

SUPERIOR ENERGY SERVICES INC
Form DEF 14A
April 13, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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 under §240.14a-12

Superior Energy Services, 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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- No fee required.
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(3) Filing Party:

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11000 Equity Drive, Suite 300

Houston, Texas 77041

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To our Stockholders:

The annual meeting of stockholders of Superior Energy Services, Inc. will be held at 9:00 a.m., local time, on Wednesday, May 16, 2012, at the InterContinental New Orleans, Magnolia Room, 444 St. Charles Avenue, New Orleans, Louisiana 70130. At the annual meeting, our stockholders will be asked to vote on the following proposals:

1. the election of ten directors;
2. an advisory vote on the compensation of our named executive officers;
3. the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2012; and
4. any other business that may properly come before the meeting.

Only holders of record of our common stock as of the close of business on March 30, 2012 are entitled to receive notice of, attend and vote at the meeting.

Your vote is important. Whether or not you plan to attend the meeting, please complete, sign and date the enclosed proxy or voting instruction card and return it promptly in the enclosed envelope, or vote by one of the other methods specified in this proxy statement. If you attend the annual meeting, you may vote your shares in person, even if you have sent in your proxy.

By Order of the Board of Directors,

Greg Rosenstein
Executive Vice President and Secretary

Houston, Texas

April 13, 2012

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 16, 2012.

This proxy statement and the 2011 annual report

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are available at <https://materials.proxyvote.com/868157>

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SUPERIOR ENERGY SERVICES, INC.

11000 Equity Drive, Suite 300

Houston, Texas 77041

PROXY STATEMENT

FOR THE

ANNUAL MEETING OF STOCKHOLDERS

This Proxy Statement is being mailed to our stockholders on or about April 13, 2012.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Q: Why am I receiving this proxy statement?

A: Our Board of Directors is soliciting your proxy to vote at the annual meeting because you owned shares of our common stock at the close of business on March 30, 2012, the record date for the meeting, and are entitled to vote at the meeting. This proxy statement, along with a proxy card or a voting instruction card, is being mailed to stockholders beginning April 13, 2012. 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.

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 stockholders will be asked to (i) elect our directors, (ii) hold an advisory vote on the compensation of our named executive officers (the say-on-pay proposal), (iii) ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2012, and (iv) consider any other business that may properly come before the meeting.

Our Board of Directors unanimously recommends that you vote:

FOR the election of the director nominees;

FOR the approval of the compensation of our named executive officers;

FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2012.

Q: When and where will the meeting be held?

A: The meeting will be held at 9:00 a.m., local time, on Wednesday, May 16, 2012, at the InterContinental New Orleans, Magnolia Room, 444 St. Charles Avenue, New Orleans, Louisiana 70130. You can obtain directions to the InterContinental at the hotel's website at www.intercontinental.com.

Q: Who is soliciting my proxy?

A: Our Board of Directors is soliciting your vote for our 2012 annual meeting of stockholders. By completing and returning the proxy or voting instruction card, you are authorizing the proxy holder to vote your shares at our annual meeting as you have instructed him on the card.

Q: How many votes may I cast?

A: You have one vote for every share of our common stock that you owned on the record date.

Q: How many votes may be cast by all stockholders?

A: As of the record date, we had 157,491,089 shares of common stock outstanding.

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

A: Our By-laws provide that a majority of the outstanding shares of stock entitled to vote generally in the election of directors, represented in person or by proxy, constitutes a quorum at a meeting of our stockholders. As of the record date, 78,745,545 shares of our common stock constitute a quorum. Shares that are voted, broker non-votes and shares for which voting authority is withheld are treated as being present at the annual meeting for purposes of determining whether a quorum is present.

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

A: If your shares are registered directly in your name with our transfer agent, American Stock Transfer and Trust Company, you are considered, with respect to those shares, the stockholder of record. The proxy materials have been directly sent to you by us. If your shares 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 you by your broker, bank or nominee. As the beneficial owner, you have the right to direct your broker, bank or nominee how to vote your shares by using the voting instruction card included in the mailing or by following their instructions for voting by telephone or Internet. You should also be aware that you may not vote shares held in street name by returning a proxy card directly to us or by voting in person at the annual meeting unless you provide a legal proxy, which you must obtain from your broker or other nominee.

Q: What if I don't vote for a proposal? On which proposals may my shares be voted without receiving voting instructions from me?

A: If you properly execute and return a proxy or voting instruction card, your stock will be voted as you specify. If you are a stockholder of record and you make no specifications on your returned proxy card, your shares will be voted in accordance with the recommendations of our Board of Directors, as provided above.

If you are a beneficial owner, under the rules of the New York Stock Exchange (NYSE), your broker, bank or nominee may generally vote your shares on routine matters without receiving voting instructions from you but cannot vote your shares on non-routine matters. If your broker, bank or nominee does not receive instructions from you on how to vote your shares on a non-routine matter, the organization will not have the authority to vote on such matter with respect to your shares. This is generally referred to as a broker non-vote.

The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2012 is a routine matter. However, the election of directors and the say-on-pay proposal are non-routine matters under the rules of the NYSE. Your broker, bank or other nominee cannot vote your shares on these matters without instructions from you. If you do not provide voting instructions to your broker, bank or nominee on these matters, your shares will be considered broker non-votes and will not be voted on such matters.

Q: What vote is required to approve each item?

A: *Election of Directors.* The election of directors will be decided by plurality vote, that is, the ten nominees receiving the highest number of affirmative votes will be elected to the Board of Directors.

Say-on-Pay. The approval, by an advisory vote, of the compensation of our named executive officers requires the affirmative vote of the holders of a majority of the shares of our common stock present in person or by proxy at the annual meeting and entitled to vote on such proposal.

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Ratification of KPMG. The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2012 requires the affirmative vote of the holders of a majority of the shares of our common stock present in person or by proxy at the annual meeting and entitled to vote on such proposal.

Abstentions will be treated as present for purposes of determining a quorum, but abstentions will have no effect on the election of directors, and will have the effect of a vote against the say-on-pay proposal and the proposal to ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2012. Broker non-votes will have no effect on the election of directors or the say-on-pay proposal, and will not occur with respect to the proposal to ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2012, which is considered a routine matter.

Q: How do I vote?

A: You may vote using any of the following methods:

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

Telephone or Internet: The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or nominee. Therefore, we recommend that you follow the voting instructions in the materials you receive.

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

Q: Can I change my vote?

A: Yes. Your proxy can be revoked or changed at any time before it is voted by notice in writing to our Secretary, by our timely receipt of another proxy with a later date or by voting in person at the meeting.

Q: Who pays for soliciting proxies?

A: We are paying for all costs of soliciting proxies. In addition to solicitations by mail, we have retained Georgeson Stockholder Communications, Inc. to aid in the solicitation of proxies at an estimated fee of \$10,500. Our officers and employees may request the return of proxies by personal conversation or by telephone or telecopy. We are also requesting that banks, brokerage houses and other nominees or fiduciaries forward the soliciting material to their principals and that they obtain authorization for the execution of proxies. We will reimburse them for their expenses.

Q: Could other matters be decided at the meeting?

A: The 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 meeting. In addition, pursuant to our By-laws, the time has elapsed for any stockholder to properly bring a matter before

the meeting. However, if any other matter does properly come before the meeting, the proxy holder will vote the proxies in his discretion.

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

A: Your proxy will still be good and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

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The size of the Board is currently fixed at ten directors, and our directors are elected annually. Upon the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated each of the current ten directors to serve another one-year term of office, expiring at our 2013 annual meeting and until his successor is duly elected and qualified.

