary no later than ten days following the date on which such notice of the 2016 annual meeting was given.

Any shareholder who desires to submit a proposal for inclusion in our proxy materials for the 2016 annual meeting must forward the proposal in writing to our Secretary at the address shown on the first page of this proxy statement in time to arrive no later than November 21, 2015, and the proposal must comply with applicable federal proxy rules.

Corporate Governance

Board Structure and Committee Composition; Board Independence; Board and Committee Meetings and Attendance

Our Board currently consists of nine members. On March 13, 2014, our Board increased the size of our Board from six to nine members and appointed Messrs. William E. Chiles, Murray W. Burns and Michael J. Keefe.

Our Board met five times during 2014. Our Board has established two standing committees: the Audit Committee and the Compensation Committee. Each committee operates under a written charter adopted by our Board, and such charters are available on our website at www.gulfisland.com under Investors' Corporate Governance. The composition of each committee is reviewed annually at the meeting of our Board following the annual meeting of shareholders. During 2014, each of our incumbent directors attended at least 75% of the aggregate of the total number of meetings of our Board and the total number of meetings held by all committees of our Board on which he served during the periods of his Board membership and committee service.

Board Independence

Our Board determined that all of our directors who served during 2014 are independent as such term is defined in the NASDAQ Stock Market LLC (NASDAQ) listing standards, except for Mr. Meche. In making this determination, our Board evaluated responses to a questionnaire completed by each director regarding relationships and possible conflicts of interest between each director, the Company and management. In its review of director independence, our Board considered all commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships any director may have with the Company or management. Kirk J. Meche, President and Chief Executive Officer during 2014, was not independent as defined by NASDAQ's listing standards.

Audit Committee

The Audit Committee currently consists of the following five directors: Gregory J. Cotter (Chairman), John P. (Jack) Laborde, Michael A. Flick, Michael J. Keefe and Christopher M. Harding. Each of these directors is independent as such term is defined in the NASDAQ listing standards, and also satisfies the additional requirements applicable to an audit committee member under the NASDAQ listing standards. Our Board has determined that Mr. Flick is an audit committee financial expert as such term is defined within the applicable rules of the SEC.

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The Audit Committee met five times during 2014. The Audit Committee's primary function is to assist our Board in fulfilling its oversight responsibilities by monitoring (i) the continued development and performance of our system of financial reporting, accounting, auditing, disclosure controls and procedures and internal control over financial reporting and financial reporting practices, (ii) the operation and integrity of our financial reporting

system, (iii) the performance and qualifications of our independent registered public accounting firm (external auditors) and internal auditors, (iv) the independence of our independent registered public accounting firm (external auditors), and (v) risk assessment with respect to the company's financial statements and related controls.

Compensation Committee

The Compensation Committee currently consists of the following five directors: Michael A. Flick (Chairman), John P. (Jack) Laborde, Jerry D. Dumas, William E. Chiles and Murray W. Burns. Each of these directors is independent as such term is defined in the NASDAQ listing standards, and also satisfies the additional requirements applicable to a compensation committee member under the NASDAQ listing standards. The Compensation Committee met four times during 2014. The Compensation Committee (i) reviews, approves and recommends to our Board goals and objectives relating to the compensation of our officers and other key employees (including the specific relationship of corporate performance to such officers' compensation), (ii) evaluates at least annually the performance of our officers and other key employees in light of these goals and objectives, (iii) recommends to our Board the compensation of our officers and other key employees based on such evaluations, (iv) grants awards under our incentive compensation plans and programs, (v) otherwise administers our incentive compensation plans and programs, (vi) recommends to our Board the compensation of our directors, and (vii) performs such other functions as may be prescribed by our Board.

The Compensation Committee seeks the input of our Chief Executive Officer in connection with performance evaluations and compensation decisions for our executive officers; however, our Chief Executive Officer is not present when the Compensation Committee meets to evaluate his performance nor when our Board determines his compensation. The terms of our stock incentive plans permit the Compensation Committee to delegate to appropriate personnel its authority to make awards to employees other than those subject to Section 16 of the Exchange Act. However, the Compensation Committee has not delegated this authority to any individual.

