

Verso Paper Corp.
Form DEF 14A
April 20, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

**SCHEDULE 14A
(Rule 14a-101)**

INFORMATION REQUIRED IN PROXY STATEMENT

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

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

Check the appropriate box:

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

VERSO PAPER CORP.
(Name of Registrant as Specified in Its Charter)

Not Applicable
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

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

4. Proposed maximum aggregate value of transaction:

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o Fee paid previously with preliminary materials:

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

1. Amount previously paid:

2. Form, Schedule or Registration Statement no.:

3. Filing party:

4. Date filed:

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Verso Paper Corp.
6775 Lenox Center Court
Suite 400
Memphis, Tennessee 38115-4436
901.369.4100
www.versopaper.com

**NOTICE OF
2011 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 19, 2011**

To Our Stockholders:

The 2011 Annual Meeting of Stockholders of Verso Paper Corp., or Verso, will be held at our offices located at 6775 Lenox Center Court, Memphis, Tennessee, on May 19, 2011, beginning at 10:00 a.m. (Central Time). At the meeting, our stockholders will vote on proposals to:

1. elect three directors Michael E. Ducey, Scott M. Kleinman and David B. Sambur to serve on the board of directors of Verso as Class III directors for a term of three years;
2. approve the compensation of Verso's named executive officers as disclosed in Verso's Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission;
3. approve the frequency every one, two or three years that Verso will hold advisory stockholder votes on the compensation of its named executive officers; and
4. ratify the appointment of Deloitte & Touche LLP to serve as Verso's independent registered public accounting firm for the year ending December 31, 2011.

Proposals 2 and 3 are advisory votes that are not binding on Verso.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR PROPOSALS 1, 2 AND 4 AND THAT YOU VOTE THREE YEARS ON PROPOSAL 3.

Stockholders also will transact any other business that properly comes before the meeting.

Only stockholders of record at the close of business on April 8, 2011, are entitled to receive notice of, and to vote at, the meeting and any postponement or adjournment thereof. A list of such stockholders will be available for inspection by any stockholder at our offices located at 6775 Lenox Center Court, Suite 400, Memphis, Tennessee, during ordinary business hours beginning May 9, 2011, as well as at the meeting on May 19, 2011.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2011 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 19, 2011: OUR PROXY STATEMENT AND ANNUAL REPORT ARE AVAILABLE ON THE INVESTOR RELATIONS PAGE OF OUR WEBSITE AT WWW.VERSOPAPER.COM.

YOUR VOTE IS IMPORTANT. REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE. NO ADDITIONAL POSTAGE IS NECESSARY IF THE PROXY IS MAILED IN THE UNITED STATES OR CANADA. YOU MAY REVOKE YOUR PROXY AT ANY TIME BEFORE IT IS VOTED AT THE MEETING.

By order of the board of directors,

Peter H. Kesser
Secretary

April 20, 2011

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VERSO PAPER CORP.

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Verso Paper Corp.
6775 Lenox Center Court
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Memphis, Tennessee 38115-4436
901.369.4100
www.versopaper.com

**PROXY STATEMENT
FOR
2011 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 19, 2011**

We are furnishing this Proxy Statement in connection with the solicitation of proxies by Verso Paper Corp., or Verso, on behalf of our board of directors, for use at the 2011 Annual Meeting of Stockholders and any postponement or adjournment of the meeting. The meeting will be held at our offices located at 6775 Lenox Center Court, Memphis, Tennessee, on May 19, 2011, beginning at 10:00 a.m. (Central Time).

At the meeting, our stockholders will vote on proposals to:

1. elect three directors Michael E. Ducey, Scott M. Kleinman and David B. Sambur to serve on the board of directors of Verso as Class III directors for a term of three years;
2. approve the compensation of Verso's named executive officers as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission;
3. approve the frequency every one, two or three years that Verso will hold advisory stockholder votes on the compensation of its named executive officers; and
4. ratify the appointment of Deloitte & Touche LLP to serve as Verso's independent registered public accounting firm for the year ending December 31, 2011.

Proposals 2 and 3 are advisory votes that are not binding on Verso.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR PROPOSALS 1, 2 AND 4 AND FOR THREE YEARS ON PROPOSAL 3.

The proposals are set forth in the accompanying Notice of 2011 Annual Meeting of Stockholders and are described in this Proxy Statement. Stockholders also will transact any other business, not known or determined as of the date of this Proxy Statement, that properly comes before the meeting. The board of directors knows of no such other business to be presented.

When you submit your proxy, you will authorize the proxy holders Michael A. Jackson, our President and Chief Executive Officer; Robert P. Mundy, our Senior Vice President and Chief Financial Officer; and Peter H. Kesser, our Vice President, General Counsel and Secretary to represent you and vote your shares of common stock on these proposals at the meeting in accordance with your instructions. By submitting your proxy, you also authorize them to exercise discretionary authority to vote your shares on any other business that properly comes before the meeting, to vote your shares to adjourn the meeting, and to vote your shares at any postponement or adjournment of the meeting.

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We have included with this Proxy Statement a copy of our 2010 Annual Report, which includes our annual report on Form 10-K for 2010. It also is available on the Investor Relations page of our website at www.versopaper.com. Although our 2010 Annual Report is included with this Proxy Statement and we have

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referred you to our website, the 2010 Annual Report and the information on our website do not constitute a part of our proxy solicitation materials and are not incorporated into this Proxy Statement.

This Proxy Statement and the accompanying materials are first being sent or given to our stockholders on or about April 20, 2011.

YOUR VOTE IS IMPORTANT. REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE.

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INFORMATION ABOUT THE MEETING

What is the purpose of the meeting?

At the meeting, our stockholders will vote on proposals to:

1. elect three directors Michael E. Ducey, Scott M. Kleinman and David B. Sambur to serve on the board of directors of Verso as Class III directors for a term of three years;
2. approve the executive compensation of Verso's named executive officers, as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission;
3. approve the frequency every one, two or three years that Verso will hold advisory stockholder votes on the compensation of its named executive officers; and
4. ratify the appointment of Deloitte & Touche LLP to serve as Verso's independent registered public accounting firm for the year ending December 31, 2011.

Proposals 2 and 3 are advisory votes that are not binding on Verso.

At the meeting, our management may report on our performance during 2010 and will respond to appropriate questions from stockholders.

Will any other business be conducted at the meeting?

As of the date of this Proxy Statement, the board of directors knows of no business that will be presented at the meeting other than the proposals described in this Proxy Statement. However, if any other proposal properly comes before the stockholders for a vote at the meeting, the proxy holders will vote your shares in accordance with their best judgment.

Who is entitled to vote?

The record date for the meeting is April 8, 2011. Only stockholders of record at the close of business on April 8, 2011, are entitled to receive notice of the meeting and to vote at the meeting the shares of our common stock that they held on that date. You are a stockholder of record if your shares of our common stock are registered directly in your name with Registrar and Transfer Company, our registrar and transfer agent. If your shares are held by a broker, bank or other nominee, then you are not a stockholder of record, but instead you are the beneficial owner of shares held in street name, and your broker, bank or other nominee may vote those shares for you. Each outstanding share of our common stock entitles its holder to one vote on each matter voted on at the meeting. At the close of business on April 8, 2011, there were 52,625,108 outstanding shares of our common stock.

How many shares must be present to conduct business at the meeting?

A quorum must be present at the meeting in order for any business to be conducted. The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of our common stock outstanding on the record date of April 8, 2011, will constitute a quorum. Abstentions and broker non-votes will be included in the number of shares considered present at the meeting for the purpose of determining whether there is a quorum.

What happens if a quorum is not present at the meeting?

It is unlikely that a quorum will not be present at the meeting, because our principal stockholder holds sufficient shares of our common stock to constitute a quorum. However, if a quorum is not present at the scheduled time of the meeting, the holders of a majority of the shares present in person or represented by

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proxy at the meeting may adjourn the meeting to another place, date or time until a quorum is present. The place, date and time of the adjourned meeting will be announced when the adjournment is taken, and no other notice will be given unless the adjournment is for more than 30 days or unless after the adjournment a new record date is fixed for the adjourned meeting.

