

CORE LABORATORIES N V

Form DEF 14A

April 01, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Core Laboratories N.V.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 - 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:

(5) Total fee paid:

- 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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**CORE LABORATORIES N.V.
Herengracht 424
1017 BZ Amsterdam
The Netherlands**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 14, 2009**

Dear Shareholder:

You are cordially invited to attend our 2009 annual meeting of shareholders which will be held at the Sheraton Amsterdam Airport Hotel and Conference Center, Schipol Boulevard 101, 1118 BG, Amsterdam, The Netherlands, on Thursday, May 14, 2009 at 3:00 p.m., local time, for the following purposes as proposed by the Board of Supervisory Directors:

1. To elect two Class III Supervisory Directors to serve until our annual meeting in 2012 and until their successors shall have been duly elected and qualified;
2. To confirm and adopt our Dutch Statutory Annual Accounts in the English language for the fiscal year ended December 31, 2008;
3. To approve and resolve the extension of the authority to issue shares and/or to grant rights (including options to purchase) with respect to our common and preference shares up to a maximum of 20% of outstanding shares per annum until May 14, 2014;
4. To approve and resolve the extension of the authority to limit or exclude the preemptive rights of the holders of our common shares and/or preference shares up to a maximum of 20% of outstanding shares per annum until May 14, 2014;
5. To ratify the appointment of PricewaterhouseCoopers as our Company's independent registered public accountants for the year ending December 31, 2009; and
6. To transact such other business as may properly come before the annual meeting or any adjournment thereof.

Each of the matters 2 through 4 being presented at the annual meeting has been presented to and approved by our shareholders at our prior annual meetings. In large measure, these matters are presented to our shareholders each year as a result of our being organized under the laws of The Netherlands. Copies of the Dutch statutory annual accounts, the report of the Management Board and the list of nominees for the Supervisory Board will be available for inspection at our offices in The Netherlands, located at Herengracht 424, 1017 BZ Amsterdam, Attention: Mr. Jacobus Schouten, by registered shareholders and other persons entitled to attend our shareholder meetings. Such copies will be available for inspection from the date of this notice until the close of our annual meeting.

It is important that your shares be represented at the annual meeting regardless of whether you plan to attend. Therefore, please mark, sign, date and return the accompanying proxy card promptly. If you are present at the annual meeting and wish to do so, you may revoke your proxy and vote in person.

By Order of the Board of Supervisory Directors,

Jacobus Schouten
Supervisory Director
April 1, 2009
Amsterdam, The Netherlands

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**CORE LABORATORIES N.V.
Herengracht 424
1017 BZ Amsterdam
The Netherlands**

PROXY STATEMENT

ABOUT THE 2009 ANNUAL MEETING OF SHAREHOLDERS

WHY HAVE I RECEIVED THESE MATERIALS?

This proxy statement and the accompanying proxy card are first being made available to you on the Internet on April 1, 2009 or, upon your request, mailed to you on or about April 13, 2009 and are being furnished in connection with the solicitation of proxies by and on behalf of the Board of Supervisory Directors of Core Laboratories N.V. (Core or the Company) for use at our 2009 annual meeting of shareholders to be held at the Sheraton Amsterdam Airport Hotel and Conference Center, Schipol Boulevard 101, 1118 BG, Amsterdam, The Netherlands, on Thursday, May 14, 2009 at 3:00 p.m., local time for the purpose of voting on the proposals described in this proxy statement.

WHY DID I RECEIVE A ONE-PAGE NOTICE IN THE MAIL REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS INSTEAD OF A FULL SET OF PROXY MATERIALS?

As permitted by rules adopted by the Securities and Exchange Commission, we are making this proxy statement and our Annual Report available on the Internet. On or before April 3, 2009, we mailed a notice to shareholders containing instructions on how to access the proxy statement and Annual Report and vote online. In addition, shareholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

WHAT AM I VOTING ON?

You will be voting on the following matters proposed by the Board of Supervisory Directors:

1. To elect two Class III Supervisory Directors to serve until our annual meeting in 2012 and until their successors shall have been duly elected and qualified;
2. To confirm and adopt our Dutch Statutory Annual Accounts in the English language for the fiscal year ended December 31, 2008;
3. To approve and resolve the extension of the authority to issue shares and/or to grant rights (including options to purchase) with respect to our common and preference shares up to a maximum of 20% of outstanding shares per annum until May 14, 2014;
4. To approve and resolve the extension of the authority to limit or exclude the preemptive rights of the holders of our common shares and/or preference share up to a maximum of 20% of outstanding shares per annum until May 14, 2014;
5. To ratify the appointment of PricewaterhouseCoopers as our Company's independent registered public accountants for the year ending December 31, 2009; and
6. To transact such other business as may properly come before the annual meeting or any adjournment thereof.