Board Leadership Structure

Jack Laborde serves as Chairman of our Board and Kirk Meche serves as President and Chief Executive Officer. Our Board determined that separation of these roles would maximize management's efficiency by allowing the Chief Executive Officer to focus on our day-to-day business and the Chairman of our Board to lead the Board of Directors in its fundamental role of providing guidance to and oversight of management. While our By-laws and corporate governance guidelines do not require the Chairman of the Board and Chief Executive Officer positions to be separate, our Board believes that having separate positions is the appropriate leadership structure for the Company at this time. Our Board, however, periodically reviews the leadership structure and may make such changes in the future as it deems appropriate.

During 2014, each of the directors other than Mr. Meche were determined to be independent and our Board believes that the independent directors provided effective oversight of management. Moreover, in addition to feedback provided during the course of meetings of our Board, the independent directors are given the opportunity to meet in executive session after each regular meeting of our Board or more frequently, as needed. During 2014, Mr. J. Laborde, an independent director and Chairman of our Board, served as chairperson for all of the executive sessions of independent directors and acted as the liaison between the independent directors and the Chief Executive Officer.

In addition, our two standing committees are composed entirely of independent directors, and have the power and authority to engage legal, financial and other advisors as they may deem necessary, without consulting or obtaining the approval of the full Board or management.

Board's Role in Risk Oversight

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including economic, environmental and regulatory risks, as well as risks associated with the impact of competition and weather conditions. Management is responsible for the day-to-day management of risks we face, while our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

The Board conducts certain risk oversight activities through its committees, which oversee specific areas and provide reports to the full Board regarding such committee's considerations and actions. The Audit Committee reviews and considers financial, accounting, internal controls and regulatory compliance risks, including those that could arise from our accounting and financial reporting processes. The Audit Committee also reviews and monitors risks through various reports presented by our internal auditors and our registered public accounting firm (external auditors). The Compensation Committee reviews and considers risks related to our compensation policies, including incentive plans, to determine whether those plans subject the Company to material risks. Senior management attends the quarterly meetings of our Board and is available to address any questions or concerns raised by our Board on risk management topics and any other matters.

Consideration of Director Nominees

Our Board has elected not to have a separate nominating committee. Our Board made this determination after considering its nomination process and concluding that as many directors as possible should participate in that process. As stated above, our Board has determined that all of our current directors are independent except for Mr. Meche, who has served as Chief Executive Officer since January 1, 2013 and President since January 2009. Accordingly, our Board has decided that nominations of directors and related matters will be considered and voted upon by all of the independent directors while meeting in executive session. In this manner, should the proposed slate of directors be elected, all but one of the current directors will have been involved in the nominations process.

In evaluating the suitability of nominees for membership on our Board, the independent directors consider many factors, including personal and professional integrity, general understanding of and particular operational experience in the construction and oil and gas industries, finance and other elements relevant to the success of a publicly-traded company in today's business environment, educational and professional background, independence and an ability and willingness to work cooperatively with other members of our Board and with our senior management. The independent directors evaluate each individual in the context of our Board as a whole, with the objective of nominating persons for election to our Board who can best perpetuate the success of our business, be an effective director in conjunction with our full Board, and represent shareholder interests through the exercise of sound judgment.

The independent directors will regularly assess the appropriate size of our Board, and whether any vacancies on our Board are expected due to retirement or otherwise and whether such vacancies should be filled. In the event that any vacancies are anticipated, or otherwise arise, the independent directors will consider various potential candidates for director who may come to the attention of our Board through current members of our Board, professional search firms, shareholders or other persons. Each candidate brought to the attention of our Board is considered on the basis of the criteria set forth above. On March 13, 2014, our Board increased the size of our Board from six to nine members and appointed Messrs. Chiles, Burns and Keeffe.

As set forth in our Corporate Governance Guidelines, our Board will consider director candidates recommended by our shareholders on candidates for nomination for election to our Board. Any shareholder may suggest a nominee by sending the following information to our Board: (i) the proposing shareholder's name, address and telephone number, (ii) the number of shares of our common stock beneficially owned by the

proposing shareholder and the suggested nominee, (iii) the suggested nominee's name, age, business and residential addresses and telephone number, (iv) a statement whether the suggested nominee knows that his or her name is being suggested by the proposing shareholder, and whether he or she has consented to being suggested and is willing to serve, (v) the suggested nominee's résumé or other description of his or her background and experience, and (vi) the proposing shareholder's reasons for suggesting that the individual be considered. The information should be sent to the independent directors of our Board addressed as follows: Secretary of Gulf Island Fabrication, Inc., 16225 Park Ten Place, Suite 280, Houston, Texas 77084, and our Secretary will forward the information to the independent directors.