How many votes are required for action to be taken on each proposal?

Proposal 1 Election of Directors. The director nominees will be elected to serve as Class III directors for a term of three years if they receive a plurality of the votes of shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. This means that the director nominees will be elected if they receive more votes at the meeting than any other person nominated for director.

Proposal 2 Advisory Vote on the Compensation of Verso's Named Executive Officers as disclosed in the Proxy Statement. The compensation of our Chief Executive Officer, Chief Financial Officer, and three other most highly compensated officers (sometimes referred to collectively as our named executive officers in this Proxy Statement) will be approved by our stockholders on an advisory basis if a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on Proposal 2 vote in favor of it. Because the approval is advisory, it is not binding on Verso.

Proposal 3 Advisory Vote on the Frequency Every One, Two or Three Years that Verso will Hold Advisory Stockholder Votes on the Compensation of its Named Executive Officers. Stockholders will have the option of voting to hold advisory stockholder votes on the compensation of our named executive officers every one, two or three years. The voting frequency one, two or three years that receives the most votes from the shares present in person or represented by proxy at the meeting and entitled to vote on Proposal 3 will be approved by our stockholders on an advisory basis. Because the approval is advisory, it is not binding on Verso.

Proposal 4 Ratification of Appointment of Independent Registered Public Accounting Firm. The appointment of Deloitte & Touche LLP to serve as our independent registered public accounting firm for the year ending December 31, 2011, will be ratified if a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter are voted in favor of the proposal.

Please note that if your shares are held in street name, your broker, bank or other nominee will not have the authority to vote your shares on Proposal 1, 2 or 3 if you do not provide it with voting instructions for the proposal. Therefore, we encourage you to provide voting instructions to your broker, bank or other nominee.

If I abstain from voting, how will it be treated?

You do not have the option of abstaining from voting on Proposal 1 (election of directors), but you may withhold your vote for any director nominee. You may abstain from voting on Proposal 2 (advisory vote on the compensation of Verso's named executive officers as disclosed in the Proxy Statement), Proposal 3 (advisory vote on the frequency every one, two or three years that Verso will hold advisory stockholder votes on the compensation of its named executive officers), and Proposal 4 (ratification of appointment of independent registered public accounting firm).

The outcome of the votes on Proposals 1 and 3 will be determined by a plurality of the shares voting on each proposal at the meeting. If you withhold your vote from a specified director nominee or abstain from voting on Proposal 3, it will not affect the outcome of the vote. The outcome of the vote on Proposals 2 and 4 will be determined by the vote of a majority of the shares present at the meeting, and if you abstain from voting on either of these proposals, your shares will be included in the number of shares considered present at the meeting and voted as an abstention on the proposal(s) on which you abstained from voting. Because an abstention is not a vote in favor of a proposal, your

abstention would have the same effect as a vote against the proposal.

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How do I vote without attending the meeting?

If you are a stockholder of record, you may vote by properly completing, signing, dating and returning by mail the accompanying proxy card. The enclosed postage-paid envelope requires no additional postage if it is mailed in the United States or Canada.

If you are a beneficial owner of shares held in street name, then your broker, bank or other nominee will provide you with information about how to provide it with voting instructions, so that it may vote your shares as you direct. You can provide voting instructions to your broker, bank or other nominee by properly completing, signing, dating and returning by mail the voting instruction form that it provides to you; or, if your broker, bank or other nominee participates in the program provided through Broadridge Investor Communications Solutions that offers telephone and Internet voting options, you can provide voting instructions by telephone or on the Internet by following the telephone or internet voting instructions that your broker, bank or other nominee provides to you.

How do I vote in person at the meeting?

If you are a stockholder of record and attend the meeting, you may vote at the meeting by delivering your completed proxy card in person. In the alternative, you may vote at the meeting by completing and delivering a ballot in person. We will distribute ballots to stockholders of record who wish to vote in person at the meeting. If you are a beneficial owner of shares held in street name, you may vote at the meeting if you obtain and bring to the meeting a completed proxy form from your broker, bank or other nominee that holds your shares.

If I return my proxy card without specifying voting instructions on it, will my shares be voted?

If you are a stockholder of record and return your proxy card without indicating voting instructions on it, your shares will be voted in accordance with the recommendations of our board of directors FOR Proposal 1 (election of directors), FOR Proposal 2 (advisory vote on the compensation of Verso's named executive officers as disclosed in the Proxy Statement), for THREE YEARS on Proposal 3 (advisory vote on the frequency every one, two or three years that Verso will hold advisory stockholder votes on the compensation of its named executive officers), and FOR Proposal 4 (ratification of appointment of independent registered public accounting firm).

If you are a beneficial owner of shares held in street name, your broker, bank or other nominee is required to vote your shares in accordance with your instructions. If you do not instruct your nominee how to vote your shares on Proposal 1 (election of directors), Proposal 2 (advisory vote on the compensation of Verso's named executive officers as disclosed in the Proxy Statement), or Proposal 3 (advisory vote on the frequency every one, two or three years that Verso will hold advisory stockholder votes on the compensation of its named executive officers), then your nominee will not have the authority to vote on the proposal(s) for which you have not provided voting instructions. If you do not instruct your nominee how to vote your shares on Proposal 4 (ratification of appointment of independent registered public accounting firm), your nominee will nonetheless have the authority, but is not required, to vote your shares on Proposal 4, because Proposal 4 is a discretionary item on which your nominee may vote even without instructions from you. Your nominee should provide you with information on how to give it voting instructions concerning your shares.

What are broker non-votes and how do they affect voting?

A broker non-vote occurs when a broker, bank or other nominee does not vote shares that it holds in street name on behalf of a beneficial owner, because the beneficial owner has not provided voting instructions to the nominee with respect to a non-discretionary item. Proposal 1 (election of directors), Proposal 2 (advisory vote on the compensation of Verso's named executive officers as disclosed in the Proxy

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Statement), and Proposal 3 (advisory vote on the frequency every one, two or three years that Verso will hold advisory stockholder votes on the compensation of its named executive officers) are non-discretionary items, and if you do not provide your nominee with voting instructions for any of those proposals, then it will not vote on the proposal(s) for which you have not provided voting instructions, which will result in a broker non-vote on such proposal(s). Broker non-votes on a proposal are not included in the tabulation of voting results for the proposal and thus will not have the effect of for or against votes on the proposal. They also are not counted for purposes of determining the number of shares present in person or by proxy at the meeting and entitled to vote on the proposal. Broker non-votes are counted for purposes of determining whether there is a quorum at the meeting.

If I want to change my vote after I submit my proxy, how do I change it?

Your attendance at the meeting, by itself, will not revoke your proxy and change your vote. If you are a stockholder of record, you may revoke your proxy and change your vote at any time before the polls are closed at the meeting by taking any of the following actions: properly completing, signing, dating and returning another proxy card with a later date; voting in person at the meeting; or giving written notice of your revocation to Verso's Secretary. If you are a beneficial owner of shares held in street name, you may revoke your proxy and change your vote only by following the instructions given to you by the broker, bank or other nominee that holds your shares.

Who will count the votes?

Registrar and Transfer Company, the registrar and transfer agent for our common stock, will tabulate and certify the stockholder votes.

Who pays for the proxy solicitation and how will Verso solicit votes?

Verso will pay all costs associated with the solicitation of proxies. We also will reimburse any costs incurred by brokers and other fiduciaries to forward proxy solicitation materials to beneficial owners. Proxies may be solicited by us on behalf of the board of directors in person or by mail, telephone, facsimile or e-mail. We have not retained any firm to assist with the solicitation of proxies.

Where can I find the results of the stockholder votes at the meeting and management's response to the advisory votes on Proposals 2 and 3?

We will disclose the results of the stockholder votes at the meeting and management's response to the advisory votes on Proposals 2 and 3 in a Form 8-K to be filed with the SEC within four business days after the meeting, which will be available on the Investor Relations page of our website at www.versopaper.com.

