

Intrepid Potash, Inc.  
Form DEF 14A  
March 26, 2010

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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

**INTREPID POTASH, INC.**

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(Name of Registrant as Specified In Its Charter)

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(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:
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**Intrepid Potash, Inc.**

707 17<sup>th</sup> Street, Suite 4200  
Denver, CO 80202

March 26, 2010

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of Intrepid Potash, Inc., which is scheduled to be held on Thursday, May 20, 2010, at 2:00 p.m. local time, at the Sorrel River Ranch, Mile 17, Highway 128, Moab, Utah 84532.

Details regarding admission to the meeting and business to be conducted are described in the Notice of Internet Availability of Proxy Materials (the "Notice") you received in the mail and in this proxy statement. We have also made a copy of our 2009 Annual Report to Stockholders (the "2009 Annual Report") available with this proxy statement. We encourage you to read our 2009 Annual Report as it includes our audited financial statements and other information about our operations, business and products.

We have elected to provide access to our proxy materials on the internet under the U.S. Securities and Exchange Commission's "notice and access" rules. Our proxy materials are available at the following websites: for beneficial holders of our common stock, the address is [www.edocumentview.com/IPI](http://www.edocumentview.com/IPI), and for registered holders of our common stock, the address is [www.envisionreports.com/IPI](http://www.envisionreports.com/IPI). We have sent the Notice to each of our stockholders providing instructions on how to access our proxy materials and our 2009 Annual Report on the internet.

Your vote is important. Whether or not you plan to attend the annual meeting, I hope that you will vote as soon as possible. You may vote on the internet, as well as by telephone, or, if you requested to receive printed proxy materials, by mailing a proxy or voting instruction card. Please review the instructions on each of your voting options described in the proxy statement as well as in the Notice that you received in the mail.

**Please note that the rules governing brokers have changed recently. Brokers may not vote your shares on the election of directors or any other non-routine matters if you have not given your broker specific instructions as to how to vote. Please be sure to give specific voting instructions to your broker so that your vote can be counted.**

I look forward to greeting those of you who are able to attend the annual meeting in Moab.

Very truly yours,

Robert P. Jornayvaz III  
*Chairman of the Board and Chief Executive Officer*

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## **Intrepid Potash, Inc.**

707 17<sup>th</sup> Street, Suite 4200  
Denver, Colorado 80202

### **NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

To All Stockholders:

The 2010 annual meeting of stockholders of Intrepid Potash, Inc. is scheduled to be held on Thursday, May 20, 2010, at 2:00 p.m. local time, at the Sorrel River Ranch, Mile 17, Highway 128, Moab, Utah 84532. The purpose of the meeting is:

- 1) To elect two Class II Directors nominated by the Board of Directors to serve three-year terms expiring at the 2013 annual meeting of stockholders;
- 2) To ratify the appointment of KPMG LLP as Intrepid's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2010; and
- 3) To transact any other business that may properly come before the annual meeting.

The close of business on March 24, 2010, is the record date for determining stockholders entitled to vote at the annual meeting. Only holders of common stock of Intrepid Potash, Inc. as of the record date are entitled to vote on some or all of the matters listed in this notice of annual meeting. A complete list of stockholders entitled to vote at the annual meeting will be available for inspection by stockholders during normal business hours at our corporate headquarters located at 707 17<sup>th</sup> Street, Suite 4200, Denver, CO 80202, during the ten days prior to the annual meeting as well as at the annual meeting.

**Your vote is very important. Whether or not you plan to attend the annual meeting, we encourage you to ready this proxy statement and submit your proxy or voting instructions as soon as possible. For specific instructions on how to vote your shares, please refer to the instructions on the Notice that you received in the mail, the section entitled Information About the Annual Meeting beginning on page 1 of this proxy statement or, if you requested to receive printed proxy materials, your enclosed proxy card.**

By Order of the Board of Directors  
of Intrepid Potash, Inc.

Geoffrey T. Williams, Jr.  
*Corporate Counsel and Assistant Secretary*

Denver, Colorado  
March 26, 2010

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**Intrepid Potash, Inc.**

707 17<sup>th</sup> Street, Suite 4200  
Denver, Colorado 80202  
(303) 296-3006

**PROXY STATEMENT**

This proxy statement contains information about the annual meeting of stockholders of Intrepid Potash, Inc. to be held on Thursday, May 20, 2010, at 2:00 p.m. local time at the Sorrel River Ranch, Mile 17, Highway 128, Moab, Utah 84532. The Board of Directors of Intrepid Potash, Inc. is using this proxy statement to solicit proxies for use at the annual meeting. In this proxy statement, unless expressly stated otherwise or the context otherwise requires, the use of "Intrepid," "our," "we" or "us" refers to Intrepid Potash, Inc. and its consolidated subsidiaries.