Our Amended and Restated Articles of Incorporation also permit shareholders to directly nominate directors for election at an annual shareholder meeting. In general, to be timely, a shareholder's notice must be received by our Secretary at our principal executive office no less than 45 days or more than 90 days prior to the shareholder meeting and the notice must be in writing and must include certain specified information about the nominee and the shareholder making the nomination.

Communications with our Board; 2014 Annual Meeting Attendance by Directors

Any shareholder may communicate with our Board (or with any individual director) by sending a letter by mail addressed to the Chairman of the Board of Directors of Gulf Island Fabrication, Inc., 16225 Park Ten Place, Suite 280, Houston, Texas, 77084. The Chairman of our Board will forward the shareholder's communication directly to the appropriate director or directors.

Our Board has adopted a policy that recommends that all directors personally attend each annual and special meeting of our shareholders. At the last annual meeting of shareholders held on April 24, 2014, all nine of the members of our Board at the time were in attendance.

Ethics and Business Conduct Policies

We have adopted a Code of Ethics for our Chief Executive Officer and senior financial officers and a Code of Business Conduct and Ethics, which applies to all employees and directors, including our Chief Executive Officer and senior financial officers. These codes are posted on our website at www.gulfisland.com under Investors' Corporate Governance. Any substantive amendments to the Code of Ethics or any waivers granted under the Code of Ethics will be disclosed within four business days of such event on our website.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than 10% shareholders are required by the regulations of the SEC to furnish the Company with copies of all Section 16(a) reports they file. Based solely on our review of copies of such reports and written representations from our officers and directors that no other reports were required for those persons, we believe that all of our officers, directors and greater than 10% shareholders complied with the filing requirements applicable to such persons for the fiscal year ended December 31, 2014.

Compensation Committee Interlocks and Insider Participation

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During 2014, none of Messrs. Michael A. Flick (Chairman), John P. (Jack) Laborde, Jerry D. Dumas, Sr., William E. Chiles and Murray W. Burns, who comprised the Compensation Committee, were officers or employees of the Company or any of its subsidiaries or had any relationships requiring disclosure in this proxy statement under Certain Transactions, and none of our executive officers served as a member of the compensation committee of another entity or as a director of another entity, one of whose executive officers served on the Compensation Committee or our Board. No member of the Compensation Committee is a former officer of the Company.

Director Compensation

We use a combination of cash and equity-based incentive compensation to attract and retain qualified candidates to serve on our Board. In setting director compensation, we consider the significant amount of time directors dedicate in fulfilling their duties as directors, as well as the skill-level required by the Company to be an effective member of our Board. For 2014, the form and amount of director compensation was reviewed by our full Board, which includes Mr. Meche, our President and Chief Executive Officer.

Cash Compensation

For service as a director during 2014, each non-employee director, except Messrs. Cotter, Laborde and Flick, received an annual fee of \$54,000 for his services as a director. Mr. Cotter, as Chairman of the Audit Committee, received an annual fee of \$66,000 and Mr. Flick, as the Audit Committee Financial Expert, and Chairman of the Compensation Committee received an annual fee of \$78,000. Mr. J. Laborde received an annual fee of \$120,000 for serving as Chairman of the Board and as a member of the Audit Committee and Compensation Committee. All directors are reimbursed for reasonable out-of-pocket expenses incurred in attending meetings of our Board and its committees.

Equity-Based Compensation

Each non-employee director also received equity-based compensation under our stock incentive plans, which were approved by our shareholders. On April 24, 2014, each of our non-employee directors was granted 2,000 restricted stock units (RSUs), which vested on October 24, 2014, six months after the date of grant. Upon vesting, each RSU entitles the non-employee director, at his sole option, to receive either (i) one share of our common stock or (ii) in lieu of a share of our common stock, up to fifty percent (50%) of the fair market value of the share of our common stock in cash. We expect to continue to make one annual grant of RSUs to our non-employee directors.

2014 Director Compensation

The table below summarizes the compensation paid in 2014 to each person serving as a director during 2014, with the exception of Mr. Meche. Mr. Meche did not receive any compensation as a director and his compensation as an executive of the Company is fully reflected in the 2014 Summary Compensation Table on page 24.