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We were formed by affiliates of Apollo Management, L.P., or Apollo, for the purpose of acquiring the assets and certain liabilities comprising the business of the Coated and Supercalendered Papers Division of International Paper Company, or International Paper. The acquisition occurred on August 1, 2006. We went public on May 14, 2008, with an initial public offering, or IPO, of 14 million shares of common stock. In this Proxy Statement, references to Verso, we, us, our and similar terms are, where appropriate in context, also references to our subsidiaries.

Verso Paper Management LP was our sole stockholder before the IPO. As of April 8, 2011, Verso Paper Management LP owns 69.3% of the outstanding shares of our common stock. Various members of our management and board of directors have non-voting limited partner interests in Verso Paper Management LP, as described in the Compensation Discussion and Analysis section of this Proxy Statement under the heading Unit Investment and Award Program. Verso Paper Investments LP is the general partner of Verso Paper Management LP and controls all of the voting interests in Verso Paper Management LP. In connection with the acquisition of our business from International Paper, affiliates of Apollo and International Paper invested in limited partner interests in Verso Paper Investments LP. International Paper's interest in Verso Paper Investments LP is solely a non-voting interest. Verso Paper Investments Management LLC, an affiliate of Apollo, is the general partner of Verso Paper Investments LP and controls all of the voting interests in Verso Paper Investments LP.

Security Ownership of Certain Beneficial Owners and Management

The following table provides information about the beneficial ownership of our common stock as of April 8, 2011, by each of our directors and named executive officers, all of our directors and executive officers as a group, and each person known to our management to be the beneficial owner of more than 5% of the outstanding shares of our common stock. As of April 8, 2011, there were 52,625,108 outstanding shares of our common stock.

Name of Beneficial Owner	Number of Shares Beneficially Owned ⁽¹⁾	Percentage of Shares Outstanding ⁽¹⁾
Directors and Named Executive Officers:		
Michael A. Jackson ⁽²⁾⁽³⁾⁽⁴⁾	625,086	*
Lyle J. Fellows ⁽²⁾⁽³⁾⁽⁴⁾	162,523	*
Michael A. Weinhold ⁽²⁾⁽³⁾⁽⁴⁾	158,859	*
Robert P. Mundy ⁽²⁾⁽³⁾⁽⁴⁾	157,534	*
Peter H. Kesser ⁽²⁾⁽³⁾⁽⁴⁾	123,710	*
Michael E. Ducey ⁽²⁾⁽⁵⁾	43,190	*
Thomas Gutierrez ⁽²⁾⁽⁴⁾	15,200	*
Scott M. Kleinman ⁽²⁾⁽⁵⁾⁽⁶⁾	23,190	*
David W. Oskin ⁽²⁾⁽⁵⁾	23,190	*
Eric L. Press ⁽²⁾⁽⁴⁾⁽⁶⁾	15,200	*
L.H. Puckett, Jr. ⁽²⁾⁽⁵⁾	181,185	*
David B. Sambur ⁽²⁾⁽⁵⁾⁽⁶⁾	23,187	*
Jordan C. Zaken ⁽²⁾⁽⁵⁾⁽⁶⁾	23,190	*

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All Directors and Executive Officers as a group (15 persons) ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	1,705,303	3.2%
Other Stockholders:		
Verso Paper Management LP ⁽⁷⁾	36,465,434	69.3%
Avenue Capital Management II, L.P. ⁽⁸⁾	2,623,467	4.9%

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* Less than 1% of the outstanding shares of our common stock.

- (1) Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, or Exchange Act. The number and percentage of shares of common stock beneficially owned by each person listed in the table is determined based on the shares of common stock that such person beneficially owned as of April 8, 2011, or that such person has the right to acquire within 60 days thereafter. The number of outstanding shares used as the denominator in calculating the percentage ownership of each person is 52,625,108 shares of common stock (which is the number of shares of common stock outstanding as of April 8, 2011) plus the number of shares of common stock that such person has the right to acquire as of April 8, 2011, or within 60 days thereafter. Each person has sole voting power and sole investment power over the shares of common stock that the person beneficially owns, unless otherwise indicated.
- (2) The address of Messrs. Jackson, Fellows, Gutierrez, Weinhold, Mundy, Kesser, Ducey, Oskin and Puckett is c/o Verso Paper Corp., 6775 Lenox Court, Suite 400, Memphis, Tennessee 38115-4436. The address of Messrs. Kleinman, Press, Sambur and Zaken is c/o Apollo Management, L.P., 9 West 57th Street, 43rd Floor, New York, New York 10019.
- (3) The number of shares beneficially owned includes restricted shares of common stock granted to the following persons that are not vested: Mr. Jackson 118,828 shares; Mr. Fellows 37,492 shares; Mr. Weinhold 33,439 shares; Mr. Mundy 32,780 shares; Mr. Kesser 27,211 shares; and all directors and executive officers as a group 287,081 shares.
- (4) The number of shares beneficially owned includes shares of common stock that the following persons have the right to receive on April 8, 2011, or within 60 days thereafter, by exercising options to acquire common stock: Mr. Fellows 18,888 shares; Mr. Gutierrez 15,200 shares; Mr. Jackson 68,036 shares; Mr. Kesser 13,777 shares; Mr. Mundy 16,407 shares; Mr. Press 15,200 shares; Mr. Weinhold 16,740 shares; and all directors and executive officers as a group 176,285 shares.
- (5) The number of shares beneficially owned includes shares of common stock held by Verso Paper Management LP, which the following persons, as limited partners of Verso Paper Management LP, have the right to receive on April 8, 2011, or within 60 days thereafter, by exchanging units representing limited partner interests in Verso Paper Management LP: Mr. Ducey 23,190 shares; Mr. Kleinman 23,190 shares; Mr. Oskin 23,190 shares; Mr. Puckett 181,185 shares; Mr. Sambur 23,187 shares; Mr. Zaken 23,190 shares; and all directors and executive officers as a group 297,132 shares.
- (6) Messrs. Kleinman, Press, Sambur and Zaken are each associated with Apollo Management VI, L.P., and its affiliated investment managers. The percentage of shares shown does not include any shares beneficially owned by Apollo Management VI, L.P., or any of its affiliates, including shares held of record by Verso Paper Management LP. Messrs. Kleinman, Press, Sambur and Zaken each expressly disclaims beneficial ownership of the shares owned by Verso Paper Management LP and any other shareholder, except to the extent of any pecuniary interest therein.
- (7) All of the shares of common stock shown as beneficially owned by Verso Paper Management LP are held of record by Verso Paper Management LP. Verso Paper Investments LP is the general partner of Verso Paper Management LP and holds voting power and investment power over the shares of common stock held by Verso Paper Management LP. Verso Paper Investments Management LLC is the general partner of Verso Paper Investments LP. CMP Apollo LLC is the sole and managing member of Verso Paper Investments Management LLC, and Apollo Management VI, L.P., or Management VI, is the sole and managing member of CMP Apollo

LLC, AIF VI Management, LLC, or AIF VI LLC, is the general partner of Management VI, Apollo Management, L.P., or Apollo, is the sole member and manager of AIF VI LLC, and Apollo Management GP, LLC, or Apollo Management GP, is the general partner of Apollo. Apollo Management Holdings, L.P., or AMH, is the sole member and manager of Apollo Management GP. Apollo Management Holdings GP, LLC, or AMH GP, is the general partner of AMH. Leon Black, Joshua Harris and Marc Rowan are the principal executive officers and managers of AMH GP. Each of Verso Paper Investments LP, Verso Paper Investments Management LLC, CMP Apollo LLC, Management VI, AIF VI LLC, Apollo, Apollo Management GP, AMH, AMH GP and Messrs. Black, Harris and Rowan disclaims beneficial ownership of the shares owned by Verso Paper Management LP, except to the extent of any pecuniary interest therein. The address of Verso Paper Management LP, Verso Paper Investments LP, Verso Paper Investments Management LLC, CMP Apollo LLC, Management VI, AIF VI LLC, Apollo, Apollo Management GP, AMH, AMH GP and Messrs. Black, Harris and Rowan, is c/o Apollo Management VI, L.P., 9 West 57th Street, 43rd Floor, New York, New York 10019.

