HELIX ENERGY SOLUTIONS GROUP INC
Form DEF 14A
March 24, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the registrant x 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))**
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to Section 240.14a-12

HELIX ENERGY SOLUTIONS GROUP, INC.

(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):

x 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:

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¨ Fee paid previously with preliminary materials.

¨ 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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March 24, 2015

Dear Shareholder:

You are cordially invited to join us for our 2015 Annual Meeting of Shareholders to be held on Thursday, May 7, 2015 at 10:00 a.m. at Helix Energy Solutions Group, Inc. s corporate office, 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043. **Beginning at 9:30 a.m., employees and officers will be available to provide information about 2014 developments.**

The materials following this letter include the formal Notice of Annual Meeting of Shareholders and the proxy statement. The proxy statement describes the business to be conducted at the meeting, including the election of three directors; the ratification of the selection of Ernst & Young LLP as our independent auditors for the 2015 fiscal year; and the approval on a non-binding advisory basis of the 2014 compensation of our named executive officers. At the meeting, we will also report on industry matters of current interest to our shareholders, and you will have an opportunity to meet with some of our directors and officers.

We have elected to furnish proxy materials to our shareholders on the Internet pursuant to rules adopted by the Securities and Exchange Commission. We believe these rules enable us to provide you with the information you need, while making delivery more efficient, more cost effective and friendlier to the environment. In accordance with these rules, we have sent a Notice of Availability of Proxy Materials to each of our shareholders.

Whether you own a few or many shares of our stock, it is important that your shares be represented. Regardless of whether you plan to attend the Annual Meeting in person, please take a moment now to vote your proxy over the Internet, by telephone, or if this statement was mailed to you, by completing and signing the enclosed proxy card and promptly returning it in the envelope provided. The Notice of Annual Meeting of Shareholders on the inside cover of this proxy statement includes instructions on how to vote your shares.

The officers and directors of Helix appreciate and encourage shareholder participation. We look forward to seeing you at the Annual Meeting.

Sincerely,

Owen Kratz

President and Chief Executive Officer

Important notice regarding the availability of proxy materials

for the Annual Meeting of Shareholders to be held on May 7, 2015

The Helix Energy Solutions Group, Inc. Proxy Statement and Annual Report on Form 10-K for the

fiscal year ended December 31, 2014 are available electronically at www.Helixesg.com/annualmeeting

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HELIX ENERGY SOLUTIONS GROUP, INC.

NOTICE OF ANNUAL MEETING

OF SHAREHOLDERS

DATE:	Thursday, May 7, 2015
TIME:	10:00 a.m. Central Daylight Time (Houston Time)
PLACE:	Helix Energy Solutions Group, Inc. s Corporate Office 3505 West Sam Houston Parkway North, Suite 400 Houston, Texas 77043
ITEMS OF BUSINESS:	1. To elect three Class II directors to serve a three-year term expiring at the Annual Meeting of Shareholders in 2018 or, if at a later date, until their successors are elected and qualified. 2. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. 3. To approve, on a non-binding advisory basis, the 2014 compensation of our named executive officers. 4. To consider any other business that may properly be considered at the Annual Meeting or any adjournment thereof.
RECORD DATE:	You may vote at the Annual Meeting if you were a holder of record of our common stock at the close of business on March 9, 2015.
VOTING BY PROXY:	In order to avoid additional solicitation expense to us, please vote your proxy as soon as possible, even if you plan to attend the Annual Meeting. Shareholders of record can vote by one of the following methods: 1. CALL (866) 883-3382 to vote by telephone any time up to 12:00 noon Central Daylight Time on May 6, 2015; OR 2. GO TO THE WEBSITE: www.proxypush.com/hlx to vote over the Internet any time up to 12:00 noon Central Daylight Time on May 6, 2015; OR 3. IF PRINTED PROXY MATERIALS WERE MAILED TO YOU, MARK, SIGN, DATE AND RETURN your proxy card in the enclosed postage-paid envelope. If you are voting by telephone or the Internet, please do not mail your proxy card.
IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE	**The proxy statement and 2014 Annual Report to Shareholders (including our Annual Report on Form 10-K) for the fiscal year ended December 31, 2014 are also available at www.Helixesg.com/annualmeeting.**

SHAREHOLDER MEETING TO BE HELD ON MAY 7, 2015:

By Order of the Board of Directors,

Alisa B. Johnson
Executive Vice President, General Counsel and Corporate Secretary

Houston, Texas
March 24, 2015

YOUR VOTE IS IMPORTANT

(i)

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HELIX ENERGY SOLUTIONS GROUP, INC.

3505 West Sam Houston Parkway North, Suite 400

Houston, Texas 77043

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 7, 2015

The Board of Directors of Helix Energy Solutions Group, Inc., a Minnesota corporation that is referred to herein as Helix, the Company, we, us, or our, is soliciting your proxy to vote at the 2015 Annual Meeting of Shareholders (Annual Meeting) on Thursday, May 7, 2015. This proxy statement contains information about the items being voted on at the Annual Meeting and information about Helix. Please read it carefully.

The Annual Meeting will be held at Helix Energy Solutions Group, Inc. s corporate office, 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043. The Board of Directors of Helix (the board) has set March 9, 2015 as the record date for the Annual Meeting. There were 105,909,633 shares of Helix s common stock outstanding on the record date.

If you attend the Annual Meeting, please note that you may be asked to present valid picture identification. Cameras, recording devices and other electronic devices may not be permitted at the meeting other than those operated by Helix or its designees.

As permitted by the Securities and Exchange Commission (SEC) rules, we are making this proxy statement and our 2014 Annual Report available to our shareholders electronically via the Internet. On or about March 24, 2015, we intend to mail to our shareholders a Notice of Internet Availability of Proxy Materials (Notice). The Notice contains instructions on how to vote online, by telephone or, in the alternative, how to request a paper copy of the proxy materials and a proxy card. By providing the Notice and access to our proxy materials via the Internet, we are lowering the costs and reducing the environmental impact of our Annual Meeting.

GENERAL INFORMATION

1. Why am I receiving these materials?

We are providing these proxy materials to you in connection with our Annual Meeting, to be held on Thursday, May 7, 2015 at 10:00 a.m. at Helix s corporate office, 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043, and all

reconvened meetings after adjournments thereof. As a shareholder of Helix, you are invited to attend the Annual Meeting and are entitled and requested to vote on the proposals described in this proxy statement.

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GENERAL INFORMATION

2. What proposals will be voted on at the Annual Meeting?

Three matters are currently scheduled to be voted on at the Annual Meeting.

1. First is the election of three Class II directors to our board, to serve a three-year term expiring at the Annual Meeting of Shareholders in 2018 or, if at a later date, until their successors are elected and qualified.

2. Second is the ratification of the selection by our Audit Committee of the board of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.
3. Third is the approval, on a non-binding advisory basis, of the 2014 compensation of our named executive officers.

Although we do not expect any other items of business, we will also consider other business that properly comes before the Annual Meeting in accordance with Minnesota law and our By-laws. The Chair of the Annual Meeting may refuse to allow the presentation of a proposal or a nomination for the board from the floor of the Annual Meeting if the proposal or nomination is not properly submitted.

3. Who may vote at the Annual Meeting?

The board has set March 9, 2015 as the record date for our Annual Meeting. Owners of Helix common stock whose shares are recorded directly in their name in our stock register (shareholders of record) at the close of business on March 9, 2015 may vote their shares on the matters to be acted upon at the Annual Meeting. Shareholders who, as of March 9, 2015, hold shares of our common stock in street name, that is, through an

account with a broker, bank or other nominee, may direct the holder of record how to vote their shares at the Annual Meeting by following the instructions you will receive from the holder of record for this purpose. You are entitled to one vote for each share of common stock you held on the record date on each of the matters presented at the Annual Meeting.