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WHO IS ENTITLED TO VOTE?

If you hold common shares at the close of business in New York City on March 19, 2009, the record date for the determination of shareholders, you are entitled to notice of and to vote at our annual meeting. On March 19, 2009, there were 22,923,678 common shares outstanding, each of which is entitled to one vote. Our common shares are the only class of our capital stock outstanding and entitled to notice of and to vote at the annual meeting.

HOW DO I VOTE BEFORE THE MEETING?

If you are a registered shareholder, meaning that you hold your shares in certificate form or through an account with our transfer agent, American Stock Transfer and Trust Company, you can vote by mail, by completing, signing and returning the accompanying proxy card or you may vote online at www.proxyvote.com.

If you hold your shares through an account with a bank or broker, you must obtain a legal proxy from the bank or broker in order to vote at the meeting. Please follow the directions that your bank or broker provides.

MAY I VOTE AT THE MEETING?

You may vote your shares at the meeting if you attend in person. Even if you plan to attend the meeting, we encourage you to vote your shares by proxy.

CAN I CHANGE MY MIND AFTER I VOTE?

You may change your vote at any time before the polls close at the conclusion of voting at the meeting. You may revoke your proxy (1) by giving written notice to Mark F. Elvig, Secretary, in care of Core Laboratories LP, 6316 Windfern Road, Houston, Texas 77040, at any time before the proxy is voted, (2) by submitting a properly signed proxy card with a later date, or (3) by voting in person at the annual meeting.

WHAT IF I RETURN MY PROXY CARD BUT DO NOT PROVIDE VOTING INSTRUCTIONS?

Proxies that are signed and returned but do not contain instructions will be voted **FOR** all proposals and in accordance with the best judgment of the named proxies on any other matters properly brought before the meeting.

WHAT VOTE IS REQUIRED?

Under Dutch law and our articles of association, there is no specific quorum requirement for our annual meeting and the affirmative vote of a majority of votes cast is required to approve each of the proposals proposed by the Supervisory Board, except that in relation to item 4, a two-thirds majority of the votes cast is required to approve the proposal in the event that less than 50% of the issued shares are present or represented at the meeting. In addition, Dutch law and our articles of association provide that common shares abstaining from voting will count as shares present at the annual meeting but will not count for the purpose of determining the number of votes cast. Broker non-votes will not count as shares present at the annual meeting or for the purpose of determining the number of votes cast. A broker non-vote occurs if you do not provide the record holder of your shares (usually a bank, broker, or other nominee) with voting instructions on a matter and the holder is not permitted to vote on the matter without instructions from you under applicable rules of the New York Stock Exchange, or NYSE.

WHO WILL BEAR THE EXPENSE OF SOLICITING PROXIES?

We will bear the cost of preparing and mailing proxy materials as well as the cost of soliciting proxies and will reimburse banks, brokerage firms, custodians, nominees and fiduciaries for their expenses in sending proxy materials to the beneficial owners of our common shares. The solicitation of proxies by the Supervisory Board will be conducted by mail. In addition, certain members of the Supervisory Board, as well as our officers and regular employees may solicit proxies in person, by facsimile, by telephone or by other means of electronic communication. We have retained Georgeson Shareholder Communications to assist in the solicitation of proxies for a fee of \$10,000 plus out-of-pocket expenses. In addition to solicitation of proxies, Georgeson may provide advisory services as requested pertaining to the solicitation of proxies.

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The table below sets forth certain information, as of March 19, 2009, with respect to the common shares beneficially owned by:

each person known to us to own beneficially 5% or more of our outstanding common shares;

each Supervisory Director;

each nominee for election as Supervisory Director;

each of our executive officers; and

all Supervisory Directors and executive officers as a group.

Name of Beneficial Owner (1)	Number of Common Shares Beneficially Owned	Percentage of Common Shares Outstanding (2)
ClearBridge Advisors, LLC (3)	2,686,730	11.7%
Vontobel Asset Management, Inc. (4)	1,681,783	7.3%
Capital World Investors(5)	1,386,910	6.1%
David M. Demshur	525,246	2.3%
Richard L. Bergmark	199,734	*
Monty L. Davis	167,042	*
Joseph R. Perna	49,994	*
D. John Ogren	50,000	*
Rene R. Joyce	28,000	*
Alexander Vriesendorp	943	*
Michael C. Kearney	7,016	*
Jacobus Schouten		
All Supervisory Directors and executive officers as a group	1,027,975	4.5%

* Represents less than 1%.

(1) Unless otherwise indicated, each person has sole voting power and investment power with respect to the common shares listed.

(2) Based on 22,923,678 common shares

outstanding as of
March 19, 2009.