Proxies cannot be voted for more than ten nominees. Unless you specify otherwise in your proxy card, your shares will be voted by the proxy holder FOR the election of each of the ten nominees named below to serve until the next annual meeting and until their successors are duly elected and qualified. If any nominee should decline or be unable to serve for any reason, votes will be cast for a substitute nominee designated by the Board. Each of the nominees has advised us that he will serve on the Board if elected.

Information About Directors

The biographies below provide certain information as of March 30, 2012, with respect to each director nominee and contain information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, and the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the Board to determine that the person should be nominated to serve as a director. Unless otherwise indicated, each person has been engaged in the principal occupation shown for the past five years.

Name and Age	Business Experience, Qualifications, and Skills	Director Since
Harold J. Bouillion, 68	<p>Mr. Bouillion is currently the Managing Director of Bouillion & Associates, LLC, which provides tax and financial planning services, a position he has held since 2002. From 1966 until 2002, Mr. Bouillion was with KPMG LLP where he served as Managing Partner of the New Orleans office from 1991 through 2002. Mr. Bouillion holds a Master of Science in Accounting from Louisiana State University.</p> <p>Mr. Bouillion's tax and financial planning services experience and his 36-year career in tax with an international accounting firm, where he served in various leadership positions, make him a valuable member of the Board and Audit Committee and distinctively qualified to chair our Compensation Committee. His prior management experiences add valuable perspective on the challenges faced at the Board level.</p>	2006
Enoch L. Dawkins, 74	<p>Mr. Dawkins has over 50 years of experience in the energy industry. From 1991 until his retirement in March 2003, Mr. Dawkins served as president of Murphy Exploration and Production Company, a subsidiary of Murphy Oil. His career included numerous management positions domestically and internationally with Ocean Drilling and Exploration Company (known as ODECO), a company he joined in 1964, including serving as President from 1989 until its acquisition by Murphy Oil Company in 1991. Mr. Dawkins began his career as a drilling engineer with The California Co., a predecessor to Chevron USA. Mr. Dawkins was previously on the board of Murphy Oil Canada, Ltd.</p>	2003

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Name and Age	Business Experience, Qualifications, and Skills	Director Since
David D. Dunlap, 50	<p>Mr. Dawkins' employment history as an executive in the domestic and international oil and gas industry makes him uniquely suited to understand and oversee the complex managerial, strategic and financial considerations necessary to serve on our Board and as our Lead Director. Mr. Dawkins' service on other private, non-profit and industry boards allows him to provide our Board with a variety of perspectives on corporate governance issues.</p>	2010
James M. Funk, 62	<p>Mr. Dunlap has served as Chief Executive Officer since April 2010 and President since February 2011. Prior to joining the Company, Mr. Dunlap had served since 2007 as Executive Vice President – Chief Operating Officer of BJ Services Company (BJ Services), a well services provider. He joined BJ Services in 1984 as a District Engineer. Prior to being promoted to Executive Vice President and Chief Operating Officer, Mr. Dunlap held the position of Vice President International Division from 1995 through 2007. He also previously served as Vice President – Sales for the Coastal Division of North America and U.S. Sales and Marketing Manager.</p> <p>Mr. Dunlap has worked and held leadership positions in the oil and energy industry for more than 25 years. Under his direction, BJ Services significantly expanded internationally and successfully transformed into a global leader in multiple well service product lines, demonstrating his exceptional leadership abilities in developing and executing a global business strategy. His extensive knowledge, experience and expertise and his insight on global expansion in the oil and energy industry make him a valuable member of our Board and uniquely position him to assist the Board in the successful implementation of the Company's business strategy.</p> <p>Dr. Funk is currently the President of J.M. Funk & Associates, an oil and gas business consulting firm, and has more than 30 years of experience in the energy industry. Dr. Funk served as Senior Vice President of Equitable Resources (now EQT) and President of Equitable Production Co. from June 2000 until December of 2003. Previously, Dr. Funk worked for 23 years with Shell Oil Company and its affiliates. Dr. Funk has previously served on the boards of Westport Resources (April 2000 to June 2004) and Matador Resources Company (January 2003 to December 2008). Dr. Funk currently serves as a Director of Range Resources Corporation and Sonde Resources Corp. Dr. Funk holds a PhD in Geology and is a Certified Petroleum Geologist.</p>	2010

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Name and Age	Business Experience, Qualifications, and Skills	Director Since
Terence E. Hall, 66	<p>Dr. Funk's extensive experience in the energy industry in similar areas as the Company's operations gives him a unique understanding of our business and the challenges and strategic opportunities facing us. His career has also provided him with substantial personnel management experience making him highly qualified to serve as a member of our Audit, Compensation and Nominating and Corporate Governance Committees. In addition, his service on the board of directors of a number of public companies adds valuable perspective in connection with the role of the board and positions him well to handle challenges faced at the Board level.</p> <p>Mr. Hall has served as the Chairman of the Board since December 1995. From 1995 to April 2010, he served as our Chief Executive Officer, and from December 1995 until November 2004, he also served as our President. Mr. Hall is the founder of the Company and served as Chief Executive Officer of the Company and its predecessors since 1980 until April 2010. Mr. Hall also served as a director of Whitney Holding Corp. and joined the Hancock Holding Company board of directors after it completed its merger with Whitney in June 2011.</p> <p>As founder of the Company, Mr. Hall led the Company through tremendous growth through all industry cycles. His detailed knowledge of every aspect of our business and perspective regarding strategic and operational opportunities and challenges facing the Company and the oil and gas industry enable him to guide the Company's business strategy and focus the Board on the most significant business issues.</p>	1995
Ernest E. Wyn Howard, III, 69	<p>Mr. Howard retired as a director of Stratus Properties, Inc. in 1996, where he previously served as President and Chief Executive Officer. He also previously served as Chief Financial Officer, Executive Vice President and a director of Freeport-McMoRan Copper & Gold Inc. (FCX). In the 1970s and 1980s, Mr. Howard served in a variety of executive capacities with FCX's former parent company, Freeport-McMoRan, Inc., and its predecessor company, McMoRan Oil & Gas Co. Mr. Howard also served as a Trustee and member of the Audit Committee and Nominating Committee of Capital One Funds from 2003 to 2007.</p> <p>Mr. Howard's extensive experience serving as an executive and a director for various publicly traded companies provides him with a wealth of knowledge in dealing with financial, accounting and regulatory matters at the board level and gives him a deep understanding of the role of the Board and expectations of our directors. His prior business and board experiences make him highly qualified to serve as the chair of our Nominating and Corporate Governance Committee and as a member of our Audit Committee.</p>	2005

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Name and Age	Business Experience, Qualifications, and Skills	Director Since
Peter D. Kinnear, 65	<p>Mr. Kinnear has held numerous management, operations, and marketing roles with FMC Technologies, Inc. and FMC Corporation since 1971. Mr. Kinnear served as Chief Executive Officer from March 2007 through February 2011, President from March 2006 through April 2010, and Chief Operating Officer from March 2006 through March 2007 of FMC Technologies, Inc. Mr. Kinnear serves on the board of directors of Stone Energy Corporation. He previously served on the board of directors of Tronox Incorporated from November 2005 to December 2010, and as FMC Technologies, Inc.'s chairman of the board from October 2008 through October 2011.</p> <p>Mr. Kinnear's experience in numerous roles of management, operations and marketing in the global energy industry brings extensive knowledge and leadership skills to the Board. His management and board experience brings thorough understanding of industry regulations and public policy applicable to the industry, experience and understanding of the different cultural, political and regulatory requirements from international operations and extensive oil service industry experience.</p>	2011
Michael M. McShane, 57	<p>Mr. McShane has served as a Director since February 2012, when we acquired Complete Production Services, Inc., having served on the Complete board of directors since March 2007. Mr. McShane serves as operating partner to Advent International, a global private equity fund. Mr. McShane served as a director and President and Chief Executive Officer of Grant Prideco, Inc., from June 2002 until the completion of its merger with National Oilwell Varco, Inc. in April 2008, having also served as the chairman of its board from May 2003 through 2008. Prior to joining Grant Prideco, Mr. McShane was Senior Vice President Finance and Chief Financial Officer and a director of BJ Services Company from 1990 to June 2002, and Vice President Finance from 1987 to 1990 while BJ Services Company was a division of Baker-Hughes. Mr. McShane serves as a director of Spectra Energy Corporation, Oasis Petroleum and Forum Energy Technologies.</p> <p>Mr. McShane brings institutional knowledge of Complete Production Services, Inc.'s operations and management, as well as his knowledge of the oil and gas industry generally. He brings to the Board experience and knowledge in the energy industry from a career spanning more than 30 years, serving in a variety of executive management and financial leadership positions, as well as a finance and accounting background.</p>	2012