- (8) As set forth in a Schedule 13D filed with the United States Securities and Exchange Commission on February 11, 2011, the number of shares beneficially owned by Avenue Capital Management II, L.P. (Avenue Capital II) consist of

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shares owned in accounts for funds and affiliated entities for which it serves as investment adviser. Avenue Capital Management II GenPar, LLC (GenPar), serves as the general partner of Avenue Capital II, and Marc Lasry is the managing member of GenPar. Their address is 399 Park Avenue, 6th Floor, New York, NY 10022.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that our directors and executive officers and the beneficial owners of more than 10% of our registered equity securities file with the United States Securities and Exchange Commission, or SEC, initial reports of, and subsequent reports of changes in, their beneficial ownership of our equity securities. These reporting persons are required to furnish us with copies of all such Section 16(a) reports. Based solely on our review of the copies of such Section 16(a) reports and written representations that certain of these reporting persons have furnished to us, we believe that these reporting persons complied with all applicable Section 16(a) filing requirements during 2010.

Table of Contents**DIRECTORS AND EXECUTIVE OFFICERS**

The following table and biographical descriptions provide information regarding our directors and executive officers.

Name	Age	Position(s)
Michael A. Jackson	62	President, Chief Executive Officer and Director
Lyle J. Fellows	54	Senior Vice President of Manufacturing and Energy
Michael A. Weinhold	46	Senior Vice President of Sales, Marketing and Product Development
Robert P. Mundy	49	Senior Vice President and Chief Financial Officer
Peter H. Kesser	53	Vice President, General Counsel and Secretary
Kenneth D. Sawyer	55	Vice President of Human Resources
Benjamin Hinchman, IV	63	Vice President and Chief Information Officer
Michael E. Ducey	62	Director
Thomas Gutierrez	62	Director
Scott M. Kleinman	38	Director and Chairman of the Board
David W. Oskin	68	Director
Eric L. Press	45	Director
L.H. Puckett, Jr.	62	Director
David B. Sambur	31	Director
Jordan C. Zaken	36	Director

Executive Officers***Michael A. Jackson***

Mr. Jackson has been President, Chief Executive Officer and a director of Verso since November 2006. Information about Mr. Jackson appears below under the heading Directors.

Lyle J. Fellows

Mr. Fellows has been our Senior Vice President of Manufacturing and Energy since December 2009 and was our Senior Vice President of Manufacturing from August 2006 to December 2009. He has 30 years of manufacturing experience in the paper industry. Before joining us, Mr. Fellows worked for International Paper from 1981 to 2006, where he was Vice President of Manufacturing for the Coated and Supercalendered Papers Division from 2003 to 2006. Prior to that, he was manager of the pulp and paper mills in Courtland, Alabama, from 2001 to 2003, and in Saillat, France, from 2000 to 2001, Manufacturing Director of the Arizona Chemical business in Europe from 1998 to 1999, and Technical Director of the White Papers business in Europe from 1994 to 1997. He also served in various manufacturing positions at the pulp and paper mill in Pine Bluff, Arkansas, from 1981 to 1994.

Michael A. Weinhold

Mr. Weinhold has been our Senior Vice President of Sales, Marketing and Product Development since April 2011, and was our Senior Vice President of Sales and Marketing from August 2006 to April 2011. He is responsible for our sales, marketing, supply chain, customer technical service, e-commerce, product development, product management and Nextier Solutionssm functions. Mr. Weinhold has 24 years of sales,

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marketing and manufacturing experience in the paper industry. From 2000 to 2006, he held various sales, marketing and management positions for the Coated and Supercalendered Papers Division of International Paper, including serving as Business Manager from 2004 to 2006, Business Manager of Sales and Marketing from 2003 to 2004, and Director of Marketing and Product Development from 2001 to 2003. He also held similar positions at Champion International Corporation from 1994 until it was acquired by International Paper in 2000.

Robert P. Mundy

Mr. Mundy has been our Senior Vice President and Chief Financial Officer since August 2006. He has 28 years of finance and accounting experience in the paper industry. Mr. Mundy joined us from International Paper where he worked from 1983 to 2006. At International Paper, he was Director of Finance of the Coated and Supercalendered Papers Division from 2002 to 2006, Director of Finance Projects from 2001 to 2002, Controller of Masonite Corporation from 1999 to 2001, and Controller of the Petroleum and Minerals business from 1996 to 1999. Prior to that, he was responsible for other business functions including company-wide SAP implementation, corporate internal audit, and manufacturing and operational finance at three pulp and paper mills.

Peter H. Kesser

Mr. Kesser has been our Vice President, General Counsel and Secretary since December 2006 and, in such capacity, functions as the principal legal and compliance officer of Verso. During a 27-year legal career, he has concentrated his practice in the areas of corporate, securities, mergers and acquisitions, and commercial law while working for major law firms and has had significant oversight responsibility for a wide variety of legal matters (including antitrust, compliance, employee benefits, employment, energy, environmental, intellectual property, litigation and real estate) while working for major public companies. Mr. Kesser was a shareholder with Baker Donelson Bearman Caldwell & Berkowitz PC from 1999 to 2006. He was Vice President, Assistant General Counsel and Assistant Secretary of Promus Hotel Corporation, a leading lodging company, from 1998 to 1999. Mr. Kesser was Vice President, General Counsel and Secretary of Arcadian Corporation, a leading nitrogen chemical producer, from 1993 to 1997. He was an attorney with Bracewell & Patterson LLP from 1983 to 1992. Mr. Kesser is the former Chair of the Business Law section of the Tennessee Bar Association.

Kenneth D. Sawyer

Mr. Sawyer has been our Vice President of Human Resources since January 2011. Mr. Sawyer has 23 years of experience in the human resources field. He joined us from AbitibiBowater, Inc., a leading global producer of pulp, paper and wood products, where he was Director of Human Resources for all United States operations from 2009 to 2010, and Director of Human Resources for the Commercial Printing Papers Division in the United States, Canada and South Korea from 2007 to 2009. Mr. Sawyer worked at Bowater Incorporated, a manufacturer of pulp, paper and wood products, where he was Director of Process Improvement and Organization Effectiveness from 2006 to 2007, and Director of Human Resources of the Coated Papers Division from 1999 to 2006. Mr. Sawyer was the Vice President of Human Resources of Dorsey Trailers, Inc., a transportation equipment manufacturer, from 1993 to 1999.

Benjamin Hinchman, IV

Mr. Hinchman has been our Vice President and Chief Information Officer since August 2006. He has 41 years of experience in the information technology field, during which he has implemented and managed information systems supporting manufacturing, quality control, research and development, sales, order fulfillment, distribution, warehousing, finance and e-commerce. Before joining us, Mr. Hinchman worked at International Paper from 1999 to 2006, where he was Director of Information Technology of our business in 2006, Director of Information Technology of the xpedx business from 2002 to 2006, and Director of Strategic

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Technologies from 2000 to 2001. Mr. Hinchman worked for Union Camp Corporation as Director of Information Services for the Fine Papers Division from 1995 until its acquisition by International Paper in 1999. He previously worked in various other businesses, holding positions of increasing responsibility in information technology.

Directors

We believe that the members of our board of directors should have a range of skills, experience, diversity, and expertise that enables them to provide sound guidance with respect to our business and operations. Each of our directors has an established record of professional accomplishment and particular experience, qualifications, attributes and skills that the board of directors considers important in determining that each director should be a member of our board, as highlighted in this section of our Proxy Statement.

The composition of our board of directors is balanced among four independent directors, four directors affiliated with Apollo Management VI, L.P., which indirectly controls our largest stockholder, and one management director who serves as our President and Chief Executive Officer. That balance, to which each of our directors contributes, is important to us for the following reasons:

As independent directors, each of Messrs. Ducey, Gutierrez, Oskin and Puckett contributes an outside point of view that we value for providing multiple perspectives to the board of directors oversight and direction of us and facilitating objectivity in the board decision-making process.