- (3) Based upon an Amendment No. 3 to Schedule 13G/A filed with the SEC on February 13, 2009, ClearBridge Advisors, LLC has shared voting power with respect to 2,686,730 shares. ClearBridge Advisors current address is 620 8th Avenue, New York, NY 10018.
- (4) Based upon a Form 13F filed with the SEC on February 17, 2009, Vontobel Asset Management, Inc. is deemed to be the beneficial owner of 1,681,783 shares. Vontobel Asset Management, Inc. s current address is 1540 Broadway, 38th Floor, New York, NY 10036.
- (5) Based upon an Amendment No. 1 to Schedule 13G/A filed with the

SEC on
February 13,
2009, Capital
World Investors
is deemed to be
the beneficial
owner of
1,386,910 shares
as a result of
CRMC acting as
investment
adviser to
various
investment
companies
registered under
Section 8 of the
Investment
Company Act of
1940. Capital
World Investors
current address
is 333 South
Hope Street, Los
Angeles, CA
90071.

Table of Contents**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires the Supervisory Directors, executive officers and persons who own more than 10% of our common shares, among others, to file initial reports of ownership and reports of changes in ownership (Forms 3, 4 and 5) of our common shares with the Securities and Exchange Commission (SEC) and the NYSE. Such filers are required by SEC regulations to furnish us with copies of all such forms that they file.

To our knowledge, based solely upon our review of the Section 16(a) filings that have been received by us, we believe that during the fiscal year ended December 31, 2008, our Supervisory Directors, executive officers and 10% shareholders complied with all applicable Section 16(a) filing requirements.

Equity Compensation Plan Information

We have two main incentive plans, our 2007 Long-Term Incentive Plan, which we refer to as our LTIP, and our Director Plan, both of which have been approved by our shareholders. The table below provides information regarding our equity compensation plans as of December 31, 2008.

	Number of Common Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by our shareholders	452,203	\$ 12.70	830,883
Equity compensation plans not approved by our shareholders (1)			
Total	452,203	\$ 12.70	830,883

(1) We have assumed outstanding stock options in connection with certain of our acquisitions. The aggregate number of our common shares to be issued upon exercise of such options on December 31, 2008 was 41,465 shares and the weighted

average exercise price of such outstanding options was \$0.01. These shares were granted under plans administered by the companies acquired by us but we did not assume the stock option plans of these acquired companies, and since the closing of the acquisitions, no additional stock options under these plans have been granted, nor are any authorized to be granted under such plans. Because the assumption of these options did not require shareholder approval, we did not obtain such approval.

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INFORMATION ABOUT OUR SUPERVISORY DIRECTORS AND DIRECTOR COMPENSATION

Board of Supervisory Directors

Set forth below as of March 19, 2009 are the names, ages and biographical information for our Supervisory Directors, including individuals who have been nominated for reelection as a Supervisory Director. You may vote for any of the nominees, for all nominees, or for none of the nominees.

Continuing Class I Supervisory Directors (Term to Expire 2011)

David M. Demshur, 53 Mr. Demshur joined our Company in 1979 and presently serves as our President and Chief Executive Officer and as Chairman of our Supervisory Board. Since joining our Company, Mr. Demshur has held various operating positions, including Manager of Geological Sciences from 1983 to 1987, Vice President of Europe, Africa and the Middle East from 1989 to 1991, Senior Vice President of Petroleum Services from 1991 to 1994 and Chief Executive Officer and President from 1994 to the present time. Mr. Demshur is a member of the Society of Petroleum Engineers, the American Association of Petroleum Geologists, Petroleum Exploration Society of Great Britain and the Society of Core Analysts Section of the Society of Professional Well Loggers Association. Mr. Demshur has served as a Supervisory Director since our initial public offering in 1995 and as Chairman of our Supervisory Board since May 2001.

Rene R. Joyce, 61 Mr. Joyce serves as the chief executive officer of Targa Resources, Inc. and as a member of its board of directors since April 2004. Mr. Joyce has also served as a member of the board of directors of the general partner of Targa Resource Partners LP since February 2007. Mr. Joyce served as an independent consultant in the energy industry from 2000 through April 2004. Mr. Joyce served as president of Energy Services of Coral Energy, LLC from its acquisition by Shell Oil Company in 1998 until the end of 1999. From 1990 until 1998, Mr. Joyce served as president of the operating companies of Tejas Gas Corporation, Coral's predecessor and a listed company on the NYSE. Mr. Joyce is a member of the Louisiana State Bar Association. Mr. Joyce has served as a Supervisory Director since 2000.

Michael C. Kearney, 60 Mr. Kearney has served as the chief financial officer of Deepflex Inc., a Texas-based oilfield service company, since January 2008. He served as executive vice president and chief financial officer of Tesco Corporation, a Canadian based oil-service company from October 2004 to January 2007. From 1998 until 2004, Mr. Kearney served as the chief financial officer and vice president in the administration of Hydril Company, a manufacturer of products for petroleum drilling and production. Mr. Kearney has served as a Supervisory Director since 2004.