**INFORMATION ABOUT THE ANNUAL MEETING**

**Purpose of the Annual Meeting**

At Intrepid's annual meeting, stockholders will vote on:

- 1) The election of two Class II Directors to serve three-year terms expiring at the 2013 annual meeting of stockholders;
- 2) The ratification of the appointment of KPMG LLP as Intrepid's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2010; and
- 3) Any other business which may properly come before the annual meeting.

As of the date of this proxy statement, Intrepid is not aware of any business to come before the meeting other than the first two items noted above.

**Internet Availability of Proxy Materials**

The proxy materials, including this proxy statement, a proxy card or voting instruction card, and Intrepid's 2009 Annual Report, are being distributed and made available on or about April 5, 2010. In accordance with rules and regulations recently adopted by the U.S. Securities and Exchange Commission, Intrepid has furnished our proxy materials to our stockholders on the Internet. A Notice of Internet Availability of Proxy Materials (the "Notice") will be mailed to Intrepid's stockholders on or about April 5, 2010. Stockholders will have the ability to access the proxy materials on a website referred to in the Notice or request a printed set of the proxy materials be sent to them by following the instructions in the Notice. The Notice will also provide instructions on how to vote your shares. Intrepid may elect to mail printed proxy materials to one or more stockholders.

The Notice will also provide instructions on how to inform Intrepid to send future proxy materials to you electronically by email or in printed form by mail. 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 or printed form by mail will remain in effect until you terminate it. Choosing to receive future proxy materials by email will reduce Intrepid's printing and mailing costs.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 20, 2010:** Our proxy materials, including this proxy statement and our 2009 Annual Report to Stockholders, are available at the following websites: for beneficial holders of our common stock, the address is [www.edocumentview.com/IPI](http://www.edocumentview.com/IPI), and for registered holders of our common stock, the address is [www.envisionreports.com/IPI](http://www.envisionreports.com/IPI).

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**Who Can Vote**

Only stockholders of record at the close of business on the record date of March 24, 2010, are entitled to receive notice of the annual meeting and to vote the shares of Intrepid common stock that they held on that date. As of March 24, 2010, there were 75,352,182 shares of common stock issued and outstanding, including 297,689 shares that are represented by unvested restricted shares of stock issued to employees and consultants under our 2008 Equity Incentive Plan. Holders of Intrepid common stock and owners of unvested restricted shares are entitled to one vote per share and are not allowed to cumulate votes in the election of directors.

**How to Vote**

If your shares of Intrepid common stock are held by a broker, bank, or other nominee (in "street name"), you will receive information from them on how to instruct them to vote your shares. If you have not heard from the broker, bank, or other nominee who holds your Intrepid common stock, please contact them as soon as possible. If you do not give your broker instructions as to how to vote, under New York Stock Exchange ("NYSE") rules, your broker may vote your shares for you on proposal 2 to ratify the appointment of auditors, which is sometimes called a broker nonvote. Your broker may not vote for you in the election of directors or on any other non-routine item of business without your instructions. If you plan to attend the meeting and would like to vote your shares held by a bank or broker in person, you must obtain a legal proxy from the bank or broker.

If you hold shares of Intrepid common stock in your own name (as a "stockholder of record"), you may give instructions on how your shares are to be voted by following the telephone or Internet voting procedures that can be found on the Internet, or, if you received a printed copy of the proxy materials, by marking, signing, dating, and returning the enclosed proxy card in the accompanying postage paid envelope. The telephone and Internet voting procedures are designed to ensure that proxies are handled properly under Delaware law. Votes cast in either of these two manners are authenticated by use of a personal identification number and allow stockholders to confirm that their instructions have been properly recorded.

If you hold shares in **BOTH** street name and as a stockholder of record, **YOU MUST VOTE SEPARATELY** for each set of shares.

A proxy, when properly completed and not revoked, will be voted in accordance with its instructions. If no voting instructions on a particular matter are given on a properly submitted and unrevoked proxy, the shares represented by the proxy will be voted on that particular matter as follows:

FOR the election of two Class II Directors to serve three-year terms expiring at the 2013 annual meeting of stockholders, as named in this proxy statement under the caption "Nominees for Election as Class II Directors"; and

FOR the ratification of the appointment of KPMG LLP as the Intrepid's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2010.

**Revoking a Proxy**

You may revoke a proxy before the vote is taken at the meeting by:

submitting a new proxy with a later date either signed and returned by mail or transmitted using the telephone or Internet voting procedures before the meeting;

by voting in person at the meeting; or

by filing a written revocation with Intrepid's Secretary.

Your attendance at the annual meeting will not automatically revoke your proxy.



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**Voting Requirements**

*Election of Class II Directors* Our Amended and Restated Bylaws provide that the election of directors shall be decided by the vote of the holders of a plurality of the shares present in person or by proxy at the meeting and entitled to vote. Any shares present but not voted for approval, including withheld votes and broker non-votes, will have no effect on the outcome.

*Ratification of the Appointment of KPMG LLP as Intrepid's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2010* This ratification shall be decided by the vote of the holders of a majority of the shares present in person or by proxy at the meeting and entitled to vote. Abstentions will have the same effect as if the shares were voted against ratification.