<u>Name</u>	Fees Earned or Paid in	Stock	Total
	Cash (\$)(1)	Awards (\$)(2)	(\$)
Murray W. Burns	\$ 54,000	\$ 46,380	\$ 100,380
William E. Chiles	54,000	46,380	100,380
Gregory J. Cotter	66,000		66,000
Jerry D. Dumas, Sr.	54,000		54,000
Michael A. Flick	78,000		78,000
Christopher M. Harding	54,000		54,000
Michael J. Keeffe	54,000	46,380	100,380

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John P. Laborde

120,000

120,000

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- (1) Reflects fees earned by the directors during 2014 for their service on our Board and its committees, if any, which includes fees paid for each director's service during the fourth quarter of 2014 paid during 2015.
 - (2) Reflect the aggregate grant date fair value of RSUs. RSUs are valued on the date of grant at the closing sale price per share of our common stock. On April 24, 2014, Messrs. Burns, Chiles, and Keeffe were granted 2,000 RSUs, which had a grant date fair value of \$23.19 per unit of restricted stock.

PROPOSAL 1: ELECTION OF DIRECTORS

Our Amended and Restated Articles of Incorporation provide for a Board of Directors consisting of three classes, with the number of directors to be set forth in our By-laws. Effective April 26, 2012, our Board approved an amendment to our By-laws to allow for the number of directors constituting the entire Board of Directors to be a range of not less than three nor more than twelve, with the exact number of directors to be fixed by a duly adopted resolution of the Board of Directors. The size of our Board is currently set at nine directors. The term of office of the Class III directors will expire at the annual meeting, and, in accordance with the recommendations of the independent directors, our Board has nominated the three persons listed as the Class III director nominees in the table below for election to our Board for a term expiring in 2018.

Proxies cannot be voted more than one time for each of the three director nominees named in this proxy statement. In the unanticipated event that any nominee is unavailable as a candidate for director, the persons named in the accompanying proxy will vote your shares of our common stock for a substitute candidate nominated by our Board.

Under our By-Laws, directors are elected by a plurality vote, with the three Class III director nominees who receive the most votes being elected.

Our Board recommends that shareholders vote FOR the election of the three Class III director nominees named in this proxy statement.

Information about the Directors, Director Nominees and Executive Officers

The following table sets forth, as of March 2, 2015, for each director nominee, each other director of the Company whose term will continue after the annual meeting and each of our executive officers, the age, any positions with the Company, and principal occupations and employment during the past five years, any family relationships among such persons, and, if a director nominee or a director, each such person's directorships in other public corporations during the past five years and the year that such person was first elected a director of the Company or our predecessor. We have also included information about each director and director nominee's specific experience, qualifications, attributes, or skills that led the independent directors of our Board to conclude that such person should serve as one of our directors at the time we file this proxy statement, in light of our business and structure. All executive officers serve at the pleasure of our Board.

<u>Name and Age</u>	<u>Positions with the Company, Principal Occupations, Directorships in Other Public Companies, and Family Relationships</u>	<u>Director Since</u>
<u>Nominees for Election as Class III Directors (term expires in 2018)</u>		
Jerry D. Dumas, Sr., 79	<p>Private investor. Chairman of the Board, President and Chief Executive Officer from 1998 to 2009 and non-executive Chairman of the Board from 2009 to 2010 of Flotek Industries. Vice President of Corporate and Executive Services of Merrill Lynch from 1988 to 1998. Served in various capacities, including Group Division President of Hughes Tool Company (now Baker Hughes Incorporated), a position responsible for the offshore division and the drilling fluids and chemical group, from 1968 to 1985.</p> <p>Mr. Dumas's extensive career in the financial and oil and gas industries as well as his experience managing a publicly traded company provided him with knowledge of risk management, finance and operations and makes him a valued member of our Board and the Compensation Committee.</p>	2011
Kirk J. Meche, 52	<p>Chief Executive Officer of the Company since 2013. President of the Company since 2009 and Chief Operating Officer from 2009 to 2012. Executive Vice President Operations of the Company from 2001 to 2009. President and Chief Executive Officer of Gulf Marine Fabricators, L.P., a wholly-owned fabrication subsidiary of the Company, from February 2006 to October 2006. President and Chief Executive Officer of Gulf Island, L.L.C., a wholly-owned fabrication subsidiary of the Company, from 2001 until 2006. President and Chief Executive Officer of Southport, Inc., a wholly-owned fabrication subsidiary of the Company, from 1999 to 2001. Project Manager of the Company from 1996 to 1999. Held various engineering positions for J. Ray McDermott and McDermott, Inc. from 1985 to 1996.</p> <p>Mr. Meche's experience in the energy and marine construction industries, in particular his over 19 years of experience in various leadership roles with the Company and 30 years in the industry, provides him with knowledge of managing operations and overseeing the expansion of business making him highly qualified to serve as a member of our Board.</p>	2012

