
**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: December 5, 2018
(Date of earliest event reported)

QEP RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34778
(Commission
File Number)

87-0287750
(I.R.S. Employer
Identification No.)

1050 17th Street, Suite 800
Denver, Colorado 80265
(Address of principal executive offices and zip code)

(303) 672-6900
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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 (see General Instruction A.2. below):

- 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))

Indicate by checkmark 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)

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 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Timothy J. Cutt as Chief Executive Officer

On December 5, 2018, the Board of Directors (the “**Board**”) of QEP Resources, Inc. (the “**Company**”) appointed Timothy J. Cutt, 58, as a director and as the President and Chief Executive Officer of the Company, effective January 15, 2019. In connection with the appointment of Mr. Cutt, Charles B. Stanley will retire as President and Chief Executive Officer of the Company, effective January 14, 2019. Upon Mr. Stanley’s retirement, the Board will separate the Chairman and Chief Executive Officer roles, with David A. Trice serving as the independent chairman of the Board until the Company’s next annual meeting.

Mr. Cutt is a petroleum engineer with 35 years of energy experience. Prior to joining the Company, Mr. Cutt was the Chief Executive Officer of Cobalt International Energy (“**Cobalt**”) from July 2016 until April 2018. Prior to joining Cobalt, Mr. Cutt served as President of several BHP Billiton companies including the Petroleum Division (2013-2016) and Global Production (2007-2011). Mr. Cutt served in various roles at ExxonMobil in the prior 25 years, including President of ExxonMobil de Venezuela (2005-2007), President ExxonMobil Canada Energy (2004-2005), President Hibernia Management & Development Company (2001-2004) and Regional Coordinator, North America (2000-2001).

In connection with his appointment as President and Chief Executive Officer, the Board approved the following compensation arrangements for Mr. Cutt:

- annual base salary of \$750,000;
- a one-time cash payment of \$350,000 to be paid on March 1, 2019;
- eligibility to participate in the Company’s annual incentive program, as described in the Company’s annual proxy statement filed with the Securities Exchange Commission on April 5, 2018 (the “**Proxy Statement**”), with a target incentive award of 100% of his base salary; and
- a one-time special equity grant with a value equal to \$3.6 million, comprised of (i) \$1.8 million in restricted stock shares of the Company that will vest equally over a three year period in March of each year ending March 2022 and (ii) \$1.8 million in performance share units, with the performance share units paying out, if at all, in the first quarter of 2022.

In addition to the compensation matters described above, Mr. Cutt will be eligible to participate in the Company’s Executive Severance Plan (Change in Control), as described in the Proxy Statement, in the event of certain terminations related to a change in control of the Company. Prior to the occurrence of a change in control, Mr. Cutt will be eligible for certain severance benefits through September 2020 as provided in an Executive Severance Compensation Program letter (the “**Severance Letter**”), the terms of which will be consistent with Mr. Stanley’s existing letter described in the Company’s annual report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission on February 28, 2018 (the “**Annual Report**”).

The Company will also enter into an indemnification agreement with Mr. Cutt upon joining the Company. The form of indemnification agreement is filed as Exhibit 10.8 to our Annual Report and is incorporated herein by reference.

There are no family relationships between Mr. Cutt and any director, executive officer or person nominated or chosen by the Company to become a director or executive officer. Additionally, there have been no transactions involving Mr. Cutt that would require disclosure under Item 404(a) of Regulation S-K.

In connection with his retirement and in light of the contributions that Mr. Stanley has made to the success of the Company during his tenure, the Board on December 5, 2018 determined that Mr. Stanley will receive the benefits described in the Severance Letter, as described in the Annual Report.

Executive Retention Program

On December 5, 2018, the Board approved an executive retention award program, pursuant to which each of the Company's named executive officers (other than Mr. Stanley, Mr. Doleshek and Mr. Torgerson) have entered into an Executive Retention Bonus letter agreement (the "***Retention Letters***"). The Retention Letters provide for each of our named executive officers, other than Mr. Stanley, Mr. Doleshek and Mr. Torgerson, to receive a one-time award totaling \$400,000 for Ms. Ley and \$500,000 for Mr. Woosley. The awards will be comprised of (i) 50% restricted shares to be granted on March 1, 2019 and that will vest on July 1, 2020 and (ii) 50% cash, which will be paid in equal installments within 15 days of August 1, 2019 and December 31, 2019, in each case subject to such executive's continued employment through such date. If the executive's employment is terminated by QEP without cause or the executive resigns employment for good reason prior to such date, the executive will be eligible to receive a pro-rated amount of the retention payment and the restricted shares will vest.