**Quorum**

A quorum of stockholders is necessary to hold a valid meeting. Our Amended and Restated Bylaws provide that a quorum will exist if stockholders holding a majority of the outstanding shares of common stock are present at the meeting in person or by proxy. Abstentions and broker non-votes count as present for establishing a quorum, provided that the broker has voted on at least the ratification of the appointment of our auditors. A broker non-vote occurs on a matter when a broker is not permitted to vote on that matter without instruction from the beneficial owner of the shares and no instruction is given. If a quorum is not present, the meeting may be adjourned until a quorum is obtained.

**Payment of Proxy Solicitation Costs**

Intrepid will pay all costs of soliciting proxies. Intrepid has retained The Altman Group, Inc. to assist in the solicitation of proxies for an estimated fee of \$3,000, plus reimbursement of reasonable expenses. The solicitation may be made personally or by mail, facsimile, telephone, messenger, or via the Internet. In addition, Intrepid officers, directors, and employees, without additional compensation, may also solicit proxies in person, by telephone, or by other electronic means of communication. Intrepid will ask banks, brokers, other institutions, nominees, and fiduciaries to forward the proxy material to their principals and obtain authority to execute proxies.

**PROPOSAL 1 ELECTION OF CLASS II DIRECTORS**

Our Board of Directors consists of five directors who are divided into three classes, designated as Class I, Class II and Class III. According to our Amended and Restated Bylaws and Restated Certificate of Incorporation, the number of directors constituting the entire Board of Directors is fixed exclusively by the Board of Directors from time to time. The directors are to be divided as evenly as possible into the three classes. If the number of directors is not evenly divisible by three, the remaining positions shall be allocated first to Class III and then to Class II. The term of the Class I Director expires at the 2012 annual meeting of stockholders; the initial term of the Class II Directors expires at the 2010 annual meeting of stockholders; and the initial term of the Class III Directors shall expire at the 2011 annual meeting of stockholders. Each class of directors will serve for a staggered three-year term upon their election. At this meeting, the election of two Class II directors will be considered by the stockholders with each director to serve a three-year term. Intrepid's nominees for these directorships are identified below. Each of the nominees is currently serving as a member of the Board of Directors.

Our Corporate Governance Guidelines provide that the Nominating and Corporate Governance Committee of the Board of Directors shall be responsible for identifying and recommending directors for nomination by the Board of Directors for election as members of the Board of Directors. The Nominating and Corporate Governance Committee performed its evaluation and nominating committee functions in 2010. The Nominating and Corporate Governance Committee seeks independent directors who represent a mix of backgrounds and experiences that will enhance the quality of the Board of

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Directors' deliberations and decisions. When searching for new candidates, the Nominating and Corporate Governance Committee considers the evolving needs of the Board of Directors and searches for candidates that fill any current or anticipated future gaps. The Nominating and Corporate Governance Committee selects each nominee based on the nominee's skills, achievements, and experience. The Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity; however, the Board of Directors and the Nominating and Corporate Governance Committee believe that it is essential that the members of the Board of Directors represent diverse and experienced viewpoints and that the membership of the Board of Directors should reflect diversity in its broadest sense. The Nominating and Corporate Governance Committee believes that each nominee should have the highest level of personal and professional ethics, integrity, and values together with expertise that is useful to Intrepid and complementary to the background and expertise of other members of the Board of Directors. Additionally, nominees are expected to have a willingness and ability to devote the time necessary to carry out the duties and responsibilities of Board of Directors membership, and a desire to ensure that Intrepid's operations and financial reporting are effected in a transparent manner and in compliance with applicable laws, rules, and regulations.

The Nominating and Corporate Governance Committee evaluates each potential nominee individually and in the context of the Board of Directors as a whole. The objective is to recommend a group that will effectively contribute to the long-term success of Intrepid and effectively represent stockholder interests. With respect to the nomination of continuing directors for re-election, the individual's contributions to the Board of Directors are also considered.

When seeking candidates for a new director, the Nominating and Corporate Governance Committee solicits suggestions from incumbent directors, management, stockholders, and others. The Nominating and Corporate Governance Committee has authority under its charter to retain a search firm for this purpose. If the Nominating and Corporate Governance Committee believes a candidate would be a valuable addition to the Board of Directors, it recommends his or her candidacy to the full Board of Directors.

The Nominating and Corporate Governance Committee will consider suggestions by stockholders of possible future nominees. Stockholders may nominate persons for election to the Board of Directors in accordance with our Amended and Restated Bylaws. No such suggestions were received during 2009. For more information regarding stockholder proposals, see the section entitled "Stockholder Proposals."

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**Nominees for Election as Class II Directors**

Biographical information as of March 24, 2010, including principal occupation and business experience during the last five years, for the nominees for directors is set forth below. Unless otherwise stated, the principal occupations of the nominees have been the same for the past five years.