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Name and Age	Business Experience, Qualifications, and Skills	Director Since
W. Matt Ralls, 63	<p>Mr. Ralls has served as Director since February 2012, when we acquired Complete Production Services, Inc., having served on the Complete board of directors since December 2005. Mr. Ralls has been the President, Chief Executive Officer and a director of Rowan Companies, Inc. since January 2009. Mr. Ralls served as Executive Vice President and Chief Operating Officer of GlobalSantaFe Corporation from June 2005 until the completion of the merger of GlobalSantaFe with Transocean, Inc. in November 2007, having also served in the role of Senior Vice President and Chief Financial Officer from November 2001 to June 2005. In addition to serving on Rowan Companies, Inc.'s board of directors, Mr. Ralls also serves as a director of Cabot Oil and Gas Corporation and the American Petroleum Institute.</p> <p>Mr. Ralls brings institutional knowledge of Complete Production Services, Inc.'s operations and management, as well as extensive financial and senior executive management experience at companies focusing on the various phases of the drilling and production industry. He brings to the Board extensive leadership and financial knowledge in the oil and gas drilling and production industry.</p>	2012
Justin L. Sullivan, 72	<p>Mr. Sullivan has been a private investor and has served as a business consultant since May 1993. Prior to May 1993, he held senior operating and financial management positions with various companies in the forest products industry, including Plywood Panels, Inc. and its predecessors where he served as President from 1992 until 1993 and Vice President, Treasurer and Director from 1967 until 1992. Mr. Sullivan also was an accounting faculty member of the University of New Orleans and Tulane University for over ten years. Mr. Sullivan holds an MBA (accounting option) from Tulane University and is a certified public accountant.</p> <p>As our longest serving non-management director, Mr. Sullivan brings important institutional knowledge to the Board. Mr. Sullivan's educational background, experience in financial management and extensive involvement in accounting matters provide him with the necessary skills to lead the Audit Committee and evaluate financial results and generally oversee the financial reporting process of our Company. Mr. Sullivan also brings significant business and accounting experience to our Board and provides insight into strategies and solutions to address an increasingly complex business environment.</p>	1995

Vote Required

The election of directors will be decided by plurality vote, that is, the ten nominees receiving the highest number of affirmative votes will be elected to the Board of Directors.

The Board unanimously recommends that stockholders vote FOR each of the ten nominees for director.

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ADVISORY VOTE ON THE COMPENSATION OF

OUR NAMED EXECUTIVE OFFICERS

(PROPOSAL 2)

We are seeking stockholder approval of the compensation of our named executive officers as disclosed in this proxy statement in accordance with the rules of the SEC. This vote is not intended to address any specific item of compensation but rather the overall compensation of our named executive officers and our compensation philosophy and practices. In considering how to vote on this proposal, we urge you to carefully consider the information in the Executive Compensation section of this proxy statement, namely the Compensation Discussion and Analysis (including its Executive Summary) and the compensation tables and accompanying narrative disclosures.

The Compensation Committee of our Board of Directors designs, implements and administers our compensation program for our executive officers, including our named executive officers. As noted in the Compensation Discussion and Analysis, we position the majority of our executives' target direct compensation to be at-risk, with a significant percentage of the compensation (50.0% for our Chief Executive Officer and 44.4% for our other current named executive officers) based on annual and long-term performance measures. Our core executive compensation philosophy and practice continue to be based on pay for performance, and we believe that our compensation program is strongly aligned with the long-term interests of our stockholders.

Stockholders are asked to vote on the following resolution:

RESOLVED, that the stockholders of Superior Energy Services, Inc. (the Company) approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in the proxy statement for the Company's 2012 annual meeting of shareholders pursuant to Item 402 of Regulation S-K of the rules of the Securities and Exchange Commission.

While this advisory vote, commonly referred to as a say-on-pay vote, is not binding, our Board and the Compensation Committee value the opinion of our stockholders and will consider the outcome of the vote when making future compensation decisions for our named executive officers. We invite stockholders who wish to communicate with our Board on executive compensation or any other matters to contact us as provided under Corporate Governance Communication with our Board.

At our 2011 annual meeting, the Board recommended and our stockholders voted in favor of holding annual say-on-pay votes. Consequently, we will hold a say-on-pay vote at each annual meeting until the next required advisory vote on the frequency with which say-on-pay votes should be held, which under applicable regulations will occur no later than our 2017 annual meeting. Accordingly, the next advisory say-on-pay vote will occur at our 2013 annual meeting.

Vote Required

The approval, by an advisory vote, of the compensation of our named executive officers requires the affirmative vote of the holders of a majority of the shares of our common stock present in person or by proxy at the annual meeting and entitled to vote on such proposal.

The Board unanimously recommends that stockholders vote FOR the proposal to approve of the compensation of our named executive officers as disclosed in this proxy statement.

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RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM (PROPOSAL 3)

The Audit Committee has selected KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012, which selection is submitted to our stockholders for ratification. If our stockholders do not ratify the selection of KPMG LLP by the affirmative vote of holders of a majority of the voting power present or represented by proxy at the annual meeting, the selection will be reconsidered by the Audit Committee.

Representatives of KPMG LLP are expected to be present at the annual meeting and will have an opportunity to make a statement if they desire to do so. They will also be available to respond to appropriate questions from stockholders.

Vote Required

The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2012 requires the affirmative vote of the holders of a majority of the shares of our common stock present in person or by proxy at the annual meeting and entitled to vote on such proposal.

The Audit Committee and the Board of Directors unanimously recommend that stockholders vote FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012.

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CORPORATE GOVERNANCE

The Board is responsible for our management and direction and for establishing broad corporate policies. The Board and various committees of the Board regularly meet to review and discuss operating, compensatory and financial reports presented by management, as well as reports by experts and other advisors. In recent years, the Board has actively focused on succession planning and management development activities, seeking input from members of the Board and senior management to find candidates for potential successors to the Chief Executive Officer and other senior executives. The Board regularly discusses the Company's organizational needs, competitive challenges, the potential of senior leadership, future development and possible emergency situations in order to determine if additions are needed to the management team, and also discusses the experience, skills, areas of expertise, accomplishments and goals of potential talent from which the Board would be able to select successors to our senior executives.

Director Independence; Board's Leadership Structure

The Board of Directors has determined that the following directors are independent within the meaning of the New York Stock Exchange (NYSE) listing standards currently in effect: Ernest E. Howard, III, Justin L. Sullivan, James M. Funk, Harold J. Bouillion, Peter D. Kinnear, Michael M. McShane and W. Matt Ralls. Of the remaining non-management directors, the Board is not able to consider Enoch L. Dawkins independent under NYSE listing standards because his son-in-law is a consulting principal with KPMG LLP, our independent registered public accounting firm. The Board is also not able to consider our Chairman, Terence E. Hall, independent because he served as the Company's Chief Executive Officer until April of 2010 and Executive Chairman of the Board of Directors from April 2010 to December 2010.