Because of their affiliation with Apollo Management VI, L.P., each of Messrs. Kleinman, Press, Sambur and Zaken is particularly attuned to strategic, financial and other matters that may affect our stockholders investments in us.

Mr. Jackson, as our President and Chief Executive Officer, brings his in-depth knowledge of Verso and our industry, operations and business plans to the board of directors.

In addition, as indicated below, each of our directors has specific knowledge, professional experience and expertise relevant to serving as a director of Verso, as well as experience serving on boards of directors of other companies. Each director also has the following key attributes that we believe are important to an effective board of directors: integrity and demonstrated high ethical standards; sound judgment; analytical skills; the ability to engage management and each other in a constructive and collaborative fashion; and diversity of background, experience and thought.

Below is additional information concerning our directors.

Michael E. Ducey

Mr. Ducey has been a director of Verso since March 2007 and a member and the chairman of our Audit Committee since May 2008. Mr. Ducey was President and Chief Executive Officer of Compass Minerals International, Inc., a producer of salt and specialty fertilizers, from 2002 to 2006, and he remains a consultant to Compass Minerals. From 1972 to 2002, he worked for Borden Chemical, Inc., a diversified chemical company. During his 30-year career with Borden Chemical, Mr. Ducey held various management, sales, marketing, planning and commercial development positions, including serving as President and Chief Executive Officer from 1999 to 2002 and Executive Vice President and Chief Operating Officer from 1997 to 1999.

Mr. Ducey has been a director and a member of the audit committee of Smurfit-Stone Container, Inc., a leading North American producer of corrugated containers, since 2010; the Lead Director and a member of the audit committee and nominations and governance committee of HaloSource, Inc., a global producer of water purification and disinfecting

technologies, since 2010; and a director, the Non-Executive Chairman and

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a member of the audit committee of TPC Group, Inc., a producer of hydrocarbon derivatives, since 2009. Mr. Ducey was a director and member of the compensation committee of UAP Holding Corp., the parent of United Agri Products, Inc., from 2006 to 2008. He also was a director and a member of the environmental, health and safety committee of Compass Minerals from 2002 to 2006.

Mr. Ducey's broad experience in operations, strategic planning, management and manufacturing, gained from his lengthy career with Compass Minerals and Borden Chemical, is valuable to our board of directors. His background in manufacturing provides experience with complex challenges and opportunities that are comparable to those that we sometimes face as a manufacturer, and his years of experiences as President and Chief Executive Officer of Compass Minerals and Borden Chemical provides valuable insight on which he can draw while overseeing our management. In addition, Mr. Ducey's service as a director of other companies augments his knowledge of effective corporate governance.

Thomas Gutierrez

Mr. Gutierrez has been a director of Verso since November 2008 and a member of our Audit Committee since May 2009. He has been President and Chief Executive Officer of GT Solar International, Inc., a global provider of specialized equipment, technology and services for the solar power industry, since 2009. Mr. Gutierrez was Chief Executive Officer of PhytoChem Pharmaceuticals, Inc., a development-stage pharmaceutical company, from its inception in January 2009 to November 2009. He was Chief Executive Officer of Xerium Technologies Inc., a leading global manufacturer of synthetic textiles and specialty roll covers used in the production of paper, from 2001 to 2008. From 1995 to 2001, Mr. Gutierrez was Chief Executive Officer of three separate business units of Invensys plc, a global leader in technology used to monitor, control and automate processes. He was Chief Operating Officer of Pulse Engineering, Inc., a manufacturer of electronic components for telecommunications and power applications, from 1992 to 1994. Earlier in his career, Mr. Gutierrez held management, technical and engineering positions with Pitney Bowes Inc., Franklin Computer Corporation, Motorola, Inc., and Digital Equipment Corporation.

Mr. Gutierrez has been a director and member of the governance committee of Veeco Instruments Inc., a producer of process equipment for LED, solar and data storage manufacturers, since 2010; a director of GT Solar International since 2009; and a director of PhytoChem Pharmaceuticals since 2009. He was a director of Comverge, Inc., a provider of clean energy alternatives, and a member of its audit committee, compensation committee, and nominating and corporate governance committee from 2009 to 2010; and a director of Xerium Technologies from 2001 to 2008.

Mr. Gutierrez's extensive experience in various industries, including manufacturing, provides him with a breadth and depth of knowledge that informs his oversight of our organization as a director. His background of providing leadership, as the most senior executive and as director, of various companies provides him with experience in guiding organizations through complex challenges and opportunities. In addition, from his many years of experience as the president and chief executive officer of large companies, Mr. Gutierrez has developed expertise in managing enterprises that enhances his oversight of our management and the guidance that he provides as our director. His service as a director of other companies augments his knowledge of effective corporate governance.

Michael A. Jackson

Mr. Jackson has been a director and the President and Chief Executive Officer of Verso since November 2006. Before joining us, he worked at Weyerhaeuser Company from 1977 to 2006. During his 29-year career with Weyerhaeuser, Mr. Jackson was Senior Vice President responsible for the Cellulose Fibers, White Papers, Newsprint and Liquid Packaging Board businesses from 2004 to 2006, Vice President of the Fine Papers business from 2002 to 2004, Vice President of the Business Papers business from 2000 to 2002, Vice President of the Recycling business from 1998 to 2000, Vice President of Human Resources and Quality for the Container Board Packaging business from 1993 to

1998, and General Manager of the Tri-Wall business

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and other packaging plants from 1990 to 1993. On behalf of Weyerhaeuser, Mr. Jackson served from 2005 to 2006 as a director and Chair of the Board of North Pacific Paper Corporation (NORPAC), a joint venture with Japan's Nippon Paper Industries which produces newsprint and uncoated groundwood paper.

From his many years in the paper and forest products industry, Mr. Jackson has attained a wealth of knowledge about industry matters of importance to us and experience in meeting many challenges presented by, and identifying and exploiting opportunities available in, our industry. His knowledge and experience make him well suited not only to serve as our President and Chief Executive officer, but also enhance board discussions with his industry-specific expertise. In addition, as our President and Chief Executive Officer, Mr. Jackson is uniquely positioned as a director to contribute his in-depth knowledge of our organization and other matters relating to our business to board discussions and decision-making.

Scott M. Kleinman

Mr. Kleinman has been a director and the Chairman of the Board of Verso since August 2006. He also has been a member and the chairman of our Compensation Committee and Corporate Governance and Nominating Committee since May 2008, and was a member and the chairman of our Audit Committee from May to August 2008.

Mr. Kleinman is a partner of Apollo Management, L.P., a global alternative asset manager, where he has worked since 1996. He was employed as an analyst at Smith Barney Inc. in its Investment Banking division from 1994 to 1996.

Mr. Kleinman has been a director and a member of the audit committee, compensation committee, and nominating and corporate governance committee of LyondellBasell Industries, B.V., a worldwide plastics, chemical and refining company, since 2010; a director and member of the environmental, health and safety committee of Noranda Aluminum Holding Corporation, a producer of aluminum products, since 2007; a director of Realogy Corporation, a provider of residential real estate and relocation services, since 2007; and a director and member of the audit committee of Momentive Performance Materials, Inc., a producer of silicones and silicone derivatives, since 2010. He was a director and member of the executive committee, audit committee, compensation committee, and environmental, health and safety committee of Momentive Specialty Chemicals, Inc. (formerly Hexion Specialty Chemicals Inc.), a producer of thermoset resin technologies, between 2004 and 2010; and a director of Compass Minerals, Inc., a producer of salt and specialty fertilizers, from 2001 through 2004.

With significant experience in financing, analyzing, investing in and managing investments in public and private companies, Mr. Kleinman has gained substantial expertise in strategic and financial matters that inform his contributions to our board of directors and enhance his oversight and direction of us. In addition, he led the Apollo diligence team that managed the acquisition of Verso from International Paper in 2006, which provided him with a unique knowledge of our organization. Mr. Kleinman's service as a director of other companies in a variety of industries gives him a range of experience as a director on which he can draw in serving as our director and augments his knowledge of effective corporate governance.

