

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 8, 2020

SELECT ENERGY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38066
(Commission
File Number)

81-4561945
(IRS Employer
Identification No.)

1233 West Loop South, Suite 1400
Houston, TX 77027
(Address of Principal Executive Offices)

(713) 235-9500
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Ticker symbol(s) | Name of each exchange on which registered |
|--|------------------|---|
| Class A common stock, \$0.01 par value | WTTR | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 5.02 Departures of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**Long-Term Incentive Plan Amendment**

As described under Item 5.07 of this Current Report on Form 8-K, on May 8, 2020, at the 2020 Annual Meeting of Stockholders (the “Annual Meeting”) of Select Energy Services, Inc. (the “Company” or “Select”), the Company’s stockholders, upon the recommendation of the Company’s Board of Directors (the “Board”), approved an amendment to the Company’s 2016 Equity Incentive Plan (the “Plan”) to increase the number of shares of the Company’s Class A common stock that may be issued under the Plan by 4,000,000 shares (the “Plan Amendment”). The Plan Amendment also clarifies that in the case of a merger, consolidation or acquisition of another entity or its assets, the Company may grant “Substitute Awards” (as defined in the Plan) under the Plan that replace awards issued by an acquirer, and those awards shall not reduce the number of shares reserved and available for issuance under the Plan. The Plan Amendment became effective on May 8, 2020 upon the approval of the stockholders at the Annual Meeting.

The foregoing description of the Plan Amendment is not complete and is qualified in its entirety by reference to the full text of the Second Amendment to Select Energy Services, Inc. 2016 Equity Incentive Plan, which is filed herewith as [Exhibit 10.1](#), and incorporated herein by reference.

Executive Compensation Adjustment

The executive officers of the Company agreed to a voluntary 10% reduction in annualized base salary, effective as of March 1, 2020. On May 13, 2020, the executive officers of the Company agreed to an additional voluntary 5% reduction, an additional 10% as it pertains to Holli Ladhani, President and Chief Executive Officer of the Company, in annualized base salary, effective June 1, 2020. In connection with such agreements, certain executive officers who are party to employment agreements with the Company or one of its affiliates, including Ms. Ladhani, Nick Swyka, Chief Financial Officer and Senior Vice President, Paul Pistono, Executive Vice President, Oilfield Chemicals and Adam Law, Senior Vice President, General Counsel and Corporate Secretary (each, an “Executive”), entered into a letter agreement with the Company to amend certain provisions of their respective employment agreements (the “Letter Agreements”).

The Letter Agreements describe both the March 1, 2020 reduction in each Executive’s annualized base salary and the further June 1, 2020 reduction in each Executive’s base salary, which is consistent with the voluntary reductions described above. The Letter Agreements also stipulate that no Executive may terminate their employment with the Company for “Good Reason” (or similar or related definitions), as such term is defined in each Executive’s employment agreement, due solely to the above-mentioned reductions in annualized base salary. The Letter Agreements do not revise any severance payment calculations pursuant to the Executives’ employment agreements.

The foregoing description of the Letter Agreement is not complete and is qualified in its entirety by reference to the full text of the Letter Agreement, the form of which is filed herewith as [Exhibit 10.2](#), and incorporated herein by reference.

ITEM 5.07 Submission of Matters to a Vote of Security Holders.

At the Annual Meeting, the Company’s stockholders elected each of the Company’s director nominees who had been nominated to serve until the Company’s 2021 Annual Meeting of Stockholders. David C. Baldwin was re-elected with 98.73% of the votes cast, Richard A. Burnett was re-elected with 98.90% of the votes cast, Robert V. Delaney was re-elected with 98.77% of the votes cast, Holli C. Ladhani was re-elected with 98.94% of the votes cast, Keith O. Rattie was re-elected with 95.02% of the votes cast, John D. Schmitz was re-elected with 98.29% of the votes cast, Troy W. Thacker was elected with 98.79% of the votes cast, David A. Trice was re-elected with 99.03% of the votes cast, and Douglas J. Wall was re-elected with 94.88% of the votes cast. The ratification of the appointment of Grant Thornton LLP as the independent registered public accounting firm for fiscal year 2020 was approved by 99.98% of the votes cast. The Plan Amendment was approved by 96.74% of the votes cast.

The final results of the voting on each matter of business at the Annual Meeting are as follows:

Proposal 1 – Election of Directors.

| <u>NOMINEES</u> | <u>FOR</u> | <u>AGAINST</u> | <u>ABSTAIN</u> | <u>BROKER NON-VOTES</u> |
|--------------------|------------|----------------|----------------|-------------------------|
| David C. Baldwin | 78,472,476 | 1,002,322 | 12,720 | 10,775,607 |
| Richard A. Burnett | 78,605,328 | 869,470 | 12,720 | 10,775,607 |
| Robert V. Delaney | 78,499,261 | 975,537 | 12,720 | 10,775,607 |
| Holli C. Ladhani | 78,643,458 | 835,958 | 8,102 | 10,775,607 |
| Keith O. Rattie | 75,521,823 | 3,952,975 | 12,720 | 10,775,607 |

| | | | | |
|-----------------|------------|-----------|--------|------------|
| John D. Schmitz | 78,125,199 | 1,354,329 | 7,990 | 10,775,607 |
| Troy W. Thacker | 78,520,557 | 954,220 | 12,741 | 10,775,607 |
| David A. Trice | 78,708,920 | 765,878 | 12,720 | 10,775,607 |
| Douglas J. Wall | 75,371,690 | 4,065,276 | 50,552 | 10,775,607 |