The Board of Directors takes a flexible approach to the issue of whether the offices of Chairman and Chief Executive Officer should be separate or combined, considering the tenure and experience of the Chief Executive Officer along with the broader economic and operating environment of the Company. This approach allows the Board to regularly evaluate whether it is in the best interests of the Company for the Chief Executive Officer or another director to hold the position of Chairman.

These roles were previously combined, as Terence E. Hall had served as the Company's Chairman and Chief Executive Officer from December 1995 until April 2010. However, the Board separated these positions when it appointed David D. Dunlap as Chief Executive Officer of the Company effective April 28, 2010, at which time Mr. Hall assumed the role of Executive Chairman of the Board of Directors to, among other things, facilitate the transition of Mr. Dunlap as Chief Executive Officer. Mr. Hall served in this capacity through December 10, 2010, at which time he assumed the position of Chairman of the Board and senior advisor.

Mr. Hall continues to serve as Chairman of the Board of Directors. As former Chief Executive Officer and founder of the Company, Mr. Hall possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing the Company and its businesses and is thus best positioned to develop agendas that ensure that the Board's time and attention are focused on the most critical matters. The Board determined that the separation of these roles would maximize management's efficiency by allowing our new Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman of the Board to lead the Board in its fundamental role of providing guidance to and oversight of management.

As described above, seven of our ten directors are independent, and the Board believes that the independent directors provide effective oversight of management. Moreover, in addition to feedback provided during the course of Board meetings, the Board has adopted a policy providing that the non-management directors meet regularly in executive session. Under our Corporate Governance Principles, the Board may elect annually a non-management Lead Director who has been recommended by the Nominating and Corporate Governance Committee. If elected, the Lead Director will communicate any issues discussed by the non-management directors back to the Chief Executive Officer, confer with the Chief Executive Officer at intervals between Board meetings, and assist in planning for Board and Board committee meetings. In addition, he will act as a liaison

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between the Board and the Chief Executive Officer to ensure close communication and coordination between them and to promote a harmonious and effective relationship. The Board has elected Mr. Dawkins to serve as Lead Director of the Board until the 2012 annual meeting of stockholders.

The Board believes that the foregoing leadership structure and policies strengthen Board leadership, foster cohesive decision-making at the Board level, solidify director collegiality, improve problem solving and enhance strategy formulation and implementation.

Meetings of the Board; Meeting Attendance

There were ten Board meetings in 2011. All of our directors attended 100% of the meetings of the Board and the committees of which he was a member. The Board has adopted a policy that recommends that all directors personally attend each annual stockholders meeting. At the last annual meeting of stockholders held on May 20, 2011, all of our directors were in attendance.

Board Committees

Our Board has three standing committees comprised of an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. These committees regularly report back to the full Board with specific findings and recommendations in their areas of oversight and liaise regularly with the Lead Director. The Board has affirmatively determined that each member of each of our standing committees has no material relationship with the Company and is also independent within the meaning of NYSE listing standards. Currently the members of the individual committees are as follows:

Audit	Compensation	Nominating and Corporate Governance
J.L. Sullivan*	H.J. Bouillion*	E.E. Howard III*
E.E. Howard III	J.L. Sullivan	J.M. Funk
H.J. Bouillion	J.M. Funk	J.L. Sullivan
J. M. Funk		

* Chairman of the committee

Each of the Board's standing committees has adopted a written charter that has been approved by the Board. Copies of these charters, as well as copies of our Corporate Governance Principles and our Code of Business Ethics and Conduct, are available on the investor relations page of our website at www.superiorenergy.com and are available in print upon request to our Secretary, Superior Energy Services, Inc., 11000 Equity Drive, Suite 300, Houston, Texas 77041.

Audit Committee

The Audit Committee, which met five times during 2011, is primarily responsible for assisting the Board in fulfilling its fiduciary duties to our stockholders with respect to financial matters. The Audit Committee is also primarily responsible for selecting and evaluating the qualifications, performance, and independence of our independent registered accounting firm, approving the nature and scope of audit and non-audit services performed by the independent registered accounting firm and reviewing the range of fees for such services, conferring with the independent registered accounting firm and reviewing the results of its audits, overseeing our annual evaluation of the effectiveness of internal control over financial reporting and our internal audit function. The Board has determined that each of Justin L. Sullivan, Ernest E. Howard, III, and Harold J. Bouillion qualify as an audit committee financial expert, as such term is defined by the rules of the Securities and Exchange Commission.

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Compensation Committee

The Compensation Committee, which met eight times during 2011, has the authority and responsibility to establish, evaluate and approve the overall compensation philosophy of the Company. The Compensation Committee determines the nature and amount of compensation of all of our executive officers, including our Chief Executive Officer, determines the amount of equity awards granted to employees, provides guidance and makes recommendations to management regarding employee benefit programs, administers our long-term incentive plans, administers awards under non-qualified deferred compensation or non-qualified retirement programs, reviews and approves any special or supplemental benefits or perquisites to be offered to our Chief Executive Officer and other executive officers, establishes, reviews and administers the Company's executive stock ownership program and reviews, approves and submits to the Board for its approval any proposed employment, severance, or change in control agreement between the Company and any executive officer or proposed executive officer, as well as any proposed extension or amendment thereto.

Our Chief Executive Officer makes recommendations to the Compensation Committee for salary, bonus, and long-term incentive awards for all executive officers except himself. He develops these recommendations based on competitive market information, the Company's compensation strategy, his assessment of the individual's performance and tenure of the executives. The Compensation Committee discusses the recommendations with the Chief Executive Officer, then either approves or modifies the recommendations as it determines is appropriate. Regarding the Chief Executive Officer's compensation, the Compensation Committee reviews the competitive market information and determines changes to pay and incentive awards based on the compensation philosophy and the committee's assessment of his performance.

Since May 2007, the Compensation Committee has engaged Pearl Meyer & Partners (PM&P), an independent compensation consultant, to advise the committee on matters relating to executive compensation and assist it in maintaining and administering our executive compensation programs. The Compensation Committee annually requests PM&P to conduct an executive compensation review to evaluate the Company's senior executive compensation relative to an industry peer group selected by the Compensation Committee with input from the compensation consultant and management and published market survey data. See Executive Compensation Compensation Discussion and Analysis Compensation Principles and Processes Role of Compensation Consultant herein for more information.

The terms of our 2011 Stock Incentive Plan and our prior 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 Securities Exchange Act of 1934. In December 2011, the Compensation Committee delegated such authority to our Chief Executive Officer, subject to the following conditions:

Awards relating to no more than 100,000 shares of our common stock may be granted in any fiscal year, and awards relating to no more than 20,000 shares may be made to any one participant;

Such grants must be made by the Chief Executive Officer during an open window period and must be approved in writing by such officer, the grant date being the date of such written approval or a future date as set forth therein;

The exercise price of any options granted may not be less than the fair market value of our common stock on the date of grant; and

The Chief Executive Officer must report any such grants to the Compensation Committee at its next meeting.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, which met four times during 2011, assists the Board in identifying qualified individuals to become directors, determining the composition of the Board and

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Board committees, monitoring the process to assess Board effectiveness and developing and implementing our Corporate Governance Principles. The Nominating and Corporate Governance Committee also reviews the compensation of our non-management directors.