4. How does the board recommend that I vote and what are the voting standards?

Voting Item	Our Board s Voting Recommendations	Voting Standard to Approve Proposal (assuming a quorum is present)	Treatment of: Abstentions	Treatment of: Broker Non-Votes
1. Election of Directors	FOR each nominee	Plurality Voting Standard: The three nominees receiving the greatest number of votes cast	Withhold authority or abstentions not counted as votes cast and as such have no effect[(a)]	Not counted as votes cast and as such have no effect; brokers may not vote on this proposal absent instructions
2. Ratification of Public Accounting Firm	FOR	Majority of Votes Cast: Votes that shareholders cast for must exceed the votes that shareholders cast against	Counted as votes against	Not counted as votes cast and as such have no effect; brokers may vote without restriction on this proposal
3. Advisory Approval of the 2014 Compensation for Named Executive Officers[(b)]	FOR	Majority of Votes Cast: Votes that shareholders cast for must exceed the votes that shareholders cast against	Counted as votes against	Counted as votes against

(a) If any nominee receives a greater number of withhold authority votes than votes for his election, then that nominee is to promptly tender his resignation, which the board, upon the recommendation of the Corporate Governance and Nominating Committee, will decide to accept or decline.

(b) Because this shareholder vote is advisory, the vote will not be binding on the board or Helix. The Compensation Committee, however, will review the voting results and take them into consideration when making future compensation decisions for our executive officers.

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5. If I received a notice in the mail regarding Internet availability of the proxy materials instead of a paper copy of the proxy materials, why was that the case?

We are using the notice and access process permitted by the SEC to distribute proxy materials to certain shareholders. This process allows us to post proxy materials on a designated website and notify shareholders of the availability of the proxy materials on that website. As such, we are furnishing proxy materials, including this proxy statement and our 2014 Annual Report, by providing access to those documents on the Internet for most shareholders instead of mailing paper copies. The Notice, which is

being mailed to most of our shareholders, describes how to access and review all of the proxy materials on the Internet. The Notice also describes how to vote via the Internet. If you would like to receive a paper copy by mail or an electronic copy by e-mail of our proxy materials, you should follow the instructions in the Notice for requesting those materials. Your request to receive your future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the impact on the environment.

6. Can I vote my shares by filling out and returning the Notice of Internet Availability of Proxy Materials?

No. The Notice identifies the matters to be voted on at the Annual Meeting, but you cannot vote by marking the Notice and returning it.

7. How do I vote my shares and obtain directions to the Annual Meeting?

You may either vote your shares in person at the Annual Meeting or designate another person to vote the shares you own. That other person is called a proxy, and you may vote your shares by means of a proxy using one of the following methods of voting if you are a shareholder of record:

electronically using the Internet,
by telephone, or
if this proxy statement was mailed to you, by signing and dating the enclosed proxy card and returning it in the prepaid envelope.

The instructions for these three methods are set forth on the Notice (which immediately follows the Table of Contents) and also on the proxy card. If you return your signed proxy card but do not mark the boxes showing how you wish to vote, your shares will be voted as recommended by our board. The giving of such proxy does not affect your right to vote in person if you attend the Annual Meeting.

Directions to the Annual Meeting can be obtained at www.Helixesg.com/annualmeeting or by calling (888) 345-2347.

8. Am I a shareholder of record?

Shareholder of Record. If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., Shareowner Services (Well Fargo), you are considered a shareholder of record with respect to those shares and the Notice is being sent directly to you by Wells Fargo. As a shareholder of record, you may vote in person at the Annual Meeting or vote by proxy. To vote your shares at the Annual Meeting you should bring proof of identification. Whether or not you plan to attend the Annual Meeting, we urge you to vote via the Internet, by telephone, or by completing, signing and returning the proxy card.

Beneficial Owner. If, however, like most shareholders of Helix, you hold your shares in street name through a broker, bank or other nominee rather than directly in

your own name, you are considered the beneficial owner of those shares, and the Notice is being forwarded to you by the record holder. If you are a beneficial owner, you may appoint proxies and vote as provided by that broker, bank or other nominee. The availability of telephone or Internet voting will depend upon the voting process of the broker, bank or other nominee. You should follow the voting directions provided by your broker, bank or other nominee. If you provide specific voting instructions in accordance with the directions provided by your broker, bank or other nominee, your shares will be voted by such party as you have directed. The organization that holds your

shares, however, is considered the shareholder of record for purposes of voting at the Annual Meeting.

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GENERAL INFORMATION

Accordingly, you may vote shares held in street name at the Annual Meeting only if you (a) obtain a signed legal proxy from the record holder (broker, bank or other nominee) giving you the right to vote the shares and (b) provide an account statement or letter from that nominee showing that you were the beneficial owner of the shares on the record date. If your shares are not

registered in your name and you plan to attend the Annual Meeting and vote your shares in person, you should contact your broker, bank or other nominee in whose name your shares are registered to obtain a proxy executed in your favor and bring it to the Annual Meeting.

9. May I change my vote?

Yes, if you are a shareholder of record, you may change your vote and revoke your proxy by:

- sending a written statement to that effect to the Corporate Secretary of Helix,
- submitting a properly signed proxy card with a later date, or
- voting in person at the Annual Meeting.

If you hold shares in street name, you must follow the procedures required by the holder of record your broker, bank or other nominee to revoke or change a proxy. You should contact the shareholder of record directly for more information on these procedures.

10. What is a quorum?

A majority of Helix s outstanding common shares as of the record date must be present at the Annual Meeting in order to hold the meeting and conduct business. This is called a quorum. Shares are counted as present at the Annual Meeting if a shareholder:

- is present in person at the Annual Meeting, or
- has properly submitted a proxy (either by written proxy card or by voting on the Internet or by telephone).

Proxies received but marked as abstentions or withholding authority, if any, and broker non-votes, will be included in the calculation of the number of shares considered to be present at the meeting for quorum purposes.

11. What are broker non-votes and abstentions?

If you are the beneficial owner of shares held in street name by a broker, bank or other nominee, then the broker, bank or other nominee, as shareholder of record, is required to vote those shares in accordance with your instructions. If you do not give instructions to the broker, bank or other nominee, then it will have discretion to vote the shares with respect to routine matters, such as the ratification of the selection of an independent registered public accounting firm, but will not be permitted to vote with respect to non-routine matters, such as the election of directors and the approval, on a non-binding advisory basis, of the 2014 compensation of our named executive officers.

Accordingly, if you do not instruct your broker, bank or other nominee on how to vote your shares with respect to these non-routine matters, your shares will be broker non-votes with respect to those proposals.

An abstention is a decision by a shareholder to take a neutral position on a proposal being submitted to shareholders at a meeting. Taking a neutral position through an abstention is considered a vote cast on a proposal being submitted at a meeting as described in question 4 above.

12. How many shares can vote?

On the record date, there were 105,909,633 shares of Helix common stock outstanding and entitled to vote at the Annual Meeting held by approximately 28,700 beneficial owners. These are the only securities

entitled to vote at the Annual Meeting. Each holder of a share of common stock is entitled to one vote for each share held.

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13. What happens if additional matters are presented at the Annual Meeting?

Other than the election of three Class II directors, the ratification of the selection of Ernst & Young LLP as our independent auditors for the 2015 fiscal year and an advisory, non-binding approval of the 2014 compensation of our named executive officers, we are not aware of any other business to be acted upon at the Annual Meeting.

If you grant a proxy, other than the proxy held by the shareholder of record if you are the beneficial owner and hold your shares in street name, the persons named as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting in accordance with Minnesota law and our By-laws.

14. What if I don t give specific voting instructions?

Shareholders of Record. If you are the shareholder of record and you return a signed proxy card but do not indicate how you wish to vote, then your shares will be voted in accordance with the recommendations of our board on all matters presented in this proxy statement and as the proxy holders may determine in their discretion regarding any other matters properly presented for a vote at the Annual Meeting. If you indicate a choice with respect to any matter to be acted upon on your proxy card, the shares will be voted in accordance with your instructions.