Proposal 2 – Ratification of the appointment of Grant Thornton LLP as Select’s independent registered public accounting firm for fiscal year 2020.

| | | |
|------------|----------------|----------------|
| <u>FOR</u> | <u>AGAINST</u> | <u>ABSTAIN</u> |
| 90,246,553 | 11,378 | 5,194 |

Proposal 3 – Approval of an amendment to Select’s 2016 Equity Incentive Plan to increase the number of shares of Select’s Class A common stock that may be issued under Select’s 2016 Equity Incentive Plan by 4,000,000 shares.

| | | | |
|------------|----------------|----------------|-------------------------|
| <u>FOR</u> | <u>AGAINST</u> | <u>ABSTAIN</u> | <u>BROKER NON-VOTES</u> |
| 76,877,427 | 2,584,471 | 25,620 | 10,775,607 |

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|--------------------|--|
| 10.1 | Second Amendment to Select Energy Services, Inc. 2016 Equity Incentive Plan, dated as of May 8, 2020 |
| 10.2 | Form of Letter Agreement |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 13, 2020

SELECT ENERGY SERVICES, INC.

By: /s/ Adam R. Law
Adam R. Law
Senior Vice President, General Counsel & Corporate
Secretary

**SECOND AMENDMENT TO
SELECT ENERGY SERVICES, INC.
2016 EQUITY INCENTIVE PLAN**

WHEREAS, Select Energy Services, Inc. (the “Company”) maintains the Select Energy Services, Inc. 2016 Equity Incentive Plan (the “2016 Equity Incentive Plan”); and

WHEREAS, the Company desires to amend the 2016 Equity Incentive Plan in certain respects; and

WHEREAS, the Board of Directors of the Company has authorized the amendment of the 2016 Equity Incentive Plan to increase the number of shares of Stock (as defined in the 2016 Equity Incentive Plan) that may be issued under the 2016 Equity Incentive Plan by 4,000,000 subject to shareholder approval.

NOW, THEREFORE, subject to approval by the Company’s stockholders, the 2016 Equity Incentive Plan is hereby amended effective as of May 8, 2020, subject to shareholder approval, as follows:

1. Section 4(a) of the 2016 Equity Incentive Plan shall be amended in its entirety to read as follows:

“(a) Number of Shares Available for Delivery. Subject to adjustment in a manner consistent with Section 8, the total number of shares of Stock reserved and available for delivery with respect to Awards is equal to (i) 8,600,000 shares of Stock plus (ii) 8% of any shares of Stock sold by the Company in any underwritten public offering pursuant to an effective registration statement under the Securities Act that occurs following the Effective Date (such result, as amended from time to time, the “Share Pool”), and all of the shares of Stock in the Share Pool shall be available for the issuance of shares upon the exercise of ISOs. Notwithstanding any provision herein, subject to the listing rules of the stock exchange, if any, on which the Stock is listed, shares of Stock delivered with respect to Substitute Awards granted in assumption of, or in substitution for, awards held by individuals who become Eligible Persons as a result of a merger, consolidation or acquisition of another entity or the assets of another entity by or with the Company or an Affiliate shall not reduce the number of shares of Stock in the Share Pool; provided, however, that such Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding options intended to qualify as ISOs shall count against the limitation with respect to shares that may be issued upon the exercise of ISOs provided in Section 4(a). Subject to the listing rules of the stock exchange, if any, on which the Stock is listed, a number of shares under a pre-existing shareholder-approved plan of an entity directly or indirectly acquired by the Company or any Affiliate as a result of a merger, consolidation or acquisition equal to the shares remaining available for delivery under such pre-existing shareholder-approved plan as of the date of the consummation of such transaction (as appropriately adjusted to reflect such transaction) may, if and to the extent permitted by the Board, be delivered with respect to Awards under the Plan and such shares shall not reduce the number of shares of Stock in the Share Pool; provided, however, that such Awards shall not be made after the date awards or grants could have otherwise been made under the terms of such pre-existing shareholder-approved plan, absent the transaction.”

2. Except as amended hereby, the 2016 Equity Incentive Plan is specifically ratified and reaffirmed.

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[Company Letterhead]

May [•], 2020

[Full Name]

[Address]

Dear [First Name]:

This letter memorializes the understanding between you and Select Energy Services, LLC, a Delaware limited liability company (the “Company”)[and Rockwater Energy Solutions Administrative Services, LLC, a Delaware limited liability company, (“Rockwater Services”)]¹ regarding your compensation for your employment as [Title] of the Company beginning May [•], 2020 (the “Effective Date”). As of March 1, 2020 your annualized base salary was reduced from \$[•] (your “2020 Annual Base Salary”) to \$[•], reflecting a 10% temporary reduction in your annualized base salary, and on June 1, 2020, your 2020 Annual Base Salary will be reduced by an additional [Ladhani: 10 // Pistono, Swyka and Law: 5]% such that your temporarily reduced base salary shall be \$[•]. [Ladhani and Pistono: The Company and Rockwater Services intend // Swyka and Law: The Company intends] to reevaluate your annualized based salary quarterly.