	<b>Age</b>	<b>Director Since</b>
<p><i>J. Landis Martin</i> is the founder of the private equity firm Platte River Ventures and has been Managing Director since November 2005. Mr. Martin retired as Chairman and Chief Executive Officer of Titanium Metals Corporation, an integrated producer of titanium metals, where he served from 1989 until November 2005. Mr. Martin served as President and Chief Executive Officer of NL Industries, Inc., a manufacturer of titanium dioxide chemicals, from 1987 to 2003 and was Chairman and Chief Executive Officer of Baroid Corporation from 1990 to 1994. Mr. Martin is Chairman of the Board of Directors of Crown Castle International Corp. and is also a director of Halliburton Company and Apartment Investment Management Company. The Board of Directors believes that Mr. Martin's qualifications to sit on our Board of Directors include his management and director experience with public companies and his business experience with complex companies in the manufacturing sector and the energy industry.</p>	64	December 2007
<p><i>Barth E. Whitham</i> has served as President and Chief Executive Officer of Enduring Resources, LLC, a company focused on the acquisition and exploitation of long-lived natural gas assets in domestic onshore basins, since July 2005, and also serves on its board of directors. From January 1994 to June 2005, Mr. Whitham served as President and Chief Operating Officer of Westport Resources Corp., a publicly traded Rocky Mountain-based oil and gas exploration and production company, and also served on its board of directors. Mr. Whitham also serves as a director of Ensign Energy Services Inc., an oilfield services company publicly traded on the Toronto Stock Exchange. The Board of Directors believes that Mr. Whitham's qualifications to sit on our Board of Directors include his management and director experience with operations and management of public companies and his business experience in the energy industry.</p>	53	April 2008

The proxies will be voted in favor of the nominees unless a contrary specification is made in the proxy. The nominees have consented to serve as directors of Intrepid if elected. However, if either or both of the nominees are unable to serve or for good cause will not serve as a director, the persons named in the proxy intend to vote in their discretion for one or more substitutes who will be designated by the Board of Directors.

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**Directors Continuing in Office**

Biographical information for our directors continuing in office is set forth below.

	<b>Age</b>	<b>Director Since</b>
<p><b><i>Class III Directors (Term Expires at 2011 Annual Meeting)</i></b></p> <p><i>Robert P. Jornayvaz III</i> has served as Chairman of the Board and Chief Executive Officer of Intrepid Potash, Inc. since its formation in November 2007 and served, directly or indirectly, as a manager of Intrepid Mining LLC from January 2000 until its dissolution in 2008, at the time of Intrepid's initial public offering ("IPO"). As a manager of Intrepid Mining LLC, Mr. Jornayvaz, along with Mr. Harvey, was responsible for the business operations of Intrepid Mining LLC. Mr. Jornayvaz is the 100 percent owner of Intrepid Production Corporation, which owns approximately 19.7 percent of Intrepid and 100 percent of IPC Management LLC, one of two managers of the former Intrepid Mining LLC. Intrepid Production Corporation also owns 50 percent of Intrepid Oil &amp; Gas, LLC. Mr. Jornayvaz has 29 years of experience in the oil and gas industry and 11 years of experience in the potash industry. Mr. Jornayvaz has been associated with Mr. Harvey for approximately 14 years, participating in joint property acquisition arrangements through their own companies until forming Intrepid Oil &amp; Gas, LLC in 1996. The Board of Directors believes that Mr. Jornayvaz's qualifications to sit on our Board of Directors include his management experience with Intrepid Mining LLC because Intrepid Potash, Inc. was a subsidiary of Intrepid Mining LLC and Intrepid Potash, Inc. acquired substantially all of its assets from Intrepid Mining LLC in April 2008 at the time of our IPO, together with his experience in extractive and commodities businesses.</p>	51	December 2007

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	<b>Age</b>	<b>Director Since</b>
<p><i>Hugh E. Harvey, Jr.</i> has served as Chief Technology Officer of Intrepid Potash, Inc. since May 2009 and as a member of the Board of Directors of Intrepid Potash, Inc. since its formation in November 2007. From November 2007 until May 2009, he served as Executive Vice President of Technology of Intrepid Potash, Inc. Mr. Harvey served, directly or indirectly, as a manager of Intrepid Mining LLC from January 2000 until its dissolution in 2008, at the time of Intrepid's IPO. As a manager of Intrepid Mining LLC, Mr. Harvey, along with Mr. Jornayvaz, was responsible for the business operations of Intrepid Mining LLC. From February 2009 until October 2009, Mr. Harvey assumed the responsibilities of Chief Operating Officer of Intrepid Potash, Inc. following the departure of our former Chief Operating Officer. Mr. Harvey is 100 percent owner of Harvey Operating and Production Company, which owns approximately 20.1 percent of Intrepid and is the 100 percent owner of HOPCO Management LLC, one of two managers of the former Intrepid Mining LLC. Harvey Operating and Production Company also owns 50 percent of Intrepid Oil &amp; Gas, LLC. Mr. Harvey has 11 years of experience in the potash mining industry, over 25 years of experience in the oil and gas industry and a unique combination of mining, mineral processing, drilling, field operations and economic evaluation experience. Mr. Harvey has been associated with Mr. Jornayvaz for approximately 14 years, participating in joint property acquisition arrangements through their own companies until forming Intrepid Oil &amp; Gas, LLC in 1996. The Board of Directors believes that Mr. Harvey's qualifications to sit on our Board of Directors include his management experience with Intrepid Mining LLC because Intrepid Potash, Inc. was a subsidiary of Intrepid Mining LLC and Intrepid Potash, Inc. acquired substantially all of its assets from Intrepid Mining LLC in April 2008 at the time of our IPO, together with his engineering and operational experience in extractive industries.</p> <p><b><i>Class I Director (Term Expires at 2012 Annual Meeting)</i></b></p> <p><i>Terry Considine</i> has served as Chief Executive Officer and Chairman of Apartment Investment Management Company, a publicly held, multi-family apartment real estate investment trust, since July 1994. Mr. Considine has also served as Chief Executive Officer and Chairman of American Land Lease, Inc., another publicly held real estate investment trust from July 1996 through February 2009. The Board of Directors believes that Mr. Considine's qualifications to sit on our Board of Directors include his management and director experience with complex public companies and his business experience in the real estate industry.</p>	57	December, 2007
<p><b>Recommendation of the Board of Directors</b></p>	62	April 2008