The foregoing description of the Retention Letters is not complete and is qualified in its entirety by reference to the text of the full letter agreement, the form of which is attached as Exhibit 10.1 to this Form 8-K and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On December 6, 2018, the Company issued a press release announcing the appointment of Mr. Cutt and the retirement of Mr. Stanley. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in Item 7.01 of this Current Report on Form 8-K, including the attached Exhibit 99.1, is being "furnished" pursuant to Item 7.01 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit</u>
10.1	Form of Retention Letter, dated December 5, 2018
99.1	Press Release of QEP Resources, Inc., dated December 6, 2018

SIGNATURE

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 thereunto duly authorized.

QEP Resources, Inc.
(Registrant)

December 6, 2018

/s/ Richard J. Doleshek
Richard J. Doleshek
Executive Vice President and Chief Financial Officer

Form of Executive Retention Letter

[DATE]

[NAME]

Re: Executive Retention Award

Dear [NAME]:

This "Retention Award Letter" confirms the agreement between you (the "Participant") and QEP Resources, Inc. (the "Company") regarding a new retention award opportunity that is being offered to you. This Retention Award Letter offers you a supplemental benefit that is in addition to (i) the Severance Benefits (as defined in the Participation Letter) that may become payable to you pursuant to that certain Participation Letter dated as of February 26, 2018 and entered into between you and the Company (the "Participation Letter") and (ii) the retention bonus opportunity previously provided to you under that certain Executive Retention Bonus letter dated as of [_____] and entered into between you and the Company (the "2018 Retention Letter").

By signing below and returning this Retention Award Letter to [_____] , which must be done within 15 days of the date of this Retention Award Letter written above, you acknowledge and agree to all of the terms and conditions set forth herein and confirm that you irrevocably and voluntarily agree to those terms.

Subject to the foregoing, you and the Company (hereinafter referred to as the "parties") hereby agree as follows:

1) **Restricted Stock Award.** Subject to your continued employment with the Company, you will receive a one-time special restricted stock award (the "RS Award") having a dollar value as of the date of grant equal to [_____] ¹. The number of shares subject to the RS Award will be determined based on the Company's stock price at the time of grant in accordance with the Company's customary practice. The RS Award will be granted on March 1, 2019 and will vest in a single installment on July 1, 2020, subject to your continued employment with the Company on the vesting date. The RS Award will be granted pursuant to, and will be subject to all of the terms and conditions of, the Company's standard award agreement form and the Company's 2018 Long-Term Incentive Plan.

2) **Retention Bonus.** In addition to the RS Award, the Company is offering you a one-time special cash retention bonus in an amount equal to [_____] ² (the "Retention Bonus"). The Retention Bonus will be paid in two installments. The first installment, representing 50% of the Retention Bonus (i.e., [_____] ³), is subject to your continued employment with the Company through August 1, 2019 (the "First Retention Date") and shall be paid in a lump sum within 15 days after the First Retention Date. The second installment, representing 50% of the Retention Bonus (i.e., [_____] ⁴), is subject to your continued employment with the Company through December 31, 2019 (the "Second Retention Date") and shall be paid in a lump sum within 15 days after the Second Retention Date.

¹ RS Awards for Mr. Woosley and Ms. Ley will be \$250,000 and \$200,000, respectively.

² Retention Bonus amounts for Mr. Woosley and Ms. Ley will be \$250,000 and \$200,000, respectively.

³ Installment payments for Mr. Woosley and Ms. Ley will be \$125,000 and \$100,000, respectively.

⁴ See FN 3.

3) **Involuntary and Constructive Termination.** Notwithstanding the requirements set forth in Section 1 and 2 above that you remain employed with the company through the applicable vesting and retention dates, if your employment is terminated by the Company without Cause (as defined in the Participation Letter) (and other than due to your death or Disability (as defined in the Participation Letter)) or you resign your employment for Good Reason (as defined in the Participation Letter), in either case prior to the applicable retention or vesting date and you satisfy the requirements set forth in subclauses (i)-(iv) of Section 1 of the Participation Letter (i.e., you execute and do not revoke a release of claims, return all Company property, comply with restrictive covenants and promptly resign all officer and director positions), then (i) a pro-rated amount of the Retention Bonus (which will be based on the number of months (rounded up to the nearest whole month) you remained employed following March 1, 2019) (the “Pro-Rated Retention Bonus”) will be paid to you within 30 days after the date you sign the Release (as defined in the Participation Letter) (for example, if such termination occurs during May 2019, you will be eligible to receive 3/10ths of the Retention Bonus or if such termination occurs during October 2019, you will be eligible to receive 8/10ths of the Retention Bonus less the amount paid for the first installment), and (ii) the RS Award will vest in full.