David W. Oskin

Mr. Oskin has been a director of Verso since January 2007. He also has been a member of our Audit Committee since August 2008 and our Corporate Governance and Nominating Committee since May 2008. Mr. Oskin has been President of Four Winds Ventures, LLC, a private investment company, since 2005, and was a consultant to the paper and finance industries in 2004. He previously worked for 29 years in the paper and forest products industries in various management, distribution, sales and marketing, quality management, human resources and other positions. Mr. Oskin spent most of his career with International Paper, where he worked initially from 1975 to 1991 and then again as an Executive Vice President from 1996 to 2003. From 1992 to 1995, he was Managing Director and Chief Executive Officer of Carter Holt Harvey Limited, a New Zealand based forest products company.

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Mr. Oskin has been a director of Rayonier Inc., an international forest products company, since 2009, a member of its governance and nominating committee and compensation and management development committee since 2010, and was a member of its audit committee from 2009 to 2010; a director and member of the audit committee and remuneration committee of Samling Global Limited, a timber and forest products concern, since 2005; a director of Pacific Millennium Corporation, a privately held packaging company, since 2003; and a director of Big Earth Publishing LLC, a publisher of books and magazines, since 2003. He was a director and member of the executive committee and audit committee of Goodman Global Inc., a manufacturer of heating, ventilation and air conditioning products, from 2006 to 2008. Mr. Oskin also was Chair of the Board of Trustees of Widener University from 2001 to 2009 and currently is the Chair Emeritus.

Mr. Oskin's significant management experience in the paper and forest products industry, in a wide range of areas such as distribution, sales and marketing, quality management, and human resources, and his service on the boards of directors of various companies in this industry, provide him with a substantial knowledge base on which he can draw in providing oversight and input as our director. He has expertise in managing enterprises from his many years with International Paper and Carter Holt Harvey Limited that informs his guidance of our management. His current service as a director of a publisher of books and magazines gives him experience relevant to our customer base. Mr. Oskin's service as a director of other companies augments his knowledge of effective corporate governance.

Eric L. Press

Mr. Press has been a director of Verso since January 2009. He is a partner of Apollo Management, L.P., where he has worked since 1998 analyzing and overseeing Apollo's investments in basic industries, financial services, lodging, leisure and entertainment companies. Mr. Press was an associate with the Wachtell, Lipton, Rosen & Katz law firm, specializing in mergers, acquisitions, restructurings and related financing transactions, from 1992 to 1998. Mr. Press was a consultant with The Boston Consulting Group from 1987 to 1989.

Mr. Press has been a director of Apollo Commercial Real Estate Finance, Inc., a real estate investment trust, since 2009; a director and member of the audit committee of Caesars Entertainment Corporation (formerly Harrah's Entertainment Inc.), a gaming company, since 2008; a director and member of the executive committee and compensation committee of Noranda Aluminum Holding Corporation, a producer of aluminum products, since 2007, and a member of its nominating and governance committee and pricing committee since 2010; a director and member of the compensation committee of Affinion Group, Inc., a provider of marketing products and services, since 2006; and a director and member of the compensation committee of Metals USA, Inc., a metal service center and processor of metal components, since 2005. He was a director of Quality Distribution, Inc., a bulk tank truck network operator, from 2004 to 2008; a director of Wyndham International, Inc., a lodging franchisor, from May 2005 to August 2005; a director of Innkeepers USA Trust, a real estate investment trust and owner of upscale extended-stay hotel properties, from 2007 to 2010; and a director of AEP Industries, Inc., a flexible packaging film producer, from 2004 to 2005.

Mr. Press's extensive background in financing, analyzing and managing investments, and his prior background as an attorney specializing in mergers, acquisitions, restructurings and related financing transactions, provides him with considerable experience in identifying and analyzing operational, financial and management matters that affect equity investments. These skills are highly pertinent to his oversight of our business, financial performance and management. His service as a director of other companies in a variety of industries provides him with a range of experience and increases his knowledge of effective corporate governance.

L.H. Puckett, Jr.

Mr. Puckett has been a director of Verso since August 2006 and was our President and Chief Executive Officer from August 2006 until his retirement in November 2006. He was Executive Vice President, Sales and Marketing, of

National Envelope Corporation from January 2010 until September 2010, when substantially all

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of its assets were sold in connection with a bankruptcy petition that National Envelope Corporation voluntarily filed in June 2010 under Chapter 11 of the United States Bankruptcy Code.

Mr. Puckett has worked in the paper industry for over 33 years in various sales, marketing and management capacities. He worked at International Paper from 1999 to 2006, where he was Senior Vice President of the Coated and Supercalendered Papers Division from 2000 to 2006 and Vice President of the Commercial Printing and Imaging Papers businesses from 1999 to 2000. Mr. Puckett worked at Union Camp Corporation from 1974 until its acquisition by International Paper in 1999, where he was Senior Vice President of the Fine Papers business from 1998 to 1999.

Mr. Puckett brings to our board of directors considerable experience in the paper industry, including a combined seven years serving as the principal executive officer of our business when it was a division of International Paper and as our President and Chief Executive Officer until November 2006. His experience in managing our business provides him with an in-depth understanding of us that is useful in providing guidance to our management. His significant industry experience and in-depth knowledge of our business enhances his oversight of us and provides him with insight into matters of importance to our organization.

David B. Sambur

Mr. Sambur has been a director of Verso since February 2008 and a member of our Compensation Committee since May 2008. He also was a member of our Audit Committee from May 2008 to May 2009. Mr. Sambur is a principal of Apollo Management, L.P., a global alternative asset manager, where he has worked since 2004. He was a member of the Leveraged Finance Group of Salomon Smith Barney Inc. from 2002 to 2004.

Mr. Sambur has been a director of Caesars Entertainment Corporation, a gaming company, since 2010; a director and member of the audit committee and compensation committee of Momentive Performance Materials, Inc., a producer of silicones and silicone derivatives, since 2010; and a director and member of the audit committee and compensation committee of Momentive Specialty Chemicals, Inc., a producer of thermoset resin technologies, since 2010.

With experience in financing, analyzing and investing in public and private companies, Mr. Sambur has gained substantial expertise in strategic and financial matters that inform his contributions to our board of directors and contribute to his ability to conduct oversight of our business, financial performance and management. Mr. Sambur participated in the diligence and structuring of Apollo's 2006 acquisition of Verso Paper from International Paper, which provided him with unique insight into our organization and business. In addition, his service on the boards of directors of other companies augments his knowledge of effective corporate governance.

Jordan C. Zaken

Mr. Zaken has been a director of Verso since August 2006 and a member of our Compensation Committee since May 2008. He is a partner of Apollo Management, L.P., a global alternative asset manager, where he has worked since 1999. Mr. Zaken was employed by Goldman, Sachs & Co. in its Mergers and Acquisitions Department from 1997 to 1999.

Mr. Zaken has been a director and member of the compensation committee of Momentive Performance Materials Inc., a producer of silicones and silicone derivatives, since 2010; and a director of Momentive Specialty Chemicals Inc., a producer of thermoset resin technologies, since 2005, and a member and chairman of its compensation committee since 2006. He was a director of Parallel Petroleum Corp., an oil and gas producer, in 2009; and a director of AEP Industries, Inc., a producer of flexible packaging film, from 2004 until 2005.

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Mr. Zaken's background in financing, analyzing and investing in companies provides him with expertise in identifying and analyzing operational, financial and management matters that affect equity investments. This enables him as a director to more successfully oversee our business, financial performance and management. His service as a director of other companies provides experience on which he can draw in serving as our director and increases his knowledge of effective corporate governance.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board of Directors Structure

Our board of directors consists of nine directors who are divided into three classes – Class I, Class II and Class III – with three directors each. The directors in each class serve for staggered three-year terms. Messrs. Ducey, Kleinman and Sambur are Class III directors whose terms will expire at our 2011 Annual Meeting of Stockholders. Messrs. Gutierrez, Press and Puckett are Class I directors whose terms will expire at our 2012 Annual Meeting of Stockholders. Messrs. Jackson, Oskin and Zaken are Class II directors whose terms will expire at our 2013 Annual Meeting of Stockholders.