The Board of Directors recommends voting "**FOR**" electing each nominee.

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Intrepid's stockholders are being asked to ratify the appointment by the Audit Committee of the Board of Directors of KPMG LLP as Intrepid's Independent Registered Public Accounting Firm. KPMG LLP has served as Intrepid's Independent Registered Public Accounting Firm since 2007 and the Audit Committee has selected KPMG LLP to perform the audit for the fiscal year ending December 31, 2010.

The Audit Committee is responsible for selecting Intrepid's independent auditors for the fiscal year ending December 31, 2010. Stockholder approval is not required to appoint KPMG LLP as Intrepid's independent auditors. Notwithstanding that, the Board of Directors believes that submitting the appointment of KPMG LLP to the stockholders for ratification is good corporate governance. The Audit Committee is solely responsible for selecting Intrepid's independent auditors. If the stockholders do not ratify this appointment, the Audit Committee will reconsider whether to retain KPMG LLP. If the selection of KPMG LLP is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time it decides that such a change would be in the best interest of Intrepid and its stockholders.

To the knowledge of management, neither KPMG LLP nor any of its members has any direct or material indirect financial interest in Intrepid or any connection with Intrepid in any capacity other than as independent public accountants. A representative of KPMG LLP is expected to be present at the annual meeting and will have an opportunity to make a statement if he or she desires to do so and to respond to appropriate questions.

Intrepid paid the following fees to the independent accountants for the audit of the consolidated financial statements and for other services provided in the years ended December 31, 2009 and 2008. All services and fees including tax service fees were pre-approved by the Audit Committee.

	2009	2008
Audit Fees	\$ 815,630	\$ 718,218
Audit Related Fees	20,575	367,983
Tax Fees	238,258	50,774
All Other Fees, including financial systems design and implementation		12,929
<b>Total Fees</b>	<b>\$1,074,463</b>	<b>\$1,149,904</b>

The audit related fees include reviews of registration statements and related consents and comfort letters. The tax fees include assistance with compliance related and technical research. All other fees in 2008 related to specific non-attest, non-income tax related research. The Audit Committee has concluded that the provision of these non-audit services is compatible with maintaining the accountants' independence.

**Audit Committee Pre-approval Policy and Procedures**

The charter of the Audit Committee provides that the Audit Committee shall approve the fees and any other significant compensation to be paid to the independent accountants, and shall approve in advance any non-audit services to be performed by the independent accountants. Such pre-approval requirement for non-audit services may be waived only if the non-audit services meet a *de minimus* exception allowed by law. Accordingly, it is the Audit Committee's policy that, prior to the engagement of the independent accountants, the Audit Committee shall review and pre-approve all audit and permissible non-audit services to be provided by the independent accountants (including the related fees and other terms of such services).

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In connection with this policy, the following procedures are followed: (i) if applicable, each year the Audit Committee reviews and pre-approves a schedule of services and estimated fees for proposed audit and non-audit services to be provided by the independent accountants during the next annual audit cycle, which schedule is detailed as to the particular services to be performed by the independent accountants; (ii) actual amounts paid to the independent accountants are monitored by financial management of Intrepid and reported to the Audit Committee; (iii) any services proposed to be provided by the independent accountants and the related fees that have not been pre-approved during the annual review by the Audit Committee must be pre-approved by the Audit Committee in advance of any work performed; and (iv) incremental fees for previously approved services that are expected to exceed the previously approved fee estimate must also be pre-approved by the Audit Committee.

**Recommendation of the Board of Directors**

The Board of Directors recommends voting "**FOR**" the ratification of the appointment of KPMG LLP as Intrepid's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2010.