Beneficial Owners. If you are a beneficial owner and hold your shares in street name and do not provide your broker, bank or other nominee with voting instructions, the broker, bank or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under applicable rules, brokers bankers and other nominees have the discretion to

vote on routine matters, such as the ratification of the selection of an independent registered public accounting firm, but do not have discretion to vote on non-routine matters, such as the election of directors and the approval, on a non-binding advisory basis, of the 2014 compensation of our named executive officers.

Your vote is especially important. If your shares are held by a broker, bank or other nominee, your broker, bank or other nominee cannot vote your shares for the election of directors and the approval, on a non-binding advisory basis, of the 2014 compensation of our named executive officers unless you provide voting instructions. Therefore, please promptly instruct your broker, bank or other nominee regarding how to vote your shares regarding these matters.

15. Is my vote confidential?

Proxy cards, proxies delivered by Internet or telephone, ballots and voting tabulations that identify individual shareholders are mailed or returned directly to Wells Fargo as the independent inspector of election

and handled in a manner that protects your voting privacy. As the independent inspector of election, Wells Fargo will count the votes.

16. May shareholders ask questions at the Annual Meeting?

Yes. During the Annual Meeting shareholders may ask questions or make remarks directly related to the matters being voted on. In order to ensure an orderly meeting, we ask that shareholders direct questions and comments to the Chairman. In order to provide this opportunity to every shareholder who wishes to speak,

the Chairman may limit each shareholder s remarks to two minutes. In addition, beginning at 9:30 a.m., our employees and officers will be available to provide information about 2014 developments and to answer questions of more general interest regarding Helix.

17. What does it mean if I receive more than one proxy card?

It means you hold shares registered in more than one account. To ensure that all your shares are voted, please follow the instructions and vote the shares represented by each such card. To avoid this situation in the future, we encourage you to have all accounts

registered in the same name and address whenever possible. For shares held directly by you, you can do this by contacting our transfer agent, Wells Fargo, at (800) 468-9716.

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GENERAL INFORMATION

18. Who will count the votes?

We have hired a third party, Wells Fargo, to judge the voting, be responsible for determining whether or not a quorum is present, and tabulate votes cast by proxy or in person at the Annual Meeting.

19. Who will bear the cost for soliciting votes for the Annual Meeting?

We will bear all expenses in conjunction with the solicitation of proxies, including the charges of brokerage houses and other custodians, nominees or fiduciaries for forwarding documents to beneficial owners; provided, however, we will not bear any costs

related to an individual shareholder s use of the Internet or telephone to cast their vote. Proxies may be solicited by mail, in person, or by telephone or by facsimile by certain of our officers, directors and regular employees, without extra compensation.

20. How do I find out the results of the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting and posted on our website under *Investor Relations* at www.Helixesg.com.

The final voting results will be reported in a Current Report on Form 8-K filed in accordance with SEC rules.

21. Whom should I call with other questions?

If you have additional questions about this proxy statement or the Annual Meeting, or would like additional copies of this proxy statement or our 2014 Annual Report to Shareholders (including our Annual

Report on Form 10-K), please contact the Corporate Secretary, Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043, telephone: (281) 618-0400.

22. How may I communicate with Helix s Board of Directors?

Interested parties may send communications in care of the Corporate Secretary, Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043. Please indicate

whether your message is for our board as a whole, or a particular group or committee of directors, or an individual director.

23. When are shareholder proposals for the 2016 Annual Meeting of Shareholders due?

All shareholder proposals must be submitted *in writing* to the Corporate Secretary, Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043. Any shareholder who intends to present a proposal at the 2016 Annual Meeting of Shareholders must deliver the proposal to us so that it is received no later than November 25, 2015, to have the proposal included in our proxy materials for that meeting. Shareholder proposals must also meet other requirements of the Securities Exchange Act of 1934, as amended (Exchange Act), to be eligible for inclusion.

In addition, our By-laws permit shareholders to propose business to be considered and to nominate directors for election by the shareholders. To propose business or to nominate a director at the 2016 Annual Meeting of Shareholders, shareholders must deliver a notice to Helix s Corporate Secretary prior to February 7, 2016 setting forth the name of the nominee and all information required to be disclosed in solicitations of proxies or otherwise required pursuant to Regulation 14A under the Exchange Act together with such person s written consent to serve as a director if elected.

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PROPOSAL 1: ELECTION OF DIRECTORS

Three directors are to be elected at the Annual Meeting. The board has proposed three nominees, T. William Porter, Anthony Tripodo and James A. Watt, to stand for election as Class II directors to the board to serve a three-year term until the Annual Meeting of Shareholders in 2018 or, if at a later date, until their successors are elected and qualified. Mr. Porter and Mr. Watt are currently serving as Class II directors.

The nominees have agreed to be named in this proxy statement and have indicated a willingness to continue to serve if elected. The Corporate Governance and Nominating Committee of the board has determined that each of the nominees qualifies for election under its criteria for the evaluation of directors and nominated the candidates for election. If a nominee becomes unable to serve before the election, the shares represented by proxies may be voted for a substitute designated by the board, unless a contrary instruction is indicated on the proxy card. The board has no reason to believe that any of the nominees will become unavailable. The board has affirmatively determined that Mr. Porter and Mr. Watt qualify as independent as that term is defined under NYSE Rule 303A and applicable rules promulgated by the SEC.

Unless otherwise instructed, the persons named as proxies will vote all proxies received **FOR** the election of each person named as nominee below as a Class II director for a term of three years, until the Annual Meeting of Shareholders in 2018 or, if at a later date, until his respective successor is elected and qualified. There is no cumulative voting in the election of directors and the Class II directors will be elected by a plurality of the votes cast at the Annual Meeting.

In the section below, we provide the name and biographical information about each of the Class II nominees and each other member of the board. Age and other information in the director s biographical information are as of March 9, 2015. Information about the number of shares of our common stock beneficially owned by each director as of March 9, 2015 appears below under the heading Share Ownership Information Management Shareholdings on page 52.

There are no family relationships among any of our directors, nominees for director or executive officers.

Board of Directors Recommendation

The board recommends that you vote FOR the nominees to the Board of Directors set forth in this Proposal 1.

Vote Required

Election of each director requires the affirmative vote of a plurality of the shares of common stock present or represented and entitled to vote at the Annual Meeting. This means the three nominees receiving the greatest number of votes cast by the holders of our common stock entitled to vote on the matter will be elected as directors.

Under the Corporate Governance Guidelines for the board, any of the nominees for director who receives a greater number of withhold authority than for votes for his election is required to promptly tender his resignation. That resignation is to be considered by the Corporate Governance and Nominating Committee, which is to make its recommendation to the full board. The board is to act upon the committee s recommendation within 90 days of the shareholder vote, and the board s decision (and if the board should decline to accept the resignation, the reasons therefor) will be disclosed in a Current Report on Form 8-K.

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PROPOSAL 1: ELECTION OF DIRECTORS

Information about Nominees for Class II Directors

T. William Porter	Director since 2004
Chairman Emeritus	age 73
Porter Hedges, L.L.P.	

Mr. Porter has served as a director since March 2004. He is the Chairman Emeritus and a retired partner of Porter Hedges, L.L.P., a Houston law firm formed in 1981. He was a founding partner of that firm, and for the 10 years prior to his retirement at the end of 2009, he also served as Chairman of Porter Hedges. Mr. Porter graduated with a B.B.A. in finance from Southern Methodist University in 1963 and received his law degree from Duke University in 1966. As a result of his professional experiences, Mr. Porter possesses particular knowledge and expertise in legal and regulatory matters including public reporting requirements, corporate governance and regulatory matters, and other aspects of the operation and administration of business entities that strengthen the board s collective qualifications, skills and experience.

Anthony Tripodo	Director Nominee
Chief Financial Officer	age 62
Helix Energy Solutions Group, Inc.	