Nominee Qualifications

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of directors in the context of the current make-up of the Board. Our Corporate Governance Principles provide that this assessment should include issues of judgment, diversity, age, skills such as an understanding of the Company's industry, international background and similar attributes, all in the context of an assessment of the perceived needs of the Board at that point in time. When seeking candidates for director, other than potential nominees who are current directors standing for re-election, the Nominating and Corporate Governance Committee identifies potential nominees for director through business and other contacts. The committee will also consider director nominees recommended by stockholders in accordance with the procedures described in our By-laws. We did not pay any fee to any third party to identify, or evaluate or assist in identifying or evaluating, potential nominees for election as director at the 2012 annual meeting of stockholders. However, the committee may in the future choose to retain a professional search firm to identify potential nominees for director.

As provided in our Corporate Governance Principles, stockholders may propose director nominees for consideration by the Nominating and Corporate Governance Committee by submitting names and supporting information in accordance with our By-laws by mail, c/o Secretary, Superior Energy Services, Inc., 11000 Equity Drive, Suite 300, Houston, Texas 77041. For the 2012 annual meeting, we did not receive timely notice of director nominations from any stockholder. In accordance with our By-laws, stockholder recommendations to the Nominating and Corporate Governance Committee for the 2013 annual meeting will be considered by the Nominating and Corporate Governance Committee for inclusion in our proxy materials only if received not more than 120 days and not less than 90 days in advance of the first anniversary of the 2012 annual meeting of stockholders (between and including January 16, 2013 and February 15, 2013).

The Nominating and Corporate Governance Committee believes that nominees to our Board must meet the following minimum qualifications: have achieved significant success in the energy industry or have extensive financial expertise, particularly in the energy industry; be committed to representing the long-term interests of our stockholders; and have high ethical and moral standards and integrity. The committee evaluates a potential nominee by considering whether the potential nominee meets the minimum qualifications described above, as well as by considering the following factors:

whether the potential nominee has experience and expertise that is relevant to our business, including any specialized business experience, technical expertise, or other specialized skills, and whether the potential nominee has knowledge regarding issues affecting us;

whether the potential nominee is independent, whether he or she is free of any conflict of interest or the appearance of any conflict of interest with our best interests and the best interests of our stockholders, and whether he or she is willing and able to represent the interests of all of our stockholders; and

whether there are factors that could affect the ability or willingness of the potential nominee to devote sufficient time to Board activities and to enhance his or her understanding of our business.

There are no differences in the manner in which the Nominating and Corporate Governance Committee evaluates nominees for director suggested by stockholders using the process set forth in our By-laws.

In addition, with respect to an incumbent director whom the Nominating and Corporate Governance Committee is considering as a potential nominee for re-election, the committee reviews and considers the incumbent director's service to us during his or her term, including the number of meetings attended, level of participation, and overall contribution to the Board. Each of the nominees for director at the 2012 annual meeting of stockholders is a current director standing for re-election.

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Role of the Board in Risk Oversight

The Board is responsible for oversight of the Company's risk assessment and risk management processes. This responsibility requires the Board to assess and understand the risks the Company faces, the steps management is taking to manage these risks and the level of risk that is appropriate for the Company at any given time. The Board is responsible for considering these matters in setting our business strategy. An important feature of the Board's risk oversight function is to receive updates from committees and management, as appropriate. Committees regularly update the full Board as to matters discussed in committee meetings and seek input from the full Board as necessary and appropriate. The Board meets with management at least quarterly to receive updates with respect to our operations, business strategies and monitoring of related risks.

While the Board maintains the ultimate oversight responsibility for the Company's risk management, each of the various Board committees have been assigned responsibility for risk management oversight of specific areas. For instance, the Audit Committee maintains responsibility related to the Company's financial reporting, audit process, and internal controls over financial reporting and disclosure controls and procedures. The Compensation Committee endeavors to develop a program of incentives that encourage an appropriate level of risk-taking behavior consistent with the Company's long-term business strategy and also reviews the leadership development of our employees. The Nominating and Corporate Governance Committee conducts assessments of nominees to our Board and is charged with developing and recommending to the Board policies, corporate governance principles and Board committee structure, leadership and membership, including those related to, affecting or cornering the Board and its committee's risk oversight.

Stock Ownership Guidelines

On March 2, 2007, the Board of Directors approved stock ownership guidelines applicable to our non-management directors. Under the guidelines, each non-management director is required to own shares of our common stock equal in value to five times the annual retainer paid to the non-management directors. In addition to shares of common stock, the restricted stock units held by the directors count towards their ownership requirements. Non-management directors will have five years from their election to comply with the guidelines. As of the date of this proxy statement, all of our non-management directors exceeded the required ownership level. See "Stock Ownership of Management" for the number of shares of our common stock beneficially owned by our non-management directors as of March 30, 2012.

Communications with the Board

Stockholders and other interested parties may communicate directly with *otext-align: justify; text-indent: 0">4. Who is eligible to participate?*

(a) Shareholders of Record -

All holders of record of shares of UMH Common Stock are eligible to participate in the Plan.

(b) Beneficial Owners of Shares of Common Stock -

Beneficial owners, whose shares of UMH Common Stock are registered in names other than their own (for instance, in the name of a broker or bank nominee), may not participate in the reinvestment of cash dividends on such shares of Common Stock. Nevertheless, the shareholder, all of whose shares of Common Stock are in street name or nominee name, may participate in the optional cash payment provision by completing and sending in the Authorization Card certifying that he/she is a shareholder of UMH.

5. How is the Plan to be interpreted?

Any question of interpretation arising under the Plan will be determined by UMH and any such determination will be final.

PARTICIPATION

6. How do holders of shares of Common Stock join the Plan?

A holder of record of shares of Common Stock may join the Plan at any time by completing and signing an Authorization Card and returning it to the Agent. An Authorization Card may be obtained at any time by writing to UMH Properties, Inc., Juniper Business Plaza, Suite 3-C, 3499 Route 9 North, Freehold, New Jersey 07728.

7. What does the Authorization Card provide?

If you check the appropriate box on the Authorization Card, you may elect “Full Dividend Reinvestment” and the Agent will apply all cash dividends on all the shares of Common Stock then or subsequently registered in your name, together with any optional cash payments, toward the purchase of shares of Common Stock.

If you elect to reinvest dividends on only a portion of your shares of Common Stock, you should check the “Partial Dividend Reinvestment” box on the Authorization Card and the Agent will reinvest cash dividends on only the number of whole shares of Common Stock you specify on the Authorization Card, together with any optional cash payments, toward the purchase of shares of Common Stock, and will pay cash dividends on the rest of your shares.

If the “Optional Cash Payments” box on the Authorization Card is checked, you will continue to receive cash dividends on shares of Common Stock in the usual manner, but the Agent will apply any optional cash payment received with the Authorization Card or with a subsequent payment form (see Question 11 below) to the purchase of shares of Common Stock under the Plan.

The Authorization Card also provides a certification to be signed by beneficial owners whose shares of Common Stock are held in street or nominee name who wish to participate in the optional cash payment provisions.

The Agent will reinvest automatically any subsequent dividends on the shares of Common Stock credited to your account under the Plan. The Plan, in other words, operates so as to reinvest dividends on a cumulative basis on the shares of Common Stock designated on your Authorization Card and on all shares of Common Stock accumulated and held in your Plan account, until you specify otherwise by notice in writing delivered to the Agent or withdraw from the Plan altogether, or until the Plan is terminated. See Question 29 below for the consequences of sales of shares of Common Stock subject to the Plan.

8. *What are my options under the Plan?*

By marking the appropriate spaces on the Authorization Card, you may choose among the following investment options:

To reinvest cash dividends automatically on all shares of Common Stock now and subsequently registered in your name at 95% of the market price (see Question 16 below for a description of how this is computed).