**CORPORATE GOVERNANCE**

**Board of Directors**

The Board of Directors is comprised of a majority of independent directors. The Board of Directors has determined that Terry Considine, J. Landis Martin and Barth E. Whitham are independent directors under the rules of the U.S. Securities and Exchange Commission ("SEC") and the NYSE and do not have any material relationship with Intrepid other than as a director and stockholder of Intrepid. In reaching its conclusions as to the independence of these directors, the Board of Directors considered past employment, remuneration, and all other relationships with Intrepid. The Board of Directors also considered the independence tests described in Section 303A.02 of the Corporate Governance Standards of the NYSE's Listed Company Manual. With respect to Mr. Martin, the Board of Directors considered the investments made by Mr. Jornayvaz and Mr. Harvey in an investment fund controlled by Mr. Martin, each of which constitute less than one percent of the total amount of the fund, and concluded that such investments do not compromise Mr. Martin's independence. The Board of Directors also considered an investment made by Mr. Martin in a real estate investment fund controlled by Mr. Harvey, his wife and his sister, which investment constitutes less than one percent of the total amount of the fund, and concluded that such investment does not compromise Mr. Martin's independence. With respect to Mr. Considine, the Board of Directors considered investments that each of Messrs. Considine and Jornayvaz are expected to make in one or more limited liability companies created to acquire and own residential apartment properties, which limited liability companies would be managed by and controlled by the son of Mr. Considine. Based on the expected size and characteristics of the respective investments to be made by each of Messrs. Considine and Jornayvaz, the Board of Directors concluded that such investments will not compromise the independence of Mr. Considine.

The Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee are each comprised solely of independent directors. The written charters for all three independent committees are available on Intrepid's website at [www.intrepidpotash.com](http://www.intrepidpotash.com). Also available on the website are Intrepid's Corporate Governance Guidelines and Code of Business Conduct and Ethics.

**Board Leadership Structure**

The Board of Directors believes that Intrepid's Chief Executive Officer, Robert P. Jornayvaz III, is best situated to serve as Chairman of the Board because he is the director most familiar with Intrepid's business and industry, and most capable of effectively identifying strategic priorities and leading the

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discussion and execution of strategy. Independent directors and management have different perspectives and roles in strategy development. Intrepid's independent directors bring experience, oversight and expertise from outside the company and industry, while the Chief Executive Officer brings company-specific and industry-specific experience and expertise. At this time, the Board of Directors believes that the combined role of Chairman of the Board and Chief Executive Officer promotes strategy development and execution, and facilitates information flow between management and the Board of Directors, which are essential to effective corporate governance. One of the key responsibilities of the Board of Directors is to develop strategic direction and hold management accountable for the execution of strategy once it is developed. The Board of Directors believes the combined role of Chairman of the Board and Chief Executive Officer, together with an independent Lead Director having the duties described below, is in the best interest of stockholders because it provides the appropriate balance between strategy development and independent oversight of management.

**Lead Director**

J. Landis Martin, an independent director who serves as Chairman of the Audit Committee, was selected by the Board of Directors to serve as the Lead Director for all meetings of the non-management directors held in executive session. The Lead Director has the following responsibilities:

serving as the principal liaison between the non-management directors and the Chairman of the Board and between the Board of Directors and Intrepid's stockholders.

presiding over executive sessions of non-management directors and meetings of independent directors.

presiding at all meetings of the Board of Directors at which the Chairman of the Board is not present.

together with the Chairman of the Board, approving meeting agendas for the Board of Directors and reviewing any materials, as so desired by the Lead Director, that will be distributed to the Board of Directors. The Lead Director may also request that additional materials be distributed to the Board of Directors.

approving meeting schedules to assure that there is sufficient time for discussion of all agenda items.

at his or her discretion, calling meetings of the non-management directors.

if requested by major stockholders, ensuring that he or she is available for consultation and direct communication.

performing such other duties as may from time to time be delegated to the Lead Director by the Board of Directors.

**Risk Management**

Intrepid is exposed to a number of risks and undertakes at least annually a risk management review to identify and evaluate risks and to develop plans to manage them effectively. In 2009, Intrepid initiated an Enterprise Risk Management Program to assist in identifying and quantifying potential risks throughout the organization. Intrepid's Executive Vice President of Human Resources and Risk Management, James N. Whyte, is directly responsible for Intrepid's Enterprise Risk Management function and reports both to the Chairman of the Board and Chief Executive Officer and to Board of Directors in this capacity. In fulfilling his risk management responsibilities, Mr. Whyte works closely with members of senior management, plant managers and others at Intrepid to identify and design programs or procedures to mitigate potential risks where possible.



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The Board of Directors has an active role, as a whole and also at the committee level, in overseeing management of Intrepid's risks. The Board of Directors regularly reviews information regarding Intrepid's liquidity, capital expenditures, cost of goods sold, inventory, product pricing and sales, as well as the associated risks in the potash market. Intrepid's Compensation Committee is responsible for overseeing the management of risks relating to Intrepid's compensation plans and arrangements. The Audit Committee oversees management of financial risks. The Nominating and Corporate Governance Committee manages risks associated with the independence of the Board of Directors and potential conflicts of interest. The Board of Directors oversees management of risks associated with operations, environmental, health and safety. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board of Directors is regularly informed through committee reports about all such risks.