Continuing Class II Supervisory Directors (Term To Expire 2010)

D. John Ogren, 65 Mr. Ogren served as the president of Production Operators, Inc. from 1994 until 1999. Production Operators was listed on the Nasdaq Stock Market prior to its acquisition by Camco International in 1997 and Schlumberger's acquisition of Camco International in 1998. From 1989 until 1991, Mr. Ogren served as senior vice president of Conoco Inc. and from 1992 until 1994, as senior vice president of E.I. duPont. Mr. Ogren a director of John Wood Group PLC. Until July 2008, he served as the non-executive chairman of WellDynamics, a Halliburton/Shell joint venture company. He is a member of the Society of Petroleum Engineers. Mr. Ogren has served as a Supervisory Director since 2000.

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Joseph R. Perna, 65 Mr. Perna joined our Company as General Manager in 1985. In 1991, he was promoted to Senior Vice President, with responsibility for certain laboratory services operations and the Technology Products Division, a position he held until his retirement on March 31, 1998. Mr. Perna has served as a Supervisory Director since our initial public offering in 1995.

Jacobus Schouten, 54 Mr. Schouten serves on the board of directors of various privately-held European companies. He has been a managing director of International Mezzanine Capital B.V., a private equity fund, since 1990. Mr. Schouten has served as a Supervisory Director since our initial public offering in 1995.

Nominees for Class III Supervisory Directors (Term to Expire 2012)

Richard L. Bergmark, 55 Mr. Bergmark joined Western Atlas International, Inc. as Treasurer in 1987. From 1987 to 1994, our Company was operated as a division of Western Atlas. In 1991, Mr. Bergmark became the Area Manager for Finance and Administration for Europe, Africa and the Middle East operations of Western Geophysical, a division of Western Atlas. From our separation with Western Atlas in 1994 until 1999, he served as our Chief Financial Officer and Treasurer and in 1999 he was appointed Executive Vice President. Mr. Bergmark presently serves as our Executive Vice President, Chief Financial Officer and Treasurer and as a Supervisory Director. Mr. Bergmark has served as a Supervisory Director since our initial public offering in 1995.

Alexander Vriesendorp, 56 Mr. Vriesendorp has been a partner since 1996 of Shamrock Partners B.V. which serves as the manager for the Vreedenlust venture capital funds. From 1998 until 2001, Mr. Vriesendorp served as chief executive officer of RMI Holland B.V., a valve manufacturer, in The Netherlands. From 1991 until 1995, he served as chief executive officer of the Nienhuis Group, a manufacturer and distributor of Montessori materials in The Netherlands. Mr. Vriesendorp serves on the supervisory boards of various privately-held European companies. Mr. Vriesendorp has served as a Supervisory Director since 2000.

Table of Contents**Non-Employee Director Compensation**

The following table sets forth a summary of the compensation we paid to our non-employee Supervisory Directors in 2008. Supervisory Directors who are our full-time employees receive no compensation for serving as Supervisory Directors.

Director Compensation for Year Ended December 31, 2008

Name	Fees Earned or		Change in Pension Value and Nonqualified Deferred	Total (\$)
	Paid in Cash (\$)	Stock Awards \$(1)	Compensation Earnings (2)	
Rene R. Joyce	67,000	127,232		194,232
Michael C. Kearney	73,000	127,232		200,232
D. John Ogren	59,000	127,232		186,232
Joseph R. Perna	59,500	127,232	627,000	754,232
Jacobus Schouten	46,000	127,232		173,232
Alexander Vriesendorp	47,500	127,232		174,732

(1) Each of our non-employee Supervisory Directors had the following aggregate number of stock awards outstanding as of December 31, 2008: Joyce, 4,742; Kearney, 4,742; Ogren, 4,742; Perna, 4,742; Schouten, 4,742 and Vriesendorp, 4,742. The amounts included in the Stock Awards column include the dollar amount of compensation

expense we recognized for the fiscal year ended December 31, 2008 in accordance with the Statement of Financial Accounting Standards No. 123R (FAS 123R). Assumptions used in the calculation of these amounts are included in Note 13 to our audited financial statements for the fiscal year ended December 31, 2008 included in our annual report on Form 10-K. The grant date fair value of each director s award as computed in accordance with FAS 123R is \$100,051. None of our non-employee Supervisory Directors had any option awards outstanding as of December 31, 2008.

- (2) The changes in pension value and nonqualified deferred compensation

earnings for 2008 were the result of changes in the underlying actuarial assumptions and were not the result of additional contributions.