To reinvest cash dividends automatically on less than all of the shares of Common Stock registered in your name (a specified number of full shares) at 95% of the market price and continue to receive cash dividends on the remaining shares of Common Stock.

To invest by making optional cash payments at any time in any amount not less than \$500 per payment nor more than \$1,000 per month, unless a Request for Waiver has been accepted by UMH as described in Question 12 below, whether or not any dividends are being automatically reinvested, at 95% of the market price.

9. *May I change options under the Plan?*

Yes. You may change options under the Plan at any time by completing and signing a new Authorization Card and returning it to the Agent. The answer to Question 6 tells how to obtain an Authorization Card and return envelope. Any change concerning the reinvestment of dividends must be received by the Agent prior to the record date for a dividend (see Question 10) in order for the change to become effective with that dividend.

10. *When will investment of dividends respecting shares of Common Stock start?*

If your Authorization Card is received by the Agent prior to the record date for determining the holders of shares entitled to receive the next dividend, reinvestment of your dividends will commence with that next dividend. The record dates for dividend payments on the shares of Common Stock are generally on or about February 15, May 15, August 15 and November 15. If your Authorization Card is received subsequent to the record date, reinvestment of your dividends (or designated portion thereof) will not start until payment of the next following dividend.

OPTIONAL CASH PAYMENTS

11. *How does the cash payment option work?*

Each participant in the Plan may invest in additional shares of Common Stock by making optional cash payments at any time. Participants in the Plan have no obligation to make any optional cash payments. Optional payments may be made at irregular intervals and the amount of each optional payment may vary, but no optional payments may be less than \$500 and the total optional payments invested by each owner of shares of Common Stock may not exceed \$1,000 per month, unless a Request for Waiver has been accepted by UMH as described in Question 12 below.

An optional cash payment may be made by enclosing a check or money order with the Authorization Card when enrolling; and thereafter by forwarding a check or money order to the Agent with a payment form which will be attached to each statement of account. Checks and money orders must be in United States dollars and should be made payable to “American Stock Transfer & Trust Company.” No interest will be paid on optional cash payments held by the Agent pending the purchase of shares of Common Stock. (See Questions 14 and 15 below).

Optional cash payments must be received by the Agent by the tenth (10th) day of each calendar month. Cash payments received by the Agent subsequent to that date will be applied to the next month’s optional investment.

WAIVER OF MAXIMUM LIMITS

12. *May I make an optional cash payment in excess of \$1,000 per month?*

Optional cash investments in excess of \$1,000 per month may be made only pursuant to a Request for Waiver accepted by UMH. Participants who wish to submit an optional cash investment in excess of \$1,000 for any Investment Date must obtain the prior written approval of UMH. A Request for Waiver should be directed to Shareholder Relations at UMH via telephone at 732-577-9997. UMH has sole discretion to grant any approval for optional cash investments in excess of the allowable maximum amount. In deciding whether to approve a Request for Waiver, UMH will consider relevant factors including, but not limited to, UMH's need for additional funds, the attractiveness of obtaining such additional funds through the sale of Common Stock as compared to other sources of funds, the purchase price likely to apply to any sale of Common Stock, the participant submitting the request, the extent and nature of such participant's prior participation in the Plan, the number of shares of Common Stock held of record by such participant, and the aggregate amount of optional cash investments in excess of \$1,000 for which Requests for Waiver have been submitted by all participants. If Requests for Waiver are submitted for any Investment Date for an aggregate amount in excess of the amount UMH is then willing to accept, UMH may honor such requests in order of receipt, pro rata or by any other method that UMH determines to be appropriate. With regard to optional cash investments made pursuant to a Request for Waiver, the Plan does not provide for a predetermined maximum limit on the amount that a participant may invest or on the number of shares that a participant may purchase.

UMH does not anticipate approving any single participant Requests for Waiver to purchase more than two percent (2%) of the outstanding shares of UMH on an annual basis. UMH will generally grant Requests for Waiver where the participant is requesting to make one optional cash investment in lieu of making a series of investments over the next twelve (12) month period and so specifies in the participant's written request.

In no event will UMH be able to issue more shares in total than the number of shares registered for sale.

PURCHASES

13. *What is the source of shares of Common Stock purchased under the Plan?*

Shares of Common Stock purchased under the Plan come from authorized but unissued shares of Common Stock of UMH. Shares will not be purchased in the open market. You will pay no service fees, brokerage trading fees or other charges on purchases of newly issued shares of Common Stock under the Plan.

14. *When will dividends and optional cash payments be invested in shares of Common Stock?*

Reinvestment of dividends will be made on the date when the dividend becomes payable. Optional cash payments will be invested on the Investment Date. In order to allow sufficient time for processing, optional cash payments must be received by the Agent by the tenth (10th) day of each month. Optional cash payments received by the Agent subsequent to that date will be applied to the next month's optional investment. Participants will become owners of shares of Common Stock purchased under the Plan as of the date of purchase.

15. *What is the Investment Date?*

The Investment Date for dividends will be the Dividend Payment Date. Dividend Payment Dates are generally March 15, June 15, September 15 and December 15. For optional cash payments, the Investment Date will be the Dividend Payment Date in months having dividends payable or otherwise on the fifteenth (15th) of each month. If an Investment Date falls on a Saturday, Sunday or holiday, the Investment Date will be the next following business day.

16. *What will be the price of shares purchased under the Plan?*

The Officers of UMH will determine the price of shares of Common Stock to be purchased under the Plan in accordance with the provisions of the next paragraph. It is intended that the price of shares to be purchased will be at a 5% discount from the market price (as defined below).

The Common Stock of UMH is traded on the NYSE. The Officers of UMH will fix the reinvestment price at a discount price equal to 95% of the market price determined as follows: the price at which the shares of Common Stock will be purchased will be the higher of 95% of the average of the daily high and low sale prices of UMH's Common Stock on the NYSE on the four trading days including and preceding the Investment Date, or 95% of the average of the high and low sale prices of UMH's Common Stock on the NYSE on the Investment Date. In the event there is no trading in the Common Stock, or if for any reason UMH and the Agent have difficulty in determining the price of shares to be purchased under the Plan, then UMH, on consultation with the Agent, will use such other public report or sources as UMH deems appropriate to determine the market price and the appropriate 5% discount. If the reinvestment price involves a decimal which is not equal to one-eighth of a point, the reinvestment price will be rounded up to the next higher one-eighth of a point.

17. *How will the number of shares of Common Stock purchased for me be determined?*

The number of shares of Common Stock that will be purchased for you on any Investment Date will depend on the amount of your dividends to be invested, the amount of any optional cash payments and the applicable purchase price of the shares of Common Stock that results from dividing the aggregate amount of dividends and optional payments to be invested by the applicable purchase price. Partial shares will be credited to your account. At any time when you withdraw from the Plan or request all shares to be transferred to your name, the partial share will be paid in cash.

COSTS

18. *Are there any costs to me for my purchases under the Plan?*

There are no trading fees for purchases of shares of Common Stock under the Plan because shares are purchased directly from UMH. All costs of administration of the Plan will be paid by UMH. Brokers and nominees may impose charges or fees in connection with their handling of participation in the Plan by nominee and fiduciary accounts.

DIVIDENDS

19. *Will dividends be paid on shares of Common Stock held in my Plan account?*

Yes. Any cash dividends declared on shares of Common Stock are automatically reinvested in additional shares of Common Stock and credited to your account.