Leadership Structure

The role of our Chairman of the Board is to lead and oversee the board of directors, including ensuring that the board of directors functions effectively and fulfills its responsibilities to Verso and our stockholders. The Chairman of the Board presides at meetings of the board of directors. The role of our Chief Executive Officer is to lead and manage Verso and serve as our primary liaison with the board of directors.

We do not have any policy that requires the roles of Chairman of the Board and Chief Executive Officer to be filled by separate individuals, nor do we have any policy that requires the Chairman of the Board to be selected from a particular group of directors such as non-employee directors or independent directors. The board of directors has the prerogative to adopt such a policy, but has not found it necessary to do so. Instead, the board of directors has the flexibility to determine who should serve as the Chairman of the Board, and whether the Chairman of the Board and the Chief Executive Officer should be separate individuals, based on Verso's needs. The board of directors makes its determination based on the considerations and criteria that it deems appropriate, at the time that it makes the determination, to provide suitable leadership for the board of directors and Verso. The positions of Chairman of the Board and Chief Executive Officer currently are held by different individuals. Our Chairman of the Board is Scott M. Kleinman, a non-employee director who is a partner with Apollo Management, L.P., and our Chief Executive Officer is Michael A. Jackson, who also serves as a director and our President.

We believe that the current leadership structure of Verso, in which the roles of Chairman of the Board and Chief Executive Officer are separated, is appropriate for us at this time. This structure enhances the board of directors oversight of management, because a non-employee Chairman of the Board is more likely to question management actions. The separation of roles also permits the Chairman of the Board to participate in non-management executive sessions of the board of directors, from which he would be excluded if he were also our Chief Executive Officer. Finally, this structure allows the Chief Executive Officer to focus his efforts on the job of leading and managing Verso on a daily basis.

Director Independence

The listing standards of the New York Stock Exchange, or NYSE, require that a listed company have a majority of independent directors. However, we are a controlled company as defined in the NYSE's listing standards *i.e.*, a company of which more than 50% of the voting power is held by an individual, group or another company and thus are not required by the NYSE to comply with the majority director independence requirement or to have a compensation committee and a nominating committee composed entirely of independent directors. Nonetheless, our board of directors has determined that four of our nine directors – Messrs. Ducey, Gutierrez, Oskin and Puckett – are independent under the NYSE's listing standards. In making this determination, our board of directors has affirmatively

determined that each of these directors meets the objective criteria for independence set forth by the NYSE, as well as the additional independence requirements imposed by the SEC for audit committee members which are incorporated into the NYSE's listing standards, and that none of them has any relationship, direct or indirect, to us other than as stockholders or through their service as directors.

Table of Contents**Committees of the Board of Directors*****Committee Overview***

Our board of directors has three standing committees: an Audit Committee, a Compensation Committee, and a Corporate Governance and Nominating Committee, each operating under a charter adopted by our board of directors. The charters of these committees are available for review in the Governance section of the Our Company page on our website at www.versopaper.com. The information on our website is not a part of this Proxy Statement.

The following table summarizes the committee structure of our board of directors.

Director	Independent	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Michael E. Ducey		*		
Thomas Gutierrez				
Michael A. Jackson				
Scott M. Kleinman			*	*
David W. Oskin				
Eric L. Press				
L.H. Puckett, Jr.				
David B. Sambur				
Jordan C. Zaken				

* Chair of the committee.

Audit Committee

The purposes of the Audit Committee are to assist our board of directors in fulfilling its responsibilities regarding:

the integrity of our financial statements and other financial information provided to our stockholders and other relevant parties

our system of internal control

the performance of our internal accounting and financial controls and the function of our internal audit department

the qualifications, independence and performance of our independent registered public accounting firm

our process for monitoring compliance with applicable legal and regulatory requirements, including accounting, financial reporting and public disclosure requirements

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Each director serving on the Audit Committee Messrs. Ducey, Gutierrez and Oskin is independent under the NYSE's and SEC's rules, satisfies the NYSE's requirements of being financially literate and possessing accounting or related financial management expertise, and qualifies as an audit committee financial expert under the SEC's rules.

Compensation Committee

The purposes of the Compensation Committee are to assist our board of directors in fulfilling its responsibilities regarding:

the review and approval of our compensation philosophy and objectives for our executive officers

the review and approval of the performance goals and objectives relevant to the compensation of our executive officers

the review and approval of the compensation of our executive officers

acting as administrator as may be required by our incentive compensation and equity-related plans in which our executive officers may be participants

Corporate Governance and Nominating Committee

The purposes of the Corporate Governance and Nominating Committee are to assist our board of directors in fulfilling its responsibilities regarding:

the identification of qualified candidates to become our directors, consistent with criteria approved by our board of directors

the selection of nominees for election as directors at the next annual meeting of stockholders or a special meeting of stockholders at which directors are to be elected

the selection of candidates to fill vacancies and newly created directorships on our board of directors

the identification of best practices and recommendation of corporate governance principles, including giving proper attention and making effective responses to stockholder concerns regarding corporate governance

the development and recommendation to our board of directors of guidelines setting forth corporate governance principles applicable to us

oversight of the evaluation of our board of directors and management

Nomination and Evaluation of Director Candidates

Our board of directors will consider nominating all potential candidates for election as directors who are recommended by our stockholders or board of directors, provided that the recommendation complies with the relevant requirements of our bylaws. All recommendations of candidates for director must be made in accordance with the provisions of Article II, Section 13 of our bylaws, which sets forth requirements concerning the information about the candidate to be provided and the timing for the submission of the recommendation. Any stockholder who desires to recommend a candidate for nomination as a director should send the nomination to: Corporate Governance and

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Nominating Committee, c/o Secretary, Verso Paper Corp., 6775 Lenox Center Court, Suite 400, Memphis, Tennessee 38115-4436.

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Our Corporate Governance and Nominating Committee screens every potential director candidate in the same manner, regardless of the source of his or her recommendation. Each director candidate must possess fundamental qualities of intelligence, honesty, and strong ethics, and standards of integrity, fairness and responsibility. In further evaluating the suitability of director candidates (both new candidates and current directors), the Corporate Governance and Nominating Committee, in recommending candidates for election, and the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, takes into account many factors, including the candidate s:

business judgment and ability to make independent analytical inquiries

understanding of marketing, finance and other elements relevant to the success of a publicly traded company in today s business environment

professional background, including experience as a director of a public company and as an officer or former officer of a public company

experience in our industry and with relevant social policy concerns

understanding of our business on a technical level

educational background, including academic expertise in an area of our operations

The Corporate Governance and Nominating Committee and our board of directors also evaluate each director candidate in the context of our board of directors as a whole, with the objective of assembling a group of directors that can best perpetuate the success of our business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas. In determining whether to recommend a director for re-election, the Corporate Governance and Nominating Committee and our board of directors also consider the director s past attendance at meetings of our board of directors, the director s participation in and contributions to the activities of our board of directors, and the results of the most recent board of directors evaluation. Notwithstanding the foregoing criteria, if we are legally required, by contract or otherwise, to permit a party to designate one or more directors to be elected or appointed to our board of directors (*e.g.*, pursuant to rights contained in a certificate of designation of a class of preferred stock), then the nomination or appointment of such directors will be governed by those requirements.

We do not have a formal policy with regard to the consideration of diversity in identifying candidates for election to the board of directors, but the Corporate Governance and Nominating Committee recognizes the benefits associated with a diverse group of directors and takes diversity considerations into account when identifying director candidates. The Corporate Governance and Nominating Committee considers diversity in the broadest context, including diversity of professional experience, employment history, experience on other boards of directors and as management of other companies, as well as more familiar diversity concepts such as race, gender and national origin.

Nominees for Election as Class III Directors

Our board of directors has nominated Messrs. Ducey, Kleinman and Sambur for election as Class III directors at the 2011 Annual Meeting of Stockholders. Each nominee is an incumbent director. Mr. Ducey is a member and chair of our Audit Committee. Mr. Kleinman is a member and chair of our Compensation Committee and Corporate Governance and Nominating Committee. Mr. Sambur is a member of our Compensation Committee.