Retainer/Fees. Each non-employee Supervisory Director was paid the following amounts during fiscal 2008: an annual retainer of \$40,000, payable semiannually in arrears; or if the Audit Committee chair, an annual retainer of \$55,000; or if the Compensation Committee chair or the Nominating and Governance Committee chair, an annual retainer of \$50,000 or \$49,000, respectively;

\$1,500 per meeting of the Supervisory Board at which the individual is present in person;

\$1,500 per meeting for each committee meeting at which the individual is present in person; and

reimbursement for all out-of-pocket expenses incurred in attending any Supervisory Board or committee meeting.

Equity-based Compensation. On each of September 15, 2006 and August 15, 2007, we awarded 2,000 restricted performance shares to each of our non-employee directors under our 2006 Non-Employee Director Stock Incentive Plan, and on July 15, 2008, we awarded 742 restricted performance shares to each of our non-employee directors. A restricted performance share is an unvested right to receive a share of our common stock at such time or times described below. Each award is subject to the terms of our 2006 Non-Employee Director Stock Incentive Plan and an award agreement, the terms of which are materially identical for each award recipient.

The restricted performance shares are unvested and may not be sold, assigned, or otherwise transferred by an award recipient until such time as, and then only to the extent that, the restricted performance shares have vested. Subject to certain exceptions described below, the restricted performance shares will vest based on our return on equity, which is defined in the award agreement as a percentage determined by dividing (1) one-third of our aggregate earnings before interest and income taxes for the performance period that, in the case of the 2006 awards,

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begins on September 15, 2006 and ends on September 15, 2009, in the case of the 2007 awards, begins on August 15, 2007 and ends on August 15, 2010, and, in the case of the 2008 awards, begins on July 15, 2008 and ends on July 15, 2011, by (2) total shareholders' equity as of the last day of the performance period. Specifically: (a) if our return on equity for the performance period equals or exceeds the second target, the award recipients will fully vest in their restricted performance shares; (b) if our return on equity for the performance period is less than the second target but equal to or greater than the first target, the award recipients will vest in 20% of their restricted performance shares, plus 2% for each 1% by which the return on equity exceeds the first target; and (c) if our return on equity for the performance period is less than the first target, the award recipients will not vest in the restricted performance shares. The first and second targets for our 2006 grants were 28% and 35%, respectively, and the first and second targets for our 2007 grants were 40% and 50%, respectively, and the first and second targets for our 2008 grants were 160% and 200%, respectively. We anticipate that we will make grants in 2009 in the amount of shares equal to \$100,000, calculated upon the share price as of July 15, 2009, which are based upon our return on equity compared to the returns earned by the members of the S&P 500 Oil & Gas Equipment & Services Index with 50% of the shares vesting if our return is at or above the 50th percentile of the members' return and 100% of the shares vesting if our return is at or above the 75th percentile of the members' return.

In the event of an award recipient's death prior to the last day of the performance period, his or her restricted performance shares will vest as described above. If an award recipient's service with us terminates (other than for death) prior to the last day of the performance period, his or her restricted performance shares will be immediately forfeited to the extent not then vested. In the event of a change in control (as defined in the 2006 Non-Employee Director Stock Incentive Plan) prior to the last day of the performance period and while the award recipient is in our service (or in the event of a termination of the award recipient's service upon such change in control), all of the award recipient's restricted performance shares will vest as of the effective date of such change in control.

Other Arrangements. Mr. Perna was one of our officers until his retirement on March 1, 1998. He participates in the Group SERP. Please see Information About Our Executive Officers and Executive Compensation Pension Benefit Plans Group SERP for a discussion of the terms of that plan.

2009 Non-Employee Director Compensation. As we did in 2008, during fiscal 2009 and future years, we intend to award each of our non-employee directors an amount of restricted performance shares equal to approximately \$100,000 based on the closing price of our common stock on the date of grant. The terms of the restricted performance shares are described above under Equity-based Compensation. In addition, each non-employee Supervisory Director shall receive the following amounts during fiscal 2009:

an annual retainer of \$40,000, payable semiannually in arrears; or if the Audit Committee chair, an annual retainer of \$55,000; or if the Compensation Committee chair or the Nominating and Governance Committee chair, an annual retainer of \$50,000 or \$49,000, respectively;

\$1,500 per meeting of the Supervisory Board at which the individual is present in person;

\$1,500 per meeting for each committee meeting at which the individual is present in person; and

reimbursement for all out-of-pocket expenses incurred in attending any Supervisory Board or committee meeting.

Table of Contents**CORPORATE GOVERNANCE****Board Structure**

The Company has a two-tier board structure consisting of a Management Board and a Supervisory Board, each of which must consist of at least one member under the Company's articles of association. Under Dutch law, the Supervisory Board's duties include supervising and advising the Management Board in performing its management tasks. The Supervisory Board currently consists of eight Supervisory Directors. The Supervisory Directors are expected to exercise oversight of management with the Company's interests in mind. The Supervisory Board is divided into three classes, with each class subject to re-election every third year by the shareholders at the annual meeting.