4) **Change in Control (“CIC”).** In the event your employment with the Company terminates upon or following a CIC (as defined in the QEP Resources, Inc. Executive Severance Compensation Plan – CIC (the “CIC Plan”), but prior to the Retention Date in circumstances where you are entitled to receive benefits under the CIC Plan (“CIC Plan Benefits”), you will receive the Pro-Rated Retention Bonus in addition to such CIC Benefits.

5) **Entire Agreement.** This Retention Award Letter, together with the Participation Letter, represents the entire agreement between you and the Company with respect to the subject matter herein and it supersedes any other promises, warranties or representations with regard to this subject matter.

6) **Section 409A.** The intent of the parties is that the payments and benefits under this Retention Award Letter comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, “Section 409A”) and, accordingly, to the maximum extent permitted, this Retention Award Letter shall be interpreted to be in compliance therewith. Notwithstanding anything in this Retention Award Letter to the contrary, any compensation or benefits payable under this Retention Award Letter that is considered nonqualified deferred compensation under Section 409A and is designated under this Retention Award Letter as payable upon Participant’s termination of employment shall be payable only upon Participant’s “separation from service” with the Company within the meaning of Section 409A (a “Separation from Service”). In addition, notwithstanding anything in this Retention Award Letter to the contrary, if Participant is deemed by the Company at the time of Participant’s Separation from Service to be a “specified employee” for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Participant is entitled under this Retention Award Letter is required in order to avoid a prohibited distribution under Section 409A, such portion of Participant’s benefits shall not be provided to Participant prior to the earlier of (i) the expiration of the six-month period measured from the date of Participant’s Separation from Service with the Company or (ii) the date of Participant’s death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Participant (or Participant’s estate or beneficiaries), and any remaining payments due to Participant under this Retention Award Letter shall be paid as otherwise provided herein.

7) **Governing Law; Arbitration.** The validity, interpretation, construction and performance of this Retention Award Letter shall in all respects be governed by the laws of Colorado without reference to principles of conflict of law, except to the extent pre-empted by Federal law. The parties agree that any controversy, claim or dispute arising out of or relating to this Retention Award Letter that the parties cannot resolve through negotiation shall be settled solely and exclusively by a binding arbitration process administered by the American Arbitration Association (“AAA”) in Denver Colorado. Such arbitration shall be conducted in accordance with the AAA’s then-existing Employment Arbitration Rules. Each party shall bear its own attorney’s fees and expenses and one-half of the fees and expenses of the arbitration; provided, that the arbitrator shall have the authority to apportion the costs of arbitration and to render an award including reasonable attorneys’ fees, as and to the extent the arbitrator deems appropriate under the circumstances. The arbitrator’s decisions and awards will be rendered in a reasoned written opinion, and the parties agree to abide by all such decisions and awards. Such decisions and awards rendered by the arbitrator shall be final and conclusive and may be entered in any court having jurisdiction.

8) **Miscellaneous.** All payments to the Participant in accordance with the provisions of the Plan shall be subject to applicable withholding of local, state, Federal and foreign taxes, as determined in the sole discretion of the Company. Except as expressly set forth herein, your employment relationship with the Company remains at will, meaning that either you or the Company may terminate your employment at any time, with or without cause or advance notice. Nothing in this letter is intended to or should be construed to contradict, modify or alter your employment relationship with the Company. The Company’s obligation to make the payments provided for under this Retention Award Letter and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against a Participant. Each of the Retention Bonus and the RS Award is a special payment to you and will not be taken into account in computing the amount of salary or compensation for purposes of determining any bonus, incentive, severance, notice, redundancy, pension, retirement, death or other benefit under any benefit plan or compensation arrangement of the Company, except as expressly required by the terms of such other plan or arrangement. By accepting this letter, you hereby agree that this letter may only be amended or modified by a written instrument signed by you and a duly authorized representative of the Company. This Retention Award Letter shall bind any successor of the Company, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation, separation or otherwise), in the same manner and to the same extent that the Company would be obligated under this Retention Award Letter if no succession had taken place.