**Communication with the Directors of Intrepid**

Any interested party with concerns about Intrepid may report such concerns to the Lead Director of Intrepid's Board of Directors or the non-management members of Intrepid's Board of Directors, as a group, by submitting a written communication to the Lead Director at the following address:

Lead Director  
c/o Intrepid Potash, Inc.  
707 17th Street, Suite 4200  
Denver, CO 80202  
United States

You may submit your concern anonymously or confidentially by postal mail. You may also indicate whether you are a stockholder, customer, supplier, or other interested party.

A copy of any such written communication will also be forwarded to Intrepid's legal counsel and a copy of such communication will be retained for a reasonable period of time. The Lead Director may discuss the matter with Intrepid's legal counsel, with independent advisors, non-management directors or with Intrepid's management, or may take other action or no action as the Lead Director determines in his or her good faith, judgment and discretion.

The Audit Committee oversees the procedures for the receipt, retention, and treatment of complaints received by Intrepid regarding accounting, internal accounting controls, or audit matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Intrepid has established a toll-free telephone number for the reporting of such activity.

**BOARD AND COMMITTEE MEETINGS**

The full Board of Directors met eight times during 2009. Each director participated in all Board of Directors meetings held during 2009.

It is Intrepid's policy that each director is expected to attend the annual meeting of stockholders. All of the directors attended the annual meeting of stockholders held in May 2009.

The Board of Directors has an Audit Committee, Nominating and Corporate Governance Committee, and a Compensation Committee. The Audit Committee, the Nominating and Corporate Governance Committee, and the Compensation Committee are each comprised solely of independent directors.

Each of these committees and the entire Board of Directors is responsible for separately evaluating their respective performance. The performance evaluation process is to be supervised by and reviewed by the Nominating and Corporate Governance Committee and discussed amongst and approved by the full Board of Directors.

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The following table sets forth the members of each committee, as of December 31, 2009, and the number of meetings held in 2009.

Name of Director	Audit Committee	Nominating and Corporate Governance Committee	Compensation Committee
Terry Considine	X	X*	X
J. Landis Martin	X*	X	X
Barth E. Whitham	X	X	X*
<b>Number of Meetings in 2009</b>	<b>9</b>	<b>5</b>	<b>6</b>

\*  
Chairperson

### **Audit Committee**

The purpose of the Audit Committee is to provide assistance to the Board of Directors in fulfilling its responsibilities to Intrepid and the stockholders relating to the accounting and financial reporting processes and the audit of Intrepid's financial statements. The Audit Committee oversees management's processes and activities related to maintaining the reliability and integrity of Intrepid's accounting policies, financial reporting practices and financial statements; the independent auditor's qualifications and independence; the performance of Intrepid's internal audit function and independent audits; and compliance with laws and regulations and the requirements of any stock exchange or quotation system on which Intrepid's securities may be listed. The Audit Committee is solely responsible for the engagement and discharge of independent auditors and reviews the quarterly and annual financial results. The committee reviews the audit plan and the results of the audit with the independent auditors and reviews the independence of the auditors, the range of audit fees, the scope and adequacy of Intrepid's system of internal accounting controls, and Intrepid's risk management policies. The Audit Committee also has oversight responsibility for the internal audit function of Intrepid, to whom the internal audit department reports. The Audit Committee is currently composed of three directors, each of whom is independent as defined by the NYSE listing standards. The Audit Committee's responsibilities are set forth in its charter, which is reviewed annually and is available on Intrepid's website at [www.intrepidpotash.com](http://www.intrepidpotash.com).

Audit Committee members are prohibited from serving on more than two audit committees of public companies in addition to serving on the Intrepid Audit Committee.

Each of the Audit Committee members are considered financially literate, and the Board of Directors has determined that each of the three members of the Audit Committee, Terry Considine, J. Landis Martin and Barth E. Whitham, are "audit committee financial experts" as the term is defined by SEC rules.

### **Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee's purpose is to review the overall composition of the Board of Directors, to identify individuals qualified to become Board of Directors members, and to recommend to the Board of Directors the director nominees for the next annual meeting. The committee oversees the evaluation of the Board of Directors and management succession plans, and reviews from time to time Intrepid's policies and practices on corporate governance including the Corporate Governance Guidelines applicable to Intrepid and to recommend the Board of Directors such changes, as it may deem necessary. Additionally, the Nominating and Corporate Governance Committee is responsible for the periodic review and recommendation to the Board of Directors of the compensation structure for the non-employee directors for Board of

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Directors and committee service. The Nominating and Corporate Governance Committee's responsibilities are set forth in its charter, which is reviewed annually and is available on Intrepid's website at [www.intrepidpotash.com](http://www.intrepidpotash.com).