The Management Board's sole member is Core Laboratories International B.V. As a Managing Director, Core Laboratories International B.V.'s duties include overseeing the management of the Company, consulting with the Supervisory Board on important matters and submitting certain important decisions to the Supervisory Board for its prior approval.

Supervisory Director Independence

In connection with determining the independence of each Supervisory Director of the Company, the Board inquired as to any transactions and relationships between each Supervisory Director and his or her immediate family and the Company and its subsidiaries, and reviewed and discussed the results of such inquiry. The purpose of this review was to determine whether any such relationships or transactions were material and, therefore, inconsistent with a determination that a Supervisory Director is independent, under the standards set forth by the NYSE and, to the extent consistent therewith, the Dutch Corporate Governance Code (the "Dutch Code"). Under the Dutch Code, the Supervisory Board is to be composed of members who are able to act critically and independently of each other and of the Management Board. As a result of this review, after finding no material transactions or relationships, the board affirmatively determined that each of Messrs. Joyce, Kearney, Ogren, Perna, Schouten and Vriesendorp are independent under the applicable standards described above.

Supervisory Board Meetings

The Supervisory Board held four meetings in 2008. Each Supervisory Director attended at least 75% of the meetings of the Supervisory Board and of all committees on which he serves. Under our Corporate Governance Guidelines, Supervisory Directors are expected to diligently fulfill their fiduciary duties to shareholders, including preparing for, attending and participating in meetings of the Supervisory Board and the committees of which the Supervisory Director is a member. We expect each of our Supervisory Directors to attend our 2009 annual meeting as our current policy requires Supervisory Director attendance at the annual meeting.

Our Nonemployee Supervisory Directors have met separately in executive session without any members of management present. The Chairman of the Nominating and Governance Committee is the presiding Supervisory Director at each such session. If any of our Nonemployee Supervisory Directors were to fail to meet the applicable criteria for independence, then our independent Supervisory Directors would meet separately at least once a year in accordance with the rules of the NYSE.

Committees of the Supervisory Board

The Supervisory Board has three standing committees, the identities, memberships and functions of which are described below:

Audit Committee. The current members of the Audit Committee of our Supervisory Board are Messrs. Kearney (Chairman), Joyce and Perna. The Audit Committee's principal functions include making recommendations concerning the engagement of the independent registered public accountants, reviewing with the independent registered public accountants the plan and results of the engagement, approving professional services provided by the independent registered public accountants and reviewing the adequacy of our internal accounting controls. Each member of the Audit Committee is independent, as defined by Section 10A of the Exchange Act and by the corporate governance standards set forth by the NYSE and, to the extent consistent therewith, the Dutch Code. Each member of the Audit Committee is financially literate and Mr. Kearney qualifies as an audit committee financial expert under the rules promulgated pursuant to the Exchange Act. The Audit Committee held six meetings in 2008. See Report of the Audit Committee below.

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Compensation Committee. The current members of the Compensation Committee of our Supervisory Board are Messrs. Ogren (Chairman), Joyce and Perna. The Compensation Committee's principal functions include a general review of our compensation and benefit plans to ensure that they are properly designed to meet corporate objectives. The Compensation Committee reviews and approves the compensation of our Chief Executive Officer and our senior executive officers, granting of awards under our benefit plans and adopting and changing major compensation policies and practices. In addition to establishing the compensation for the Chief Executive Officer, the Compensation Committee reports its recommendations to the whole Supervisory Board for approval. Pursuant to its charter, the Compensation Committee has the authority to delegate its responsibilities to other persons. On February 28, 2003, our Supervisory Board established an Options Subcommittee consisting of Messrs. Ogren (Chairman) and Joyce, which was renamed the Equity Awards Subcommittee in 2006. The Equity Awards Subcommittee's principal function is to review and approve awards made pursuant to our LTIP. The Compensation Committee held one meeting in 2008 and the Equity Awards Subcommittee held one meeting in 2008.

The Compensation Committee periodically retains a consultant to provide independent advice on executive compensation matters and to perform specific project-related work. The consultant reports directly to the committee, which preapproves the scope of the work and the fees charged. The Committee indicates to the consultant the role that management has in the analysis of executive compensation, such as the verification of executive and Company information that the consultant requires. In 2008, the Compensation Committee retained Stone Partners, Inc. to advise it on various compensation matters. See Compensation Discussion and Analysis Role of Consultant below.

The Committee operates under a written charter. A copy of the Compensation Committee charter may be found on the Company's website at <http://www.corelab.com/corporate/governance.aspx#6>. See Compensation Committee Report below.