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Director Attendance at Board of Directors and Committee Meetings

The board of directors and Audit Committee hold meetings on at least a quarterly basis, and the Compensation Committee and the Corporate Governance and Nominating Committee hold meetings as necessary or appropriate. At times, the board of directors and its committees also act by written consent in lieu of formal meetings. In 2010, the board of directors met four times and acted by written consent four times; the Audit Committee met four times and acted by written consent one time; the Compensation Committee met one time and acted by written consent five times; and the Corporate Governance and Nominating Committee acted by written consent one time. In 2010, each director attended all of the meetings of the board of directors and the committees on which he served, except that Mr. Gutierrez was absent from one board of directors and one Audit Committee meeting and Mr. Kleinman was absent from one board of directors meeting.

The NYSE's listing standards require that our non-management directors meet regularly in executive session without management present. Our Corporate Governance Guidelines require our non-management directors to meet in executive session without management present at least two times per year. In 2010, our non-management directors held two executive sessions. The presiding director at the executive sessions is Mr. Oskin, or in his absence, a director selected by a majority vote of the non-management directors present. Executive sessions are of no fixed duration, and our non-management directors are encouraged to raise and discuss any issues of concern.

Director Attendance at Stockholders Meetings

We do not maintain a formal policy regarding director attendance at our annual stockholders meetings. One director attended our 2010 Annual Meeting of Stockholders.

Communications with Directors

Any interested party wishing to communicate with our board of directors, our non-management directors, or a specific director may do so by delivering the written communication in person or mailing it to: Board of Directors, c/o Secretary, Verso Paper Corp., 6775 Lenox Center Court, Suite 400, Memphis, Tennessee 38115-4436. Communications will be distributed to specific directors as directed in the communication. If addressed generally to the board of directors, communications may be distributed to specific members of the board of directors as appropriate, depending on the material outlined in the communication. For example, if a communication relates to accounting, internal controls or auditing matters, unless otherwise specified, the communication will be forwarded to the chair of the Audit Committee. From time to time, the board of directors may change the process by which stockholders and others may communicate with the board of directors or its members. Please refer to our website for any change in this process.

Corporate Governance

General

In furtherance of our board of directors' goals of providing effective governance of our business and affairs for the long-term benefit of our stockholders and promoting a culture and reputation of the highest ethics, integrity and reliability, our board of directors has adopted the following corporate governance measures:

Corporate Governance Guidelines

Charters for our Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee

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Code of Conduct

Whistleblower Policy

Each of these documents is available, free of charge, in print to any stockholder who requests it and in the Governance section of the Our Company page on our website at www.versopaper.com. The information on our website is not a part of this Proxy Statement.

Corporate Governance Guidelines

The Corporate Governance Guidelines set forth the framework within which the board of directors conducts its business. The Corporate Governance Guidelines are intended to assist our board of directors in the exercise of its responsibilities and to serve the interests of Verso and our stockholders. The Corporate Governance Guidelines set forth guiding principles on matters such as:

the size of the board of directors

director independence

meetings of non-management directors

director qualifications

matters potentially affecting directors' service on our board of directors, such as serving as directors or audit committee members of other public companies and the impact on management directors of changes in their employment with us

director responsibilities

director compensation

director access to executive management and independent advisors

meetings of the board of directors and its committees, including matters such as meeting frequency and attendance

board of directors participation in the development of management leadership

Code of Conduct

Our Code of Conduct is a code of ethics that applies to all of our directors, officers and employees, including our Chief Executive Officer and Chief Financial Officer. The Code of Conduct addresses, among other things:

ethical business conduct

compliance with legal requirements

confidentiality of our business information

use of our property

avoidance of conflicts of interest

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conduct of our accounting operations, preparation of financial reports, and making of public disclosures

reporting of any violation of law or the Code of Conduct, unethical behavior, improper or questionable accounting or auditing, or inaccuracy in our financial reports or other public disclosures

Our employees are encouraged to report any conduct that they believe in good faith to be an actual or apparent violation of the Code of Conduct. Any such report may be made anonymously. Amendments to the Code of Conduct, and any waivers from the Code of Conduct granted to directors or executive officers, will be made available through our website. In 2010, we did not amend the Code of Conduct and did not receive or grant any requests for waivers from the Code of Conduct.

Whistleblower Policy

The Audit Committee has adopted a Whistleblower Policy that governs the receipt, retention and treatment of complaints received by us regarding accounting, internal controls, auditing matters and questionable financial practices. The Whistleblower Policy is designed to protect the confidential, anonymous submission by our employees of any concerns that they may have regarding questionable accounting or auditing matters. The Whistleblower Policy permits the reporting of those concerns by various means, including email, letter, telephone or a confidential hotline managed by an independent third-party vendor. Complaints will be reviewed under the Audit Committee's direction, with oversight by our General Counsel, Internal Audit Manager or such other persons as the Audit Committee or the General Counsel determines to be appropriate.

Policy Relating to Related-Person Transactions

Our board of director's policy, as set forth in the Audit Committee's charter, is that all transactions with related persons, as contemplated in Item 404(a) of the SEC's Regulation S-K, are subject to review and approval by our Audit Committee, regardless of the dollar amount of the transaction. Since January 1, 2010, no transaction between us and any related person has been reviewed or approved.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves, or in the past has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers who serve on our board of directors or compensation committee. No person who served as a member of our Compensation Committee during 2010 was, at any time in 2010, also a current or former officer or employee of Verso. Each member of our Compensation Committee is a partner or principal of Apollo Management, L.P., and we have engaged in transactions in which Apollo and various of its affiliates are related persons. For more information, please refer to "Transactions with Related Persons" in this Proxy Statement.

Board of Directors Role in Risk Oversight

Companies face a variety of risks, including credit risk, liquidity risk and operational risk. Our board of directors believes that an effective risk management system will timely identify the material risks that we face; communicate necessary information with respect to material risks to our senior executives and, as appropriate, to the board of directors or its relevant committee; implement appropriate and responsive risk management strategies; and integrate risk management into our decision-making.

Our management has primary responsibility for risk management, including monitoring, identifying and addressing the risks facing Verso and bringing such risks that may be material to the attention of our board of directors or its appropriate committee, if the committee has oversight responsibility for the matter pursuant to our bylaws, the committee's charter, or our Corporate Governance Guidelines. Our board of directors also

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encourages management to promote a corporate culture that incorporates risk management into our corporate strategy and operations.

Our board of directors is generally responsible for risk oversight. It has full access to our management so that it can maintain open and regular communication that allows it to perform its oversight function and that facilitates identifying, analyzing and addressing risks. Our board of directors and its committees also serve a risk-control function by providing, through oversight of our management, checks and balances on our management's actions.

Each committee of our board of directors has a high-level monitoring role with regard to risks associated with the matters that such committee oversees pursuant to its charter. As appropriate, a committee may identify specific risks to examine in detail, so that it may better evaluate and address those risks.

The Audit Committee is charged with responsibility for specific areas of risk under its charter, including the integrity of our financial statements, our system of internal controls, the performance of our internal audit department, the independence of our independent accountants, and our process for complying with financial, legal and regulatory requirements.

The Compensation Committee monitors for risks associated with our compensation philosophy, objectives, plans, arrangements and agreements. The Compensation Committee's role with regard to risk management in these areas is not specifically delineated in its charter or any policy. Rather, the Compensation Committee is attuned to the risks inherent in and relating to compensation matters, especially incentives, and it considers these risks (including whether incentives encourage excessive risk-taking) as it determines appropriate in making decisions concerning compensation matters.

The Corporate Governance and Nominating Committee has responsibility for several areas that entail potential risk to Verso, including corporate governance, oversight of the board of directors and its effective functioning, and director qualifications. In performing its duties in these areas, the Corporate Governance and Nominating Committee addresses the potential risks that would be associated with poor corporate governance, ineffective board functioning or unqualified directors.

Each committee of the board of directors has the discretion and flexibility, within the guidelines spec