Anthony Tripodo was elected as Executive Vice President and Chief Financial Officer of Helix on June 25, 2008. Mr. Tripodo oversees the finance, treasury, accounting, tax, information technology and corporate planning functions. Mr. Tripodo was a director of Helix from February 2003 until June 2008. Prior to joining Helix, Mr. Tripodo was the Executive Vice President and Chief Financial Officer of Tesco Corporation. From 2003 through the end of 2006, he was a Managing Director of Arch Creek Advisors LLC, a Houston based investment banking firm. From 1997 to 2003, Mr. Tripodo was Executive Vice President of Veritas DGC, Inc., an international oilfield service company specializing in geophysical services, including serving as Executive Vice President, Chief Financial Officer and Treasurer of Veritas from 1997 to 2001. Previously, Mr. Tripodo served 16 years in various executive capacities with Baker Hughes, including serving as Chief Financial Officer of both the Baker Performance Chemicals and Baker Oil Tools divisions. Mr. Tripodo also has served as a director of three publicly-traded companies in the oilfield services industry in addition to his prior service as a director of Helix. He graduated Summa Cum Laude with a Bachelor of Arts degree from St. Thomas University (Miami). As a result of his professional experience, Mr. Tripodo possesses industry and company specific knowledge, financial and capital markets acumen, experience on other corporate boards, and leadership and operational experience in the context of an international publicly traded organization.

James A. Watt	Director since 2006
Chief Executive Officer and President	age 65
Dune Energy, Inc.	

Mr. Watt has served as a director since July 2006. Mr. Watt has been Chief Executive Officer, President and a director of Dune Energy, Inc., an oil and gas exploration and development company since April 2007. On March 8, 2015, Dune Energy filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Western District of Texas. He served as Chairman and Chief Executive Officer of Maverick Oil and Gas, Inc., an independent oil and gas exploration and production company from August 2006 until March 2007. Mr. Watt was the Chief

Executive Officer of Remington Oil and Gas Corporation from February of 1998 and the Chairman of Remington from May 2003, until Helix acquired Remington in July 2006. Mr. Watt also served on Remington s Board of Directors from September 1997 to July 2006. Mr. Watt served as a director of Pacific Energy Resources, Ltd. from May 2006 until January 2010. Mr. Watt has served on the board of Bonanza Creek Energy, Inc. since August 2012. He graduated from Rensselaer Polytechnic Institute with a Bachelor of Science in physics. As a result of his professional experiences, Mr. Watt possesses particular knowledge and experience in oil and gas exploration and production and the risks and volatile economic conditions inherent in that industry. Mr. Watt also possesses knowledge in the leadership of complex organizations and other areas related to the operation of a major corporation that strengthen the board s collective qualifications, skills and experience.

Information about Continuing Directors

Class I Directors Term Expiring in 2016:

Owen Kratz Director since 1990
Chairman of the Board, President and Chief Executive Officer age 60
Helix Energy Solutions Group, Inc.

Mr. Kratz is President and Chief Executive Officer of Helix. He was named Executive Chairman in October 2006 and served in that capacity until February 2008 when he resumed the position of President and Chief Executive Officer. He was appointed Chairman in May 1998 and served as Helix s Chief Executive Officer from April 1997 until October 2006. Mr. Kratz served as President from 1993 until February 1999, and has served as a Director since 1990. He served as Chief Operating Officer from 1990 through 1997. Mr. Kratz joined Cal Dive International, Inc. (now known as Helix) in 1984 and held various offshore positions, including saturation diving supervisor, and management responsibility for client relations, marketing and estimating. From 1982 to 1983, Mr. Kratz was the owner of an independent marine construction company operating in the Bay of Campeche. Prior to 1982, he was a superintendent for Santa Fe and various international diving companies, and a diver in the North Sea. From February 2006 to December 2011, Mr. Kratz was a member of the Board of Directors of Cal Dive International, Inc., a publicly-traded company, which was formerly a subsidiary of Helix. Mr. Kratz has a Bachelor of Science degree from State University of New York (SUNY).

John V. Lovoi Director since 2003
Managing Partner age 54
JVL Partners

Mr. Lovoi has served as a director since February 2003. He is a founder and Managing Partner of JVL Partners, a private oil and gas investment partnership. Mr. Lovoi served as head of Morgan Stanley s global oil and gas investment banking practice from 2000 to 2002 and was a leading oilfield services and equipment research analyst for Morgan Stanley from 1995 to 2000. Prior to joining Morgan Stanley in 1995, he spent two years as a senior financial executive at Baker Hughes and four years as an energy investment banker with Credit Suisse First Boston. Mr. Lovoi also serves as Chairman of the Board of Directors of Dril-Quip, Inc., a provider of offshore drilling and production equipment to the global oil and gas business. Mr. Lovoi graduated from Texas A&M University with a Bachelor of Science degree in chemical engineering and received an M.B.A. from the University of Texas. As a result of these professional experiences, Mr. Lovoi possesses particular financial knowledge and experience in financial matters including capital market transactions, strategic financial planning (including risk assessment), and analysis that strengthen the board s collective qualifications, skills and experience.

Jan Rask Director since 2012
Independent Investor age 59

Jan Rask has been an independent investor since July 2007. Mr. Rask was President, Chief Executive Officer and Director of TODCO from July 2002 to July 2007. Mr. Rask was Managing Director, Acquisitions and Special Projects, of Pride International, Inc., a contract drilling company, from September 2001 to July 2002. From July 1996, Mr. Rask was President, Chief Executive Officer and a director of Marine Drilling Companies, Inc., a contract drilling company, until the acquisition of Marine

Drilling Companies, Inc. by Pride International, Inc. Mr. Rask served as President and Chief Executive Officer of Arethusa (Off-Shore) Limited from May 1993 until the acquisition of Arethusa (Off-Shore) Limited by Diamond Offshore Drilling, Inc. in May 1996. Mr. Rask joined Arethusa Offshore, (ASE) Limited s principal operating subsidiary in 1990 as its President and Chief Executive Officer. Mr. Rask holds a Bachelor of Economics and Business Administration from the Stockholm School of Economics and Business Administration. Mr. Rask has worked in the shipping and offshore industry for approximately 30 years and has held a number of positions of progressive responsibility in finance, chartering and operations. Mr. Rask possesses particular knowledge and experience in the offshore oil and gas contract drilling industry. Mr. Rask also has extensive knowledge in international operations, leadership of complex organizations and other aspects of operating a major corporation that strengthen the board s collective qualifications, skills and experience.

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PROPOSAL 1: ELECTION OF DIRECTORS

Class III Directors Term Expiring in 2017:

Nancy K. Quinn Director since 2009
Independent Energy Consultant age 61

Ms. Quinn has served as a director since February 2009. Ms. Quinn has been an independent energy consultant since July 1996 and resides in Key Biscayne, Florida. Ms. Quinn provides senior financial and strategic advice, primarily to clients in the energy and natural resources industries. Ms. Quinn has worked in the financial industry for over 30 years, specializing in financial restructuring, strategic advice, and mergers and acquisitions for a broad range of energy and natural resource companies. Ms. Quinn gained extensive experience in independent exploration and production, as well as in diversified natural gas and oilfield service sectors, while holding leadership positions at such firms as PaineWebber Incorporated and Kidder, Peabody & Co. Incorporated, as well as energy industry private equity investment and mergers and acquisitions experience in a senior advisory role with Beacon Group. Ms. Quinn currently serves as a director and chair of the audit committee of Endeavour International Corporation, an international oil and gas exploration and production company, and serves as lead director and chair of the audit committee of Atmos Energy Corporation, a natural gas distribution, intrastate pipeline and marketing company. Ms. Quinn was also previously a member of the boards of Louis Dreyfus Natural Gas and Deep Tech International. Ms. Quinn graduated with a Bachelor of Fine Arts degree from Louisiana State University and an M.B.A. from the University of Arkansas. As a result of her professional experiences, Ms. Quinn possesses particular knowledge and experience in accounting and finance, including experience with capital market transactions and investments. Ms. Quinn also possesses knowledge in strategic planning and capital markets, as well as corporate governance experience as a board leader in several public companies that strengthen the board s collective qualifications, skills and experience.