As you know, you and [Ladhani and Pistono: Rockwater Services // Swyka and Law: the Company] are parties to that certain Employment Agreement effective as of [Ladhani: June 1, 2011 // Pistono: September 4, 2012 // Swyka and Law: March 1, 2019] (as amended, the “Employment Agreement”)[, and you, Rockwater Services and Rockwater Energy Solutions, LLC (f/k/a Rockwater Energy Solutions, Inc.) are parties to that certain First Amendment to Employment Agreement dated February 21, 2020 (the “First Amendment”)]². This letter shall be deemed to amend the Employment Agreement,[as amended by the First Amendment,]³ as of the Effective Date, to the extent any provision of your Employment Agreement is inconsistent with this letter. All other provisions of the Employment Agreement, [Ladhani and Pistono: including the provisions of Articles V, VI and VIII of the Employment Agreement // Swyka and Law: including the restrictive covenants set forth in Sections 9, 10 and 11 of the Employment Agreement], shall remain in full force and effect. In signing below, you hereby explicitly consent to the changes described in this letter, and in return for your continued employment as described above, you hereby waive any and all rights you may have to terminate your employment with [Ladhani and Pistono: Rockwater Services // Swyka and Law: the Company] or its affiliates for Good Reason (or similar or related definitions) (as such term is defined in the Employment Agreement) as a result of these changes (including any right to receive any payments or benefits pursuant to the Employment Agreement or any other plan, program, or agreement sponsored or maintained by the Company or any of its affiliates (collectively, the “Company Plans”) as a result of these changes). For the avoidance of doubt, execution of this letter will not be deemed to constitute a (i) consent to any future modification to your responsibilities, duties or compensation

¹ **Note to Draft:** Ladhani/Pistono

² **Note to Draft:** Ladhani/Pistono

³ **Note to Draft:** Ladhani/Pistono

that are not described in this letter (such modifications, if any, the “Future Modifications”) or (ii) waiver of your right, if any, to terminate your employment with the Company or its Affiliates for Good Reason pursuant to the terms of your Employment Agreement or any other Company Plan as a result of any Future Modifications.

You further acknowledge that nothing in this letter shall be construed in any way to limit the right of [*Ladhani and Pistono: Rockwater Services // Swyka and Law: the Company*] or its affiliates to terminate your employment, with or without cause, or for you to terminate your employment with [*Ladhani and Pistono: Rockwater Services // Swyka and Law: the Company*] or its affiliates, with or without reason, nor shall this letter limit the rights of the stockholders of the Company under the Company’s Second Amended and Restated Bylaws.

This letter shall still be terminated and become null and void following 30 days’ advance written notice by [*Ladhani and Pistono: any of the parties hereto // Swyka and Law: either party hereto*], and the terms of your Employment Agreement[, as amended by the First Amendment,]⁴ shall be reinstated to the extent amended by this letter. If your annualized base salary on the 30th day following delivery of such notice is not at least equal to your 2020 Annual Base Salary, then as of such date, you shall have the right to terminate your employment with [*Ladhani and Pistono: Rockwater Services // Swyka and Law: the Company*] or its affiliates for Good Reason for [*Ladhani and Pistono: 135 // Swyka and Law: 60*] days thereafter as a result of the reduction of your 2020 Annual Base Salary pursuant to the terms of your Employment Agreement[, as amended by the First Amendment,]⁵ and [*Ladhani and Pistono: Rockwater Services // Swyka and Law: the Company*] shall have no right to cure such circumstances giving rise to your resignation for Good Reason.

Notwithstanding anything in this letter to the contrary, in the event your employment with [*Ladhani and Pistono: Rockwater Services // Swyka and Law: the Company*] terminates in any manner such that a payment is required to be made to you pursuant to [*Ladhani and Pistono: the provisions of Article VII // Swyka and Law: the provisions of Section 7*] of the Employment Agreement, such payment shall be calculated using your 2020 Annual Base Salary as the “Base Salary” for purposes of such calculation. Any short-term incentive compensation targets for 2020 shall be calculated based on your 2020 Annual Base Salary.

Please indicate your agreement with the foregoing by signing and dating below and returning an executed copy of this letter to me.

[Signature Page to Follow]

⁴ **Note to Draft:** Ladhani/Pistono

⁵ **Note to Draft:** Ladhani/Pistono

[ROCKWATER ENERGY SOLUTIONS ADMINISTRATIVE SERVICES, LLC]⁶

[SELECT ENERGY SERVICES, LLC]⁷

By:
Name: []
Title: []

AGREED AND ACKNOWLEDGED:

[Name]
Date: _____

⁶ **Note to Draft:** Ladhani/Pistono

⁷ **Note to Draft:** Law/Swyka