**Compensation Committee**

The purposes of the Compensation Committee are to assist the Board of Directors in discharging its responsibilities relating to compensation of Intrepid's executives; to administer Intrepid's equity incentive plans (other than any such plan applicable only to non-employee directors); to have overall responsibility for evaluating and approving (or recommending for approval to the Board of Directors) all compensation plans, policies and programs of Intrepid that affect the executive officers of Intrepid. The "Compensation Discussion and Analysis" describes these responsibilities and the manner in which they are discharged. The Compensation Committee's responsibilities are set forth in its charter, which is reviewed annually and is available on Intrepid's website at [www.intrepidpotash.com](http://www.intrepidpotash.com).

**Director Designation and Voting Agreement**

On April 25, 2008, Intrepid, Harvey Operating and Production Company ("HOPCO"), Intrepid Production Corporation ("IPC") and Potash Acquisition, LLC ("PAL") executed a Director Designation and Voting Agreement. On November 14, 2008, PAL distributed its shares of Intrepid common stock to its members, and accordingly, its rights under the Director Designation and Voting Agreement terminated automatically.

Pursuant to the terms of the Director Designation and Voting Agreement, each of HOPCO and IPC has agreed to designate one candidate for nomination and election to Intrepid's Board of Directors and to vote their shares in favor of the other's candidate. Intrepid has agreed to use its best efforts to assure that such designees are included in the slate of nominees to the Board of Directors and recommended for election. Pursuant to the terms of the Director Designation and Voting Agreement, Intrepid shall not take any action to change the size of the Board of Directors to exceed seven members, without the prior consent of IPC and HOPCO, subject to any limitations imposed by the rules of the New York Stock Exchange. IPC and HOPCO, together with shares beneficially owned by Messrs. Jornayvaz and Harvey in the aggregate own approximately 39.8 percent of Intrepid's issued and outstanding common stock as of March 15, 2010. The directors currently serving on Intrepid's Board of Directors under the Director Designation and Voting Agreement are Hugh E. Harvey, Jr. (nominated by HOPCO) and Robert P. Jornayvaz III (nominated by IPC), both of whom are Class III directors whose terms expire in 2011. The rights and obligations under the Director Designation and Voting Agreement are not transferable upon sale or other transfer of common stock by IPC or HOPCO except to any affiliate of IPC or HOPCO. The agreement will terminate with respect to any stockholder party and its affiliates when their collective beneficial ownership falls below five percent of Intrepid's outstanding common stock.

Under the Director Designation and Voting Agreement, each of HOPCO and IPC has also agreed, except in the case of a transfer to each other, their affiliates or a public tender offer, to not knowingly sell shares of its common stock to any person if the result of that sale would be that the purchaser of such shares would own, directly or indirectly, five percent or more of Intrepid's outstanding common stock.

Other than the Director Designation and Voting Agreement, there are no arrangements or understandings between any director and any other person pursuant to which that director was or is to be elected.

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**COMPENSATION COMMITTEE REPORT**

*The following report of the Compensation Committee is not "soliciting material," is not deemed "filed" with the U.S. Securities and Exchange Commission and is not to be incorporated by reference into any other of Intrepid's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent we specifically incorporate this report by reference therein.*

The Compensation Committee is and has been comprised solely of non-employee directors who were each: (i) independent as defined under the NYSE rules, (ii) a non-employee director for purposes of Rule 16b-3 of the Exchange Act, and (iii) an outside director for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Compensation Committee has reviewed and discussed the "Compensation Discussion and Analysis" required by Item 402(b) of Regulation S-K with management. Based on such review and discussions, the compensation committee recommended to the Board of Directors that the "Compensation Discussion and Analysis" be included in this Proxy Statement on Schedule 14A and incorporated by reference in Intrepid's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

THE COMPENSATION COMMITTEE OF THE  
BOARD OF DIRECTORS OF INTREPID POTASH, INC.

Barth E. Whitham, Chairman  
Terry Considine  
J. Landis Martin

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

There are no interlocking relationships between any members of our Compensation Committee or our Nominating and Corporate Governance Committee and any of our executive officers that would require disclosure under the applicable rules promulgated under the U.S. federal securities laws.

**COMPENSATION DISCUSSION AND ANALYSIS**

The following discussion and analysis of the compensation arrangement of our chief executive officer, chief financial officer, and our three other most highly compensated officers (the "named executive officers") should be read together with the tables and related disclosures set forth below under the heading entitled "Summary Compensation Table."

**Executive Summary**

*2009 in Review*

The 2009 fiscal year was challenging for many companies, including Intrepid, due to the global financial crisis and recession. We believe that we successfully managed the challenges presented by the business environment in 2009 and took significant actions during the year that enabled us to maintain our strong competitive position. While our fiscal 2009 revenues declined approximately 27 percent from fiscal 2008, we were able to maintain a healthy balance sheet, ending the year with \$107 million of cash and investments and no debt, and move forward with certain strategic capital improvement projects. We designed our executive compensation program to attract, retain, m