William L. Transier Director since 2000
Chairman of the Board age 60
Endeavour International Corporation

Mr. Transier has served as a director since October 2000. He is founder and serves as Chairman of the Board of Endeavour International Corporation, an international oil and gas exploration and production company. He served until December 2014 as Chief Executive Officer and President of Endeavour and as its Co-Chief Executive Officer from its formation in February 2004 through September 2006. On October 10, 2014, Endeavour filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. Mr. Transier served as Executive Vice President and Chief Financial Officer of Ocean Energy, Inc. from March 1999 to April 2003, when Ocean Energy merged with Devon Energy Corporation. From September 1998 to March 1999, Mr. Transier served as Executive Vice President and Chief Financial Officer of Seagull Energy Corporation when Seagull Energy merged with Ocean Energy. From May 1996 to September 1998, he served as Senior Vice President and Chief Financial Officer of Seagull Energy Corporation. Prior thereto, Mr. Transier served in various roles including partner in the audit department of KPMG LLP from June 1986 to April 1996. Since August 2014 Mr. Transier has been a member of the Board of Directors of Paragon Offshore plc. From December 2006 to December 2012, Mr. Transier was a member of the Board of Directors of Cal Dive International, Inc., a publicly traded company that was formerly a subsidiary of Helix. Until June 2009, Mr. Transier was a member of the Board of Directors of Reliant Energy, Inc. Mr. Transier graduated from the University of Texas with a B.B.A. in accounting and has an M.B.A. from Regis University. As a result of his professional experiences, Mr. Transier possesses particular knowledge and experience in accounting and disclosure compliance including accounting rules and regulations. Mr. Transier also has extensive knowledge of international operations, the oil and gas industry, leadership of complex organizations and other aspects of operating a major corporation that strengthen the board s collective qualifications, skills and experience.

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CORPORATE GOVERNANCE

Composition of the Board

Our board currently consists of seven members and, in accordance with our By-laws, is divided into three classes of similar size. The members of each class are elected to serve a three-year term with the term of office of each class ending in successive years. The Class I, II and III directors are currently serving until the later of the Annual Meeting in 2016, 2015 and 2017, respectively, and their respective successor being elected and qualified. There are currently two directors

in Class III and Class II and three directors in Class I. The board has approved an increase in the size of the board from seven to eight effective immediately prior to the Annual Meeting. Upon the conclusion of the Annual Meeting, in the event that all director nominees are elected, our board will consist of eight members with three directors each in Class I and Class II and two directors in Class III.

Role of the Board

The board has established guidelines that it follows in matters of corporate governance. A complete copy of the Corporate Governance Guidelines is available on our website, which is located at www.Helixesg.com, under *Investor Relations,* by clicking *Governance*. According to the guidelines, the board is vested with all powers necessary for the management and

administration of Helix s business operations. Although not responsible for our day-to-day operations, the board has the responsibility to oversee management, provide strategic direction, provide counsel to management regarding the business of Helix, and to be informed, investigate and act as necessary to promote our business objectives.

Board of Directors Independence and Determinations

The board has affirmatively determined that the following members of the board qualify as independent as that term is defined under NYSE Rule 303A and applicable rules under the Exchange Act: Messrs. Lovoi, Porter, Rask, Transier and Watt, and Ms. Quinn. In making this determination, the board has concluded that none of these directors has a relationship with Helix which, in the opinion of the board, is material and would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The only current non-independent management director is Mr. Kratz, our President and Chief Executive Officer. Accordingly, a majority of the members of our board are independent, as required by NYSE Rule 303A. This independence determination is analyzed annually to promote arms-

length oversight. In making the determination regarding independence the board reviewed the NYSE Rule 303A criteria for independence in advance of the first meeting of the board in 2015. In connection with its determination, the board gathered information with respect to each board member individually regarding potential transactions and relationships between Helix and its directors, including the existence of certain ongoing transactions entered into between Helix and certain entities of which our directors serve as officers or directors. Each director also completed a questionnaire which included questions about his or her relationship with Helix. None of these transactions were deemed to affect the independence of the applicable director, nor did they exceed the thresholds established by NYSE rules.

Selection of Director Candidates

The board is responsible for selecting candidates for board membership and for establishing the criteria to be used in identifying potential candidates. The board delegates the screening and nomination process to the Corporate Governance and Nominating Committee.

For more information on the director nomination process, including the current selection criteria, see Corporate Governance and Nominating Committee starting on page 16.

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CORPORATE GOVERNANCE

Board of Directors Qualification, Skills and Experience

We are an international offshore energy company that provides specialty services to the offshore energy industry, with a focus on well intervention and robotics operations. We believe our board should be composed of individuals with sophistication and experience in the substantive areas that impact our business. We believe experience, qualifications, or skills in one or more of the following areas to be most important: offshore oil field services, oil and gas exploration and production, international operations, accounting and finance,

strategic planning, investor relations, legal/regulatory matters, leadership and administration of complex organizations, corporate governance and other areas related to the operation of a major international corporation (whether social, cultural, industrial or operational). We believe that all of our current board members possess the professional and personal qualifications necessary for board service, and have the described noteworthy attributes in their biographies under Election of Directors on pages 8-10.

Communications with the Board

Pursuant to the terms of our Corporate Governance Guidelines adopted by the board, any shareholder or other interested party wishing to send written communications to any one or more of Helix s directors may do so by sending them in care of our Corporate Secretary at Helix s corporate office.

All such communications will be forwarded to the intended recipient(s). All such communications should indicate whether they contain a message for the board as a whole, or a particular group or committee of directors, or an individual director.

Code of Business Conduct and Ethics

In addition to the Corporate Governance Guidelines, in 2003 we adopted a written Code of Business Conduct and Ethics that applies to all of our directors, officers and employees, including our executive officers. At that time we also established a Code of Ethics for Chief Executive and Senior Financial Officers, which is applicable to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Vice President Internal Audit. We have posted a current copy of both codes on our website, which is located at www.Helixesg.com, under *Investor Relations*, then by

clicking *Governance*. In addition, we intend to post on our website all disclosures that are required by law or NYSE listing standards concerning any amendments to, or waivers of, any provision of the Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics, the Code of Ethics for Chief Executive and Senior Financial Officers and the Corporate Governance Guidelines are available free of charge in print upon request sent to the Corporate Secretary at Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043.

Attendance at the Annual Meeting

The members of the board hold a regular meeting immediately preceding or immediately after each year s Annual Meeting of Shareholders. Therefore members of our board generally attend Helix s Annual Meetings of Shareholders. The board encourages its members

to attend the Annual Meeting, but does not have a written policy regarding attendance at the meeting. Six members of the board attended the 2014 Annual Meeting of Shareholders.

Directors Continuing Education

The board encourages all members to attend director education programs appropriate to their individual backgrounds in order to stay abreast of developments in corporate governance and best practices relevant

to their contribution to the board and their specific committee assignments. In addition, from time to time Helix will present programs regarding topical matters to the board.

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Selection of Chairman and Chief Executive Officer

The board does not have a formal policy with respect to whether the Chief Executive Officer (CEO) should also serve as chairman of the board. The board currently combines the role of chairman of the board and the role of CEO. Mr. Kratz has served as chairman of the board and CEO from 1998 to 2006 and again since 2008. The board believes this structure is optimal for us because it allows one person to speak for and lead Helix and demonstrates to our employees, suppliers, customers and other stakeholders that we are under strong leadership, with a single person setting the tone and having the primary responsibility for managing our operations. Combining the chairman and the CEO roles fosters clear accountability, effective decision-making, and alignment on corporate strategy. Having a single leader also eliminates the potential for confusion and duplication of efforts. However, the board periodically reviews its leadership structure. The board, through the Compensation Committee, evaluates the CEO on an annual basis.