Name and Age	Positions with the Company, Principal Occupations,	Director Since
	Directorships in Other Public Companies, and Family Relationships	
Michael J. Keffe, 63	<p>Prior to his retirement in 2011, Mr. Keffe was a Senior Audit Partner with Deloitte & Touche LLP. He has 35 years of public accounting experience at Deloitte & Touche directing financial statement audits of public companies, principally in the oil field service and engineering and construction industries, most with significant international operations. He also served as a risk management and quality assurance partner in the firm's consultation network. He is a retired Certified Public Accountant and holds a Bachelor of Arts and a Masters of Business Administration both from Tulane University. We believe Mr. Keffe is a valuable member of the Board and Audit Committee because of his extensive accounting and financial expertise, particularly in our industry and related industries.</p>	2014
<u>Continuing Class II Directors (term expires in 2017)</u>		
Gregory J. Cotter, 66	<p>Wealth Management Consultant since 2009. Employed by Huey Wilson Interest, Inc., a business management service company, and its affiliates in various executive capacities, including Director, President, Chief Operating Officer and Chief Financial Officer from 1989 through 2008. Director, President, and Chief Operating Officer of a publicly traded multibank holding company from 1986 to 1988. Senior Vice-President and Chief Financial Officer of H.J. Wilson Co. Inc., a publicly traded retailer, from 1977 to May 1985.</p> <p>Mr. Cotter's extensive career in the banking and financial industries provided him with a knowledge of financial reporting, accounting and controls as well as a knowledge of operations making him highly qualified to lead the Audit Committee as Chairman and serve as a member of our Board.</p>	1985
John P. (Jack) Laborde, 65	<p>Chairman of our Board since 2013. President of Overboard Holdings, L.L.C. (Overboard), a management company engaged in oil and gas exploration and development since January 2002. President since 1997 of All Aboard Development Corporation (All Aboard), an independent oil and gas exploration and production company. All Aboard is currently being managed by Overboard. President of AVOCA, Inc. since 2014. AVOCA holds land and minimal rights in South Louisiana. Employed by the Company from 1992 until 1996 in various capacities, including International Marketing Manager. Prior to 1992, he worked as an engineer for Exxon Corporation and in various capacities for Ocean Drilling & Exploration Company and Murphy Oil Corporation. Son of Alden J. (Doc) Laborde, co-founder of the Company and former director.</p> <p>Mr. Laborde's knowledge of engineering, construction and oil and gas operations as well as his experience managing and overseeing the expansion of businesses makes him a valued member as Chairman of our Board, and as a member of the Compensation Committee and Audit Committee.</p>	1997

Name and Age	Positions with the Company, Principal Occupations,	Director Since
	Directorships in Other Public Companies, and Family Relationships	
Christopher M. Harding, 63	<p>Vice President Horton Wison Deepwater, a technology development company for the offshore and marine industries, from March 2012 to August 2014. Executive Vice President G.L. Noble Denton 2009 until 2012. Independent Consultant from 2004 until 2009. President of the engineering division of Technip USA from 1999 to 2004. Founder and President of Genesis Oil & Gas Consultants, a privately-owned consulting and engineering company servicing both independent and major oil and gas companies, from 1988 until acquired by Technip USA in 1998.</p> <p>Mr. Harding's experience in the engineering and construction industries and in international operations gives him the skills necessary to serve as a member of our Board and the Audit Committee.</p>	2007
<u>Continuing Class I Directors (term expires in 2016)</u>		
Michael A. Flick, 66	<p>Private Investor. Member of the Board of Directors, Audit Committee and Governance and Nominating Committee of the Bristow Group, Inc. From 1970 to 1998 employed by First Commerce Corporation and First National Bank of Commerce, its wholly-owned subsidiary, in various executive capacities including Chief Financial Officer and Chief Credit Policy Officer and Executive Vice President and Chief Administrative Officer. Mr. Flick's experience in the banking and financial services industries provided him with extensive knowledge of financial reporting, legal and audit compliance and risk management making him highly qualified to serve as a member and financial expert of the Audit Committee, the Chairman of the Compensation Committee and a member of our Board.</p>	2007
William E. Chiles, 66	<p>President, CEO and a director of Bristow Group, Inc. from July 2004 to July 2014. On July 31, 2014, Mr. Chiles retired as President and CEO of Bristow, continuing to serve as a senior advisor and CEO Emeritus through July 2016. From 2003 to 2004, served as Executive Vice President and COO of Grey Wolf Inc., a publically traded onshore oil & gas drilling company. In 1977, co-founded Chiles Offshore Inc. (formerly, Chiles Drilling Company) and served as President and CEO until its merger with ENSCO International Incorporated (ENSCO) in 2002. From 2002 to 2003, served as Vice President of Business Development of ENSCO. In 1992, founded Southwestern Offshore Corporation and served as CEO and President until acquired by Cliffs Drilling Company (Cliffs) in 1996. From 1996 to 1997, served as Senior Vice President Drilling Operations of Cliffs. Prior to 1977, worked as VP Domestic Operations at Western Oceanic, Inc. as well as various other capacities. Mr. Chiles serves on the board of directors of Basic Energy Services. We believe Mr. Chiles is a valuable member of the Board and Compensation Committee because of his broad international experience and knowledge of the oil and gas industry and our customer base, as well as his executive experience with various publicly traded companies.</p>	2014