REPORTS TO PARTICIPANTS

20. *What reports will be sent to participants in the Plan?*

Following each purchase of shares of Common Stock for your account, the Agent will mail to you a statement of account showing amounts invested, the purchase price (see Question 16), the number of shares purchased, and other information for the year to date. Each participant will receive a Form 1099 showing income reportable for Federal income tax purposes following the final purchase in each calendar year (see Question 29). These statements are your record of the cost of your purchases and should be retained for income tax and other purposes. In addition, during the year you will receive copies of the same communications sent to all other holders of shares of Common Stock.

CERTIFICATES FOR SHARES

21. Will I receive certificates for shares of Common Stock purchased under the Plan?

Shares of Common Stock purchased by the Agent for your account will be registered in the name of the Agent's nominee and certificates for such shares will not be issued to you until requested. The total number of shares credited to your account will be shown on each statement of account. This custodial service helps to protect you against the risk of loss, theft or destruction of stock certificates.

Certificates for any number of whole shares credited to your account will be issued to you at any time upon written request to the Agent. Cash dividends with respect to shares represented by certificates issued to you will continue to be automatically reinvested. Any remaining shares will continue to be credited to your account.

If the written request to the Agent is for certificates to be issued for all shares of Common Stock credited to your account, any partial share will be paid in cash.

Certificates for partial shares will not be issued under any circumstances.

22. May shares of Common Stock in my Plan account be pledged?

No. You must first request that certificates for shares credited to your Plan account be issued to you (see Question 21) before you can pledge such shares.

23. In whose name will certificates be registered and issued?

When issued, certificates for shares of Common Stock will be registered in the name in which your Plan account is maintained. For holders of record, this generally will be the name or names in which your share certificates are registered at the time you enroll in the Plan. Upon written request, shares will be registered in any other name, upon the presentation to the Agent of evidence of compliance with all applicable transfer requirements (including the payment of any applicable transfer taxes).

WITHDRAWAL FROM THE PLAN

24. When may I withdraw from the Plan?

You may withdraw from the Plan at any time. If your request to withdraw is received by the Agent prior to the record date for determining the holders entitled to receive the next dividend, your request to withdraw will be processed prior to the payment of such dividend. If your request to withdraw is received by the Agent subsequent to the record date for determining the holders entitled to receive the next dividend, such dividend will be reinvested for your account and your request for withdrawal will be processed promptly thereafter and prior to the next following dividend.

After your request for withdrawal has become effective, all dividends will be paid in cash to you unless and until you re-enroll in the Plan, which you may do at any time.

25. How do I withdraw from the Plan?

In order to withdraw from the Plan, please complete the tear-off portion of any Plan statement of account and send it to American Stock Transfer & Trust Company, P.O. Box 922, Wall Street Station, New York, NY 10269-0560 or access your account on-line at www.amstock.com, or call the toll free number at 1-888-777-0316. When you withdraw from the Plan, or upon termination of the Plan by UMH, certificates for shares credited to your account under the Plan will be issued to you. Any partial share will be paid in cash.

OTHER INFORMATION

26. What happens if I sell or transfer shares of Common Stock registered in my name?

If you dispose of all shares of Common Stock registered in your name, the dividends on the shares credited to your Plan account will continue to be reinvested until you notify the Agent that you wish to withdraw from the Plan.

27. What happens if UMH issues a stock dividend, declares a stock split or has a rights offering?

Any stock dividends or split shares distributed by UMH on shares of Common Stock credited to your Plan account will be added to your account. Stock dividends or split shares distributed on shares of Common Stock for which you hold certificates will be mailed directly to you in the same manner as to shareholders who are not participating in the Plan.

In a regular rights offering, as a holder of record you will receive rights based upon the total number of shares of Common Stock owned; that is, the total number of shares for which you hold certificates and the total number of shares held in your Plan account.

UMH reserves the right to either curtail or suspend transaction processing until the completion of any stock dividend, stock split or corporation action.

28. Can I vote shares in my Plan account at meetings of shareholders?

Yes. You will receive a proxy for the total number of shares of Common Stock held, both the shares for which you hold certificates and those credited to your Plan account. The total number of shares of Common Stock held may also be voted in person at a meeting.

If the proxy is not returned or if it is returned unsigned, none of your shares of Common Stock will be voted unless you vote in person.

29. What are the Federal income tax consequences of participation in the Plan?

Under Internal Revenue Service rulings in connection with similar plans, dividends reinvested will be treated as taxable notwithstanding the dividends are reinvested in stock. Under prior Internal Revenue Service rulings, it was assumed the 5% discount was also taxable. Recent Internal Revenue Service private letter rulings suggest that the 5% discount is a reduced taxable basis for the shares received. Shareholders should consult their own tax consultant on the proper tax treatment of the 5% discount.

Distributions of real estate investment trusts are treated as dividends to the extent a real estate investment trust has earnings and profits for Federal income tax purposes. To the extent that the amount so distributed by UMH exceeds the current and accumulated earnings and profits of UMH, such excess would be treated for Federal income tax purposes as a return of capital to the shareholder. Each participant will receive a Form 1099 showing total dividend income, the amount of any return of capital distribution and the amount of any capital gain dividend for the year.

The holding period of shares of Common Stock acquired under the Plan, whether purchased with dividends or optional cash payments, will begin on the day following the date on which the shares were purchased for your

account.

As a participant in the Plan you will not realize any taxable income when you receive certificates for whole shares credited to your account, either upon your request for such certificates or upon withdrawal from or termination of the Plan. However, you will recognize gain or loss (which, for most participants, will be capital gain or loss) when whole shares acquired under the Plan are sold or exchanged after your withdrawal from or the termination of the Plan. If such gain or loss is capital, it will be long-term capital gain or loss if the shares sold are held for more than one year and will be short-term capital gain or loss if the shares sold are held for one year or less.

30. What is the responsibility of UMH and the Agent under the Plan?

Neither UMH nor the Agent nor its nominees, in administering the Plan, will accept liability for any act done in good faith or for any good faith omission to act, including, without limitation, any claim of liability arising out of failure to terminate a participant's account upon such participant's death prior to receipt of notice in writing of such death.

Neither UMH nor the Agent can assure you of a profit or protect you against a loss on shares purchased under the Plan.

31. How are income tax withholding provisions applied to participants?

In the case of foreign participants who elect to have their dividends reinvested or who elect to make optional cash payments and whose dividends are subject to United States income tax withholding, an amount equal to the dividends payable to such participants who elect to reinvest dividends, or the amount of the optional cash payment made by a participant, less the amount of tax required to be withheld, will be applied by the Agent to the purchase of shares of Common Stock. A Form 1042S, mailed to each foreign participant after the final purchase of the calendar year, will show the amount of tax withheld in that year. A Form 1099 will be mailed to domestic participants in the event that Federal income tax withholding is imposed in the future on dividends to domestic participants.

32. May the Plan be changed or discontinued?

UMH reserves the right to modify, suspend or terminate the Plan at any time. All participants will receive notice of any such action. Any such modification, suspension or termination will not, of course, affect previously executed transactions. UMH also reserves the right to adopt, and from time to time change, such administrative rules and regulations (not inconsistent in substance with the basic provisions of the Plan then in effect) as it deems desirable or appropriate for the administration of the Plan. The Agent reserves the right to resign at any time upon reasonable written notice to UMH.

The purpose of the Plan is to provide shareholders with a systematic and convenient method of investing dividends and optional cash payments for long-term investment. Use of the Plan for any other purpose is prohibited.

UMH reserves the right to return optional cash payments to subscribing shareholders if, in UMH's opinion, the investment is not consistent with the purposes of the Plan. Shareholders who establish multiple accounts to circumvent the \$1,000 per month limit on optional cash investments are subject to UMH's right to return all optional cash payments.