Nominating and Governance Committee. The current members of the Nominating and Governance Committee are Messrs. Joyce (Chairman), Schouten and Vriesendorp. The Nominating and Governance Committee's principal functions include recommending candidates to the Supervisory Board for election or appointment as Supervisory Director and advising about, and recommending to the Supervisory Board, an appropriate set of corporate governance practices. Each member of the Nominating and Governance Committee is independent as defined by the corporate governance standards of the NYSE. The Nominating and Governance Committee held one meeting in 2008. A copy of the Nominating and Governance Committee Charter may be found on the Company's website at <http://www.corelab.com/corporate/governance.aspx#7>.

Qualifications of Supervisory Directors

When identifying Supervisory Director nominees, the Nominating and Governance Committee may consider, among other factors: the person's reputation, integrity and independence (under applicable SEC, NYSE and Dutch Code standards); the person's skills and business, government or other professional acumen, bearing in mind the composition of the Board of Supervisory Directors and the current state of the Company and the industry generally at the time of determination; and the number of other public companies for which the person serves as director and the availability of the person's time and commitment to the Company. In the case of current Supervisory Directors being considered for renomination, the Nominating and Corporate Governance Committee will also take into account the Supervisory Director's tenure as a member of our Board of Supervisory Directors; the Supervisory Director's history of attendance at meetings of the Board of Supervisory Directors and committees thereof; and the Supervisory Director's preparation for and participation in such meetings.

Supervisory Director Nomination Process

The Nominating and Governance Committee, the Chairman of the Supervisory Board, the Chief Executive Officer, or a Supervisory Director identifies a need to add a new board member that meets specific criteria or to fill a vacancy on the board. The Nominating and Governance Committee also reviews the candidacy of existing members of the Supervisory Board whose terms are expiring and who may be eligible for reelection to the Supervisory Board. The Nominating and Governance Committee also considers recommendations for nominees for directorships submitted by shareholders as provided below.

If a new board member is to be considered, the Nominating and Governance Committee initiates a search by seeking input from other Supervisory Directors and senior management, and hiring a search firm, if necessary. An initial slate of candidates that will satisfy specific criteria and otherwise qualify for membership on the Supervisory Board are identified by and/or presented to the Nominating and

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Governance Committee, which ranks the candidates. Members of the Nominating and Governance Committee review the qualifications of prospective candidate(s), and the Chairman of the Supervisory Board, the Chief Executive Officer, and all other Supervisory Board members have the opportunity to review the qualifications of prospective candidate(s).

Shareholders seeking to recommend Supervisory Director candidates for consideration by the Nominating and Governance Committee may do so by writing to the Company's Secretary at the address indicated on the cover page of this proxy, giving the recommended candidates' name, biographical data and qualifications. The Nominating and Governance Committee will consider all candidates submitted by shareholders within the time period set forth specified under "Other Proxy Matters" Information About Our 2010 Annual Meeting below.

The Nominating and Governance Committee recommends to the Supervisory Board the nominee(s) from among the candidate(s), including existing members of the Supervisory Board whose terms are expiring and who may be eligible for reelection to the Supervisory Board, and new candidates, if any, identified as described above.

The nominee(s) are nominated by the Supervisory Board.

Related Person Transactions

Related person transactions have the potential to create actual or perceived conflicts of interest between the Company and its directors and executive officers or their immediate family members. Under its charter, the Audit Committee is charged with the responsibility of reviewing with management and the independent registered public accountants (together and/or separately, as appropriate) insider and affiliated party transactions and potential conflicts of interest. The Audit Committee has delegated authority to review transactions involving employees, other than our executive officers, to our general counsel. We identify such transactions by distributing questionnaires annually to each of our directors, officers and employees.

In deciding whether to approve a related person transaction the following factors may be considered:
information about the goods or services proposed to be or being provided by or to the related party or the nature of the transactions;

the nature of the transactions and the costs to be incurred by the Company or payments to the Company;

an analysis of the costs and benefits associated with the transaction and a comparison of comparable or alternative goods or services that are available to the Company from unrelated parties;

the business advantage the Company would gain by engaging in the transaction; and

an analysis of the significance of the transaction to the Company and to the related party.

To receive approval, the related person transaction must be on terms that are fair and reasonable to the Company, and which are as favorable to the Company as would be available from non-related entities in comparable transactions. The Audit Committee requires that there is a Company business interest supporting the transaction and the transaction meets the same Company standards that apply to comparable transactions with unaffiliated entities. The Audit Committee has adopted a written policy that governs the approval of related person transactions.

There were no transactions that occurred during fiscal year 2008 in which, to our knowledge, the Company was or is a party, in which the amount involved exceeded \$120,000, and in which any director, director nominee, executive officer, holder of more than 5% of our common shares or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

Compensation Committee Interlocks and Insider Participation

During 2008, no executive officer served as:

a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers

served on our Compensation Committee;

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a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as one of our Supervisory Directors; or

a director of another entity, one of whose executive officers served on our Compensation Committee or the board of directors of one of our subsidiaries.