Thank you for your hard work and contributions to the Company.

QEP RESOURCES, INC.

By: _____
[NAME/TITLE]

ACCEPTED AND AGREED TO this ____ day of [_____].

By: _____
[NAME]



News Release

**Charles B. Stanley to Retire from QEP Resources;
Timothy J. Cutt Named President and CEO**

DENVER – December 6, 2018 – The Board of Directors (the “board”) of QEP Resources, Inc. (NYSE: QEP) (“QEP” or the “Company”) today announced that Chairman, President and CEO Charles “Chuck” Stanley has elected to retire from the Company, effective January 14, 2019. The board has named Timothy “Tim” Cutt as QEP’s President and Chief Executive Officer, effective January 15, 2019. Mr. Cutt will also serve as a member of the Company’s board.

The board also announced it will separate the roles of Chairman and Chief Executive Officer and that Lead Independent Director David A. Trice has been named to succeed Stanley as Chairman of the board.

“Earlier this year QEP announced several strategic and financial initiatives intended to fundamentally change our business model and become a leading, pure-play Permian company,” said Mr. Stanley. “With the recent announcements of the sales of our Williston Basin and Haynesville/Cotton Valley assets, we are well on our way to accomplishing the initiatives. I am proud of what QEP has accomplished over the last eight and a half years.”

Mr. Cutt brings 35 years of oil and gas experience – from ExxonMobil, where he served as President of ExxonMobil de Venezuela SA and President of Hibernia Management and Development Company, to BHP Billiton Ltd., where he served as the President of Petroleum from July 2013 through February 2016 and was accountable for its global oil and gas business, including the company’s interests in the Permian Basin. Most recently, he served as the CEO at Cobalt International Energy, Inc.

“Tim has a history of providing exceptional leadership under a variety of circumstances,” said Mr. Trice, “and he is the ideal candidate to succeed Chuck. The board is confident in Tim’s ability to take the helm and lead the Company forward. His character and experience are exactly what QEP needs at this pivotal time in its evolution.”

“I am honored and very excited to join the QEP team,” said Mr. Cutt. “The Company’s high-quality Permian assets are proving to be some of the best in the basin. The continued utilization of ‘tank-style’ development, combined with well density optimization and unmatched completion efficiency, has positioned the Company to thrive and grow in what is one of the most prolific oil basins in the United States.”

Mr. Stanley has served as President, Chief Executive Officer and a director of QEP since its spinoff in 2010 from Questar Corporation.

“On behalf of the board, we would like to thank Chuck for his loyal and dedicated service to QEP, and we wish him all the best in his retirement,” concluded Mr. Trice.

About QEP Resources

QEP Resources, Inc. (NYSE:QEP) is an independent crude oil and natural gas exploration and production company with operations in two regions of the United States: the Southern Region (primarily Texas and Louisiana) and the Northern Region (primarily North Dakota). For more information, visit QEP's website at: www.qepres.com.

Forward-Looking Statements

This release includes forward-looking statements within the meaning of Section 27(a) of the Securities Act of 1933, as amended, and Section 21(e) of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by words such as "anticipates," "believes," "forecasts," "plans," "estimates," "expects," "should," "will" or other similar expressions. Such statements are based on management's current expectations, estimates and projections, which are subject to a wide range of uncertainties and business risks. These forward-looking statements include, but are not limited to, statements regarding: QEP's proposed divestitures and QEP becoming a pure-play Permian company; and QEP's growth opportunities.

Actual results may differ materially from those included in the forward-looking statements due to a number of factors, including, but not limited to: (i) the occurrence of any event, change or other circumstance that could delay the divestitures or give rise to the termination of the agreements related thereto; (ii) changes in applicable laws or regulations; and (iii) the possibility that QEP may be adversely affected by other economic, business and/or competitive factors; (iv) and the other risks discussed in the Company's periodic filings with the Securities and Exchange Commission, including the Risk Factors section of the Company's Annual Report on Form 10-K for the year ended December 31, 2017, and Quarterly Reports on Form 10-Q filed in 2018. QEP undertakes no obligation to publicly correct or update the forward-looking statements in this news release, in other documents, or on the website to reflect future events or circumstances. All such statements are expressly qualified by this cautionary statement.

Contact

Investors & Media:
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