UMH would consider lowering or eliminating the discount without prior notice to participants if for any reason UMH believed that participants were engaging in positioning and other transactions with the intent to purchase shares of Common Stock under the Plan and then immediately resell such shares of Common Stock in order to monetize the discount. Any participant who engages in such transactions may be deemed to be an underwriter within the meaning of Section 2(11) of the Securities Act.

SPECIAL RULES TO PROTECT UMH'S STATUS AS A QUALIFIED REAL ESTATE INVESTMENT TRUST ("REIT") UNDER THE PROVISIONS OF THE INTERNAL REVENUE CODE

UMH reserves the right not to issue shares under the Plan to any shareholder holding more than 3% of UMH's Common Stock. These shareholders may use the Plan both for dividend reinvestment and for optional cash payments but no shares will be issued to any shareholder if the issuance could provide for the disqualification of UMH as a REIT under the provisions of the Internal Revenue Code. The decision of UMH in this regard is final and the particular shareholders' only right shall be the return of any optional cash payment and the return of dividends in cash.

UMH also reserves the right to return optional cash payments to subscribing shareholders if, in UMH's opinion, the investment is not consistent with the purposes of the Plan. This provision would cover shareholders who sell short shares on the NYSE and use the optional cash payment solely for purposes of attempting to earn the 5% differential. This provision can also be invoked to prevent any shareholder from creating multiple optional cash payment accounts. The purpose of the Plan is to provide shareholders with a systematic and convenient method of investing dividends and optional cash payments for long-term investment. Use of the Plan for any other purpose is prohibited.

USE OF PROCEEDS

UMH has no basis for estimating precisely either the number of shares of Common Stock that ultimately may be sold pursuant to the Plan or the prices at which such shares will be sold. However, UMH proposes to use the net proceeds from the sale of shares of Common Stock pursuant to the Plan, when and as received, to purchase additional properties in the ordinary course of business and for general corporate purposes, including the possible repayment of indebtedness. Until we use the net proceeds from the sale of shares of Common Stock pursuant to the Plan, they may be deposited in interest bearing cash accounts or invested in short-term securities, including securities that may not be investment grade. UMH considers the Plan to be a cost-effective means of expanding its equity capital base and furthering its investment objectives while at the same time benefiting holders of shares of Common Stock.

EXPERTS

The consolidated financial statements and schedules of UMH Properties, Inc. as of December 31, 2015 and 2014 and for the three years in the period ended December 31, 2015, included in our Annual Report on Form 10-K for the year ended December 31, 2015, have been incorporated by reference herein in reliance upon the report of PKF O'Connor Davies, LLP, our independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

LEGAL MATTERS

Stroock & Stroock & Lavan LLP will pass upon certain legal matters in connection with the issuance of shares of Common Stock pursuant to the Plan.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following are estimates of the expenses to be incurred in connection with the issuance and distribution of the securities to be registered:

Commission Registration Fee	\$4,403
Accounting Fees and Expenses	\$2,000
Legal Fees and Expenses	\$5,000
Printing Expenses	\$2,000
Miscellaneous Expenses	\$1,597
Total	\$15,000

Item 15. Indemnification of Directors and Officers.

UMH is incorporated under the laws of the State of Maryland. The Maryland General Corporation Law (“MGCL”) permits a Maryland corporation to include in its charter a provision eliminating the liability of its directors and officers to the corporation and its stockholders for money damages, except for liability resulting from (i) actual receipt of an improper benefit or profit in money, property or services or (ii) active and deliberate dishonesty that was established by a final judgment and was material to the cause of action. UMH’s charter contains a provision that limits the liability of its directors and officers to the maximum extent permitted by Maryland law.

The MGCL requires a Maryland corporation (unless its charter provides otherwise, which UMH’s charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made a party by reason of his or her service in that capacity. The MGCL permits a Maryland corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that (i) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (a) was committed in bad faith or (b) was the result of active and deliberate dishonesty, (ii) the director or officer actually received an improper personal benefit in money, property or services or (iii) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify for an adverse judgment in a suit by or on behalf of the corporation or for a judgment of liability on the basis that personal benefit was improperly received. A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct or was adjudged liable on the basis that personal benefit was improperly received. However, indemnification for an adverse judgment in a suit by or on behalf of the corporation, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses.

In addition, Maryland law permits a Maryland corporation to advance reasonable expenses to a director or officer upon receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

UMH's charter requires UMH, to the fullest extent permitted by Maryland law as in effect from time to time, to indemnify and advance expenses to its directors and officers, whether serving UMH or at UMH's request any other entity, who were or are parties or are threatened to be made parties to any threatened or actual suit, investigation or other proceeding, including administrative actions, as a result of their status or actions as directors or officers of UMH. UMH's charter authorizes UMH to provide the same indemnification and advancement of expenses to UMH's employees and agents.

UMH has entered into Indemnification Agreements with its directors and executive officers which generally provide that UMH is required to indemnify any director or officer who was, is or becomes a party to or witness or other participant in: (i) any threatened, pending or completed action, suit or proceeding in which the director or officer may be or may have been involved, as a party or otherwise, by reason of the fact that the director or officer was acting in his or her capacity as a director or officer of UMH; and (ii) any inquiry, hearing or investigation that such director or officer in good faith believes might lead to the institution of any such action, suit or proceeding against any and all expenses, to the fullest extent permitted by law.

Item 16. Exhibits.

Exhibit Number Description of Exhibit

- | | |
|------|---|
| 4.1 | Specimen Authorization Card – American Stock Transfer & Trust Company, LLC. |
| 5.1 | Opinion of Stroock & Stroock & Lavan LLP. |
| 23.1 | Consent of Stroock & Stroock & Lavan LLP (included in Exhibit 5.1). |
| 23.2 | Consent of PKF O'Connor Davies, LLP. |
| 24.1 | Powers of Attorney. |

Item 17. Undertakings.

UMH hereby undertakes:

(a) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided however, that:

A. Paragraphs (a)(i) and (a)(ii) of this section do not apply if the registration statement is on Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement; and

B. Paragraphs (a)(i), (a)(ii) and (a)(iii) of this section do not apply if the registration statement is on Form S-3 or Form F-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(b) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(d) If the registrant is a foreign private issuer, to file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Act need not be furnished, provided that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (d) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, with respect to registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Act or Rule 3-19 of this chapter if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Form F-3.

(e) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) If the registrant is relying on Rule 430B (Section 230.430B of the Regulations under the Securities Act of 1933):

A. Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

B. Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(f) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Form S-3 Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Borough of Freehold, State of New Jersey, on August 11, 2016.

UMH PROPERTIES, INC.

By: */s/ Eugene W. Landy*
 Eugene W. Landy
 Chairman of the Board and Director

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<i>/s/ Eugene W. Landy</i> Eugene W. Landy	Chairman of the Board	August 11, 2016
<i>/s/ Samuel A. Landy</i> Samuel A. Landy	President, Chief Executive Officer and Director	August 11, 2016
<i>/s/ Anna T. Chew</i> Anna T. Chew	Vice President, Chief Financial and Accounting Officer, Treasurer and Director	August 11, 2016
<i>/s/ Jeffrey A. Carus</i> Jeffrey A. Carus	Director	August 11, 2016
<i>/s/ Matthew I. Hirsch</i> Matthew I. Hirsch	Director	August 11, 2016
<i>/s/ Michael P. Landy</i> Michael P. Landy	Director	August 11, 2016
<i>/s/ Stuart Levy</i> Stuart Levy	Director	August 11, 2016
<i>/s/ James E. Mitchell</i> James E. Mitchell	Director	August 11, 2016

/s/ Kenneth K. Quigley Director
Kenneth K. Quigley

August 11, 2016

/s/ Stephen B. Wolgin Director
Stephen B. Wolgin

August 11, 2016

EXHIBIT INDEX

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