The board believes that independent oversight of management is an important component of an effective board of directors. Members of the board play an

important role in determining the agenda for many board and committee meetings and often request specific agenda items and information as part of their oversight role. The board does not have a specific presiding director, but Mr. Porter, in his role as chairman of the Corporate Governance and Nominating Committee, presides as the chair of each executive session of the board unless the particular topic of the applicable executive session dictates that another independent director serve as the chair of the meeting, typically the chairman of the committee responsible for the particular topic. In the case of an executive session of the independent directors held in connection with a meeting of a committee of the board, the chairman of the particular committee will preside as chair.

We believe that having a combined CEO and chairman, coupled with a substantial majority of independent, experienced directors, key board committees comprised entirely of independent directors, and strong and effective corporate governance guidelines, provides the right leadership structure for Helix and its shareholders at this time.

Risk Oversight

The board has overall responsibility for risk oversight with a focus on the most significant risks facing Helix. Our management identifies and prioritizes risk associated with our business. Each prioritized risk is assigned to a board committee or the full board for oversight. The board focuses on our general risk management strategy and the most significant risks to Helix, and ensures that appropriate risk mitigation strategies are implemented by our management.

The board is also informed of particular risks in connection with its general oversight and approval of corporate matters.

The board delegates to the Audit Committee oversight of much of our risk management process. Among its duties, the Audit Committee regularly reviews with management:

- our hedging policies and transactions;
- our policies with respect to risk assessment and the management of risks that may be material;
- our system of disclosure controls and system of internal controls over financial reporting;
- key credit risks;
- cybersecurity procedures; and
- our compliance with legal and regulatory requirements and our programs related to such compliance.

The board s risk oversight process builds upon management s risk assessment and mitigation processes. Our management is responsible for the day-to-day management of Helix including the management of risk. Our finance, legal (which includes human resources, contracts and risk management functions) and internal audit departments serve as the primary monitoring and testing function for company policies and procedures, and manage the day-to-day oversight of our risk management strategy. This oversight includes identifying, evaluating and addressing potential risks that may exist at the

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enterprise, strategic, financial, operational, compliance and reporting levels.

Management regularly reports on each such risk to the relevant committee or the board. Additional review and reporting of risks is conducted as needed or as requested by the board or committee. Our committees also consider and address risk as they perform their respective committee responsibilities. All committees report to the full board as appropriate, including when a matter rises to the level of a material risk.

In addition to reports from the committees, the board receives presentations throughout the year from various departments that include discussion of significant risks as necessary and appropriate,

including any risks associated with proposed transactions. At each board meeting, the chairman and CEO addresses matters of particular importance or concern, including any significant areas of risk that require board attention, whether commercial, operational, legal, regulatory or other type of risk.

Additionally, the board reviews our short-term and long-term strategies, including consideration of significant risks facing Helix and the impact of such risks.

We believe that our risk management procedures and responsibilities are an effective approach for addressing the risks facing Helix and that our board structure supports this approach.

Meetings of the Board and Committees

The board currently has, and appoints members to, three standing committees: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee. Each committee acts under the terms of a written charter, copies of which are available at our website, www.Helixesg.com under *Investor Relations*, by clicking *Governance*. A copy of each charter is available free of charge upon request to the Corporate Secretary at Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043. In 2013 a Special Committee

was formed to assess whether to pursue a shareholder derivative claim. As the claim was dismissed by the court in 2014, the Special Committee is no longer in existence. The following table summarizes the membership of the board and each of its committees as well as the number of times each met during the year ended December 31, 2014. Members were elected to the board based upon the recommendation of the Corporate Governance and Nominating Committee followed by a vote of the full board. Each member of each of these committees is independent as defined by the applicable NYSE and SEC rules.

Name	Board	Audit	Compensation	Corporate Governance and Nominating	Special
Mr. Kratz	Chair				
Mr. Lovoi	Member	Member	Chair		Member
Mr. Porter	Member	Member		Chair	Chair
Ms. Quinn	Member	Member		Member	Member
Mr. Rask	Member		Member	Member	Member
Mr. Transier	Member	Chair	Member		Member
Mr. Watt	Member		Member	Member	Member
Number of Meetings in 2014					
Regular	4	7	4	4	0
Special	5	0	1	0	1

Board Attendance

During the year ended December 31, 2014, the board held a total of nine meetings. Each director attended 75% or more of the total meetings of the board and

each director attended 75% or more of the total meetings of the committees on which such director served.

Executive Sessions of the Directors

Non-management directors meet in regularly scheduled executive sessions following board and committee meetings without any members of management being present and at which only those directors who meet the independence standards of the NYSE are present, provided however, that committees did meet with individual members of management by invitation, including the CEO, during executive session. Mr. Porter presided as the chair of each executive

session of the board unless the particular topic of the applicable executive session dictated that another independent director serve as the chair of the meeting, typically the chairman of the committee responsible for the particular topic. In the case of an executive session of the independent directors held in connection with a meeting of a committee of the board, the chairman of the applicable committee presides as chair.

Audit Committee

The Audit Committee is composed of four non-employee independent directors, Mr. Transier, Chairman, Mr. Lovoi, Mr. Porter and Ms. Quinn, each of whom meets the independence and financial literacy requirements as defined in the applicable NYSE and SEC rules. The Audit Committee is appointed by the board to assist the board in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community and others relating to: (i) the integrity of our financial statements, (ii) the compliance with applicable legal and regulatory requirements,

(iii) the performance of our internal audit function and independent registered public accounting firm, and (iv) the independent registered public accounting firm s qualifications and independence. Among the duties of the Audit Committee, all of which are more specifically described in the Audit Committee charter, which was most recently amended in December 2014, the Audit Committee:

- Oversees and appoints our independent registered public accounting firm.
- Reviews the adequacy of our accounting and audit principles and practices, and the adequacy of compliance assurance procedures and internal controls.
- Reviews and pre-approves all non-audit services to be performed by the independent registered public accounting firm in order to maintain such accounting firm s independence.
- Reviews the scope of the annual audit.
- Reviews with management and the independent registered public accounting firm our annual and quarterly financial statements, including disclosures made in management s discussion and analysis and in our earnings press releases.
- Meets independently with management and the independent registered public accounting firm.
- Reviews corporate compliance and disclosure systems.
- Reviews and approves related-party transactions.
- Makes regular reports to the board.
- Reviews and reassesses the adequacy of its charter annually and recommends any proposed changes to the board for approval.
- Performs an annual self-evaluation of its performance.
- Produces an annual report for inclusion in our proxy statement.
- Performs such other duties as may be assigned by the board from time to time.

CORPORATE GOVERNANCE

Audit Committee Independence

The board has affirmatively determined that all members of the Audit Committee (i) are considered independent as defined under NYSE Rule 303A, and

(ii) meet the criteria for independence set forth in Exchange Act Rule 10A-3(b)(1).

Designation of Audit Committee Financial Expert

The board has determined that each of the members of the Audit Committee is financially literate and that Mr. Transier and Ms. Quinn are audit committee financial experts, as that term is defined in the rules promulgated by the SEC pursuant to the Sarbanes-Oxley Act of 2002, and have financial management expertise as required by the NYSE listing rules.

For more information regarding the Audit Committee, please refer to the Report of the Audit Committee on page 22.