Name and Age	Positions with the Company, Principal Occupations,	Director Since
	Directorships in Other Public Companies, and Family Relationships	
Murray W. Burns, 69	Project management, engineering, and business development consultant through MBurns Consulting since 2013. From 1980 to 2013, employed by Technip USA, Inc. and its affiliates in various executive capacities, including Vice President Offshore Business Unit, Vice President Topsides and Fixed Platforms, Vice President Engineering Operations, Vice President Engineering, President and COO (Technip Upstream Houston, Inc.) and Vice President. From 1976 to 1980, Project Manager, Group Manager, Manager of Facilities and Supervising Engineer with Petro-Marine Engineering, Inc. Prior to 1976, worked in various engineering capacities at Shell Oil Company. Mr. Burns experience in the engineering and offshore fabrication industries provides valuable insight and makes him highly qualified to serve as a member of our Board and Compensation Committee.	2014
<u>Current Executive Officers not Serving as Directors</u>		
Jeffrey Favret, 53	Chief Financial Officer and Treasurer since May 2013; Secretary since May 2014; Executive Vice President since February 2015. Mr. Favret has worked with companies in oil and gas exploration and production, vessel construction, offshore drilling construction and offshore vessel/marine transportation industries, among others. Mr. Favret previously served as Director of Finance, Energy Infrastructure Segment, of FMC Technologies, Inc., a leading global provider of technology solutions for the energy industry, from May 2012 to May 2013. Mr. Favret also served as the Chief Accounting Officer for Trico Marine Services, Inc., a provider of marine support vessel and subsea services to the offshore oil and gas industry, from April 2010 to May 2012. Prior to that, Mr. Favret served as Director (Partner) of the accounting firm Postlethwaite & Netterville, after serving in various roles at Ernst & Young in its Assurance and Advisory practice.	N/A
Todd F. Ladd, 48	Chief Operating Officer since February 2014; Executive Vice President since February 2015. Mr. Ladd previously served as Vice President and General Manager of the Company since July 2013. Mr. Ladd has over 25 years industry experience in the offshore fabrication sector. From 2001 to 2013, Mr. Ladd served as Senior Project Manager with Paloma Energy Consultants, an offshore construction project management firm. From 1996 to 2001, Mr. Ladd served as Project Manager for Gulf Island LLC. Mr. Ladd also served as Production Engineer and Facility Engineer at McDermott Marine Construction from 1996 to 1998.	N/A

Stock Ownership

The following table sets forth, as of March 2, 2015, certain information regarding beneficial ownership of shares of our common stock by (i) each of our current directors and director nominees, (ii) each of our named executive officers, (iii) all of our director nominees and current directors and executive officers as a group, and (iv) each other shareholder known by us to be the beneficial owner of more than 5% of our outstanding common stock. Unless otherwise indicated, we believe that the shareholders listed below have sole investment and voting power with respect to their shares of our common stock based on filings with the SEC and/or information furnished to us by such shareholders.

Name of Beneficial Owner	Number of Shares Beneficially Owned(1)	Shares Percentage of Outstanding Common Stock(2)
<i>Directors, Director Nominees and Named Executive Officers:</i>		
Murray W. Burns	1,300	