Joseph R. Perna, a member of our Compensation Committee, was an officer of our Company until his retirement on March 1, 1998, more than ten years ago.

Communications with Directors; Website Access to Our Corporate Documents

Shareholders or other interested parties can contact any Supervisory Director or committee of the Board of Supervisory Directors by directing correspondence to them in care of Mark F. Elvig, Secretary, in care of Core Laboratories LP, 6316 Windfern Road, Houston, Texas 77040. Comments or complaints relating to the Company's accounting, internal accounting controls or auditing matters will be referred to members of the Audit Committee.

Our Internet address is www.corelab.com. Our Corporate Governance Guidelines, our Code of Business Conduct and Ethics and the charters of our Supervisory Board committees are available on our website. We will also furnish printed copies of such information free of charge upon written request to our Investor Relations department.

We file Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K and Current Reports on Form 8-K with the SEC. These reports are available free of charge through our website as soon as reasonably practicable after they are filed electronically with the SEC. We may from time to time provide important disclosures to investors by posting them in the investor relations section of our website, as allowed by SEC rules. Materials we file with the SEC may also be read and copied at the SEC's Public Reference Room at 100 F Street, N.W., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website at www.sec.gov that contains reports, proxy and information statements, and other information regarding our Company that we file electronically with the SEC. Our 2008 Annual Report on Form 10-K included the required Section 302 certifications.

Dutch Corporate Governance Code

The Dutch Code contains principles of good corporate governance and best practice provisions. The Dutch Code emphasizes the principles of integrity, transparency and accountability as the primary means of achieving good corporate governance. The Dutch Code includes certain principles of good corporate governance, supported by best practice provisions. Listed Dutch N.V. companies are required to disclose in their annual report and accounts how they intend to incorporate the principles of the Dutch Code or, where relevant, to explain why they do not. The Management Board has reviewed the Dutch Code and generally agrees with its fundamental principles. As discussed above, the Company complies with U.S. corporate governance rules and, to the extent consistent therewith, the corporate governance principles of the Dutch Code. The Company intends to continue to monitor the developments in corporate governance and shall take such steps as it considers appropriate to further implement the provisions of the Dutch Code. Please see the report of the Management Board, a copy of which will be available for inspection at our offices in The Netherlands, located at Herengracht 424, 1017 BZ Amsterdam and on our Internet site at www.corelab.com for a discussion of our compliance with the Dutch Code.

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COMPENSATION DISCUSSION AND ANALYSIS

Overview

Our executive compensation program is designed to create strong financial incentive for our officers to increase revenues, profits, operating efficiency and returns, which we expect to lead to an increase in shareholder value. Our Compensation Committee's principal functions include conducting periodic reviews of the compensation and benefits programs to ensure that they are properly designed to meet corporate objectives, overseeing of the administration of the cash incentive and equity-based plans and developing the compensation program for the Supervisory Directors. Our executive compensation program includes five primary elements. Three of the elements are performance-oriented and taken together; all constitute a flexible and balanced method of establishing total compensation for our senior executive officers. The elements are a) base salary, b) annual incentive plan awards, c) stock-based compensation, d) benefits and e) severance/change-in-control compensation.

Role of Consultant

Our Compensation Committee periodically retains a consultant to provide independent advice on executive compensation matters and to perform specific project-related work. In fiscal 2007, the Compensation Committee retained Stone Partners, Inc., a compensation consulting firm, to advise the Compensation Committee regarding analysis of cash compensation for our executives. The Compensation Committee requested that Stone Partners assess the proposed base salaries and target annual incentive compensation for each executive officer. Stone Partners advised the Compensation Committee that based on our current revenues and the level and responsibilities of each position, the proposed base salaries and targeted annual cash compensation were consistent with the external market median of the benchmarked data. See [Benchmarking](#) below. The Compensation Committee did have the assistance of a compensation consulting firm in fiscal 2008 for certain benchmarking and review of compensation trends. While the Compensation Committee did not retain services for executive compensation consulting in fiscal 2008, it has retained in 2009 Stone Partners to advise the Committee on cash compensation analysis for our executives.

Role of our Executive Officers in Establishing Compensation

Our Chief Executive Officer provides recommendations to the Compensation Committee in its evaluation of our executive officers, including recommendations of individual cash and equity compensation levels for executive officers. Mr. Demshur relies on his personal experience serving in the capacity of Chief Executive Officer with respect to evaluating the contribution of our other executive officers as well as publicly available information for comparable compensation guidance as the basis for his recommendations to the Compensation Committee. Mr. Denson, our former Vice President, General Counsel and Secretary, attended the Compensation Committee's 2008 meeting and acted as secretary