Compensation Committee

The Compensation Committee is composed of four non-employee independent directors: Mr. Lovoi, Chairman, and Messrs. Rask, Transier and Watt. The Compensation Committee is appointed by the board to discharge the board s responsibilities relating to compensation of our executive officers. The Compensation Committee has the responsibilities described in the Compensation Committee charter including the overall responsibility for reviewing, evaluating and approving Helix s executive officer compensation agreements (to the extent such agreements are considered necessary or appropriate by the Compensation Committee), plans, policies and programs. The Compensation Committee is also responsible for reviewing and recommending to the board whether the Compensation Discussion and Analysis should be included in our proxy statement, and for performing such other functions as the board may assign to the Compensation Committee from time to time, including the responsibility to:

- Review our overall compensation philosophy.
- Oversee the 2005 Long-Term Incentive Plan (as amended and restated effective May 9, 2012) (the 2005 Plan), the Employee Retirement Savings Plan, the Employee Stock Purchase Plan, and any other

equity-based plans.
Commission independent consultants and review compensation with respect to our executive officers as compared to our peer group, as discussed in our Compensation Discussion and Analysis below.
Review and approve executive officer compensation, including short-term incentive compensation, and equity and cash opportunity long-term incentive compensation.
Review and reassess the adequacy of its charter annually and recommend any proposed changes to the board for approval.
Perform an annual self-evaluation of its performance.
Performs such other functions as may be assigned by the board from time to time.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is composed of four independent, non-employee directors: Mr. Porter, Chairman, Ms. Quinn, Mr. Rask and Mr. Watt. The Corporate Governance and Nominating Committee is appointed by the board to take a leadership role in shaping the corporate governance and business standards of our board

and Helix. The Corporate Governance and Nominating Committee identifies individuals qualified to become board members, consistent with criteria approved by the board, oversees the organization of the board to discharge the board s duties and responsibilities properly and efficiently, and identifies best practices and recommends corporate governance principles, including giving proper attention and effective responses to shareholder concerns regarding corporate governance. The Corporate Governance and Nominating Committee has the responsibilities specifically described in the Corporate Governance and Nominating Committee charter and the Corporate Governance Guidelines, including the responsibility to:

- Identify and evaluate potential qualified director nominees and select or recommend director nominees to the board.
- Monitor, and recommend members for, each of the committees of the board.
- Make a recommendation to the board of whether to accept the resignation of any director who receives a greater number of withheld authority votes for his or her election than votes for in an uncontested election.
- Periodically review and revise our corporate governance principles as appropriate.
- Review and reassess the adequacy of its charter annually and recommend any proposed changes to the board for approval.
- Perform an annual self-evaluation of its performance and the performance of the board as a whole.
- Perform such other duties as may be assigned by the board from time to time.

Special Committee

A Special Committee of the board was formed in 2013 and was comprised of our six independent, non-employee directors: Mr. Porter, Chairman, Messrs. Lovoi, Rask, Transier and Watt, and Ms. Quinn, for the purpose of considering whether it was in our best interest to pursue the claims alleged in connection with the Shareholder Derivative Complaint styled *Lucas v. Kratz, et al.*, Cause No. 2012-26160 in the District Court of Harris County, Texas. The Special Committee

evaluated and rejected the plaintiff s demand to pursue certain claims against various present and former directors and executive officers of Helix related to the 2010 compensation of Helix s then executive officers as not being, in the judgment of the Special Committee, in the best interest of Helix or our shareholders. The Shareholder Derivative Complaint was dismissed with prejudice in 2014 and, as such, the Special Committee is no longer in existence.

Director Nominee Process

Process for Director Nominations Shareholder Nominees

The policy of the Corporate Governance and Nominating Committee is to consider properly submitted shareholder nominations for candidates for membership on the board as described below under Identifying and Evaluating Nominees for Directors. In evaluating these nominations, the Corporate Governance and Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the board and to address the membership criteria set forth below under Director Qualifications and Diversity. Any shareholder nominations proposed for consideration by the Corporate Governance and Nominating Committee should include the nominee s

name and qualifications for board membership and should be addressed to the Corporate Secretary, Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043. In addition, our By-laws permit shareholders to nominate directors for consideration at an annual shareholder meeting. However, in order to be considered at this year s Annual Meeting, nominations were required to be received by us prior to the date of this proxy statement. Shareholders may nominate persons for election to the board to be considered at next year s Annual Meeting of Shareholders in accordance with the procedure on page 55.

Director Qualifications and Diversity

The Corporate Governance and Nominating Committee has established certain criteria with respect to the desired skills and experiences for prospective board members, including those candidates recommended by the committee and those properly nominated by shareholders. The board, with the assistance of the Corporate Governance and

Nominating Committee, selects potential new board members using criteria and priorities established from time to time. Desired personal qualifications for director nominees include intelligence, insight, practical wisdom based on experience, the highest professional and personal ethics and values, integrity, strength of character and commitment. Nominees should also

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have broad experience at the policy-making level in business and possess a familiarity with complex business organizations and one or more of our business lines or those of our customers. Nominees should have the independence necessary to make an unbiased evaluation of management performance and effectively carry out their oversight responsibilities and be committed to enhancing shareholder value. Nominees should have sufficient time to carry out their duties. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all director duties to Helix and our shareholders. Each director must represent the interests of all shareholders. Although the Corporate

Governance and Nominating Committee does not have a formal policy regarding board diversity, it does view diversity expansively and has determined that it is desirable for the board to have a variety of different viewpoints, professional experiences, educational backgrounds and skills, and considers these types of diversity and background considerations in its selection process. The composition, skills and needs of the board change over time and will be considered in determining desirable candidates for any specific opening on the board. The Corporate Governance and Nominating Committee in considering a potential nominee will conduct its search for the best candidate for the board seat on a non-discriminatory basis.

Identifying and Evaluating Nominees for Directors

The Corporate Governance and Nominating Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Corporate Governance and Nominating Committee regularly assesses the appropriate size of the board, and whether any vacancies on the board are expected, due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Corporate Governance and Nominating Committee considers various potential candidates for director. Candidates may come to the attention of the Corporate Governance and Nominating Committee through current board members, professional search firms, shareholders or other persons. These candidates are evaluated at regular or special meetings of the Corporate Governance and Nominating Committee, and may be considered at any point during the year. As described above, the Corporate Governance and Nominating Committee considers properly submitted

shareholder nominations for candidates for the board. Following verification of the shareholder status of persons proposing candidates, recommendations are considered by the Corporate Governance and Nominating Committee at a regularly scheduled meeting, which is generally the first or second meeting prior to the issuance of the proxy statement for our Annual Meeting of Shareholders. If any materials are provided by a shareholder in connection with the nomination of a director candidate, those materials are forwarded to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee may also review materials provided by professional search firms or other parties in connection with a nominee who is not proposed by a shareholder. In evaluating those nominations, the Corporate Governance and Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the board.

Sources for New Nominees

Messrs. Porter, Tripodo and Watt are the only directors standing for election at the Annual Meeting. Neither the Corporate Secretary nor the Corporate Governance and Nominating Committee received any

recommendations for director candidates from any shareholder or group of shareholders during 2014 or to date in 2015.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee was, during fiscal year 2014, an officer or employee of Helix or any of our subsidiaries, or was formerly an officer of Helix or any of our subsidiaries, or had any relationships requiring disclosure by us under Item 404 of Regulation S-K under the Exchange Act.

During 2014, no executive officer of Helix served as (1) a member of the compensation committee (or other board committee performing equivalent functions) of

another entity, one or more of whose executive officers served on the Compensation Committee of our board, (2) a director of another entity, one or more of whose executive officers served on the Compensation Committee of our board or (3) a member of the compensation committee (or other board committee performing equivalent functions) of another entity, one or more of whose executive officers served as a member of our board.

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DIRECTOR COMPENSATION

2014 Director Compensation Table

The following table provides compensation that was earned or paid during the one-year period ended December 31, 2014 for each member of our board.

Name(1)	Fees Earned or Paid in Cash(2)(3)	Stock Awards(4)(5)	Option Awards(6)	All Other Compensation	Total
John V. Lovoi	$ -0-	$350,313	$-0-	$-0-	$350,313
T. William Porter	$ 117,250	$200,000	$-0-	$-0-	$317,250
Nancy K. Quinn	$ 113,750	$200,000	$-0-	$-0-	$313,750
Jan Rask	$ -0-	$335,938	$-0-	$-0-	$335,938
William L. Transier	$ 29,000	$330,625	$-0-	$-0-	$359,625
James A. Watt	$ 108,750	$200,000	$-0-	$-0-	$308,750

(1) Mr. Kratz is not included in the table because he did not receive any compensation for serving on our board during 2014.

(2) The annual retainer fee for each member of the board and the retainer fee related to the applicable board member s serving on committees are paid quarterly. Since January 1, 2005, non-employee directors have had the option of taking board and committee fees (but not expenses) in the form of restricted stock. See Summary of Director Compensation and Procedures below. Messrs. Lovoi, Rask and Transier were the only directors to receive their fees in restricted stock during 2014.

(3) In this column we are required to report all fees earned or paid to directors during 2014. As a result, fees earned in 2013 for fourth quarter service in 2013 but paid in 2014 are also included; thus the dollar amount represents fees paid for five (not four) successive quarters. Fees earned in 2013 but paid in 2014 were as follows: Mr. Porter, $28,750; Ms. Quinn, $25,750; Mr. Transier, $29,000; and Mr. Watt, $23,750. Information with regard to Mr. Lovoi, Mr. Rask and Mr. Transier is included in footnote 5 below.

(4) Amounts shown in this column represents the grant date fair value of the restricted stock as calculated in accordance with the provisions of FASB Accounting Standard Codification (ASC) Topic 718. The value ultimately realized by each director may or may not be equal to the FASB ASC Topic 718 determined value.

(5)

The grant date fair value of the restricted stock awarded with respect to the year ended December 31, 2014 to each director, computed in accordance with FASB ASC Topic 718, is as follows:

Name	Date of Grant		Number of Shares	Grant Date Fair Value
Mr. Lovoi	December 5, 2013	(a)	8,893	$200,000
	January 2, 2014	(b)	1,443	$33,438
	April 1, 2014	(b)	1,373	$31,563
		(b)	986	$25,938
	July 1, 2014	(b)	1,346	$29,687
		(b)	1,368	$29,687
	October 1, 2014			
	January 5, 2015			
Mr. Porter	December 5, 2013	(a)	8,893	$200,000
Ms. Quinn	December 5, 2013	(a)	8,893	$200,000
Mr. Rask	December 5, 2013			
	January 2, 2014			
	April 1, 2014			
		(a)	8,893	$200,000
	July 1, 2014	(b)	1,281	$29,688
		(b)	1,237	$28,438
	October 1, 2014	(b)	1,081	$25,937
		(b)	1,119	$29,687
	January 5, 2015	(b)	1,138	$29,688
Mr. Transier	December 5, 2013			
	April 1, 2014			
	July 1, 2014	(a)	8,893	$200,000
		(b)	1,441	$33,125
	October 1, 2014	(b)	1,330	$35,000
		(b)	1,417	$31,250
	January 5, 2015	(b)	1,440	$31,250
Mr. Watt	December 5, 2013	(a)	8,893	$200,000

(a) Represents the annual grant for board service for 2014 and the future.

(b) Represents the payment of retainer and board and committee fees for the fourth quarter of 2013 and each quarter of 2014.

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DIRECTOR COMPENSATION

Additionally, on December 4, 2014, each of the non-employee directors was issued 8,632 shares of restricted stock having a value of $200,000 representing their annual grant for future board service.

As of December 31, 2014, unvested restricted stock held by each non-employee director is as follows:

Name	Shares of Unvested Restricted Stock Outstanding [(a)]
Mr. Lovoi	32,742
Mr. Porter	26,226
Ms. Quinn	26,226
Mr. Rask	26,138
Mr. Transier	31,854
Mr. Watt	26,226

(a) Includes January 5, 2015 grant of 1,368 shares of restricted stock to Mr. Lovoi, 1,138 shares of restricted stock to Mr. Rask, and 1,440 shares of restricted stock to Mr. Transier for 2014 fourth quarter service.

(6) We did not grant any stock options in the year ended December 31, 2014. None of our directors had any outstanding options as of December 31, 2014.

Summary of Director Compensation and Procedures

Our non-employee director compensation structure has three components: (1) director retainer and fees (meetings and unanimous consents), (2) equity-based compensation currently in the form of restricted stock awards and (3) reimbursement of reasonable expenses related to attending board and committee meetings. We re-evaluate director compensation on an annual basis based on the compensation of directors by companies in our peer group. In 2014, the directors (other than Mr. Kratz who is a Helix employee) received an annual director s fee of $55,000, and $1,500 per board meeting for attending each of four regularly scheduled quarterly meetings and each special board meeting. For committees on which an outside director serves, the director received a fee of $1,500 for each committee meeting attended. In addition, the chairman of each committee received an annual committee chairman retainer fee: $15,000 for the Chairman of the Audit Committee, $10,000 for the Chairman of the Compensation Committee and $5,000 for the Chairman of the Corporate Governance and Nominating Committee. We also paid the reasonable out-of-pocket expenses incurred by each director in connection with attending the meetings of the board and any board committee.

Since January 1, 2005, non-employee directors have had the option of taking board and committee fees (but not expenses) in the form of restricted stock, pursuant to the terms of our 2005 Plan for grants after May 10, 2005, and our

1995 Long Term Incentive Plan, as amended (the 1995 Plan) for grants on or before

May 10, 2005. An election to take fees in the form of cash or stock is made by a director prior to the beginning of the subject fiscal year. Directors taking fees in the form of restricted stock receive an award for service during a quarter on or about the first business day of the next quarter in an amount equal to 125% of the cash equivalent of his or her fees, with the number of shares determined by the stock price on the last trading day of the fiscal quarter for which the fees were earned. These awards fully vest two years after the first day of the year in which the grant is made. For fiscal year 2014, Messrs. Lovoi, Rask and Transier elected to take board fees in the form of restricted stock. Messrs. Lovoi, Rask and Transier have also elected to take board fees in the form of restricted stock for 2015.

Upon joining the board and on the date of each December board meeting thereafter, a director receives a grant of restricted stock. These grants are made pursuant to the terms of the 2005 Plan and for years prior to 2012 vested ratably over five years, and vest ratably over three years for grants in 2012 and thereafter. All grants are subject to immediate vesting on the occurrence of a Change in Control (as defined in the 2005 Plan). The grant of stock options is not currently an element of director compensation.

Our CEO does not receive any cash or equity compensation for his service on the board in addition to the compensation payable for his service as an employee of Helix.

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CERTAIN RELATIONSHIPS

In accordance with our Audit Committee charter, our Audit Committee is responsible for reviewing and approving the terms and conditions of all related party transactions. The Audit Committee has adopted a written statement of policy with respect to related party transactions. It is our written policy to approve and enter into transactions only when the board, acting through the Audit Committee, determines that a transaction with a related party is in, or not inconsistent with, the best interests of Helix and our shareholders. The Audit Committee will consider all relevant facts and circumstances available to the Audit Committee to determine whether the related party transaction is in our best interests, including the benefits to us, the impact on a director s independence, the availability of other sources for the product or services, the terms of the transaction and the terms available from unrelated third parties. The policy covers any transaction, arrangement or relationship in which we are a participant and in which a related party has a direct or

indirect interest, other than transactions available to all employees generally or transactions involving less than $5,000. A related party includes any person that served as a senior officer or director in the last fiscal year, a person that beneficially owns more than 5% of our outstanding voting securities, and a person that is an immediate family member of either of the foregoing or an entity that is controlled by any of the foregoing.

During 2014 Helix was not a party to a transaction or series of transactions in which the amount involved did or may exceed $120,000 in which any of our directors or executive officers, any holder of more than 5% of our common stock, or any member of the immediate family of any of these persons, had or will have a direct or indirect material interest, other than the compensation arrangements (including with respect to equity compensation) described in Executive Compensation above.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has adopted procedures for pre-approving certain audit and permissible non-audit services provided by the independent registered public accounting firm. These procedures include reviewing a budget for audit and permissible non-audit services. The budget includes a description of, and a budgeted amount for, particular categories of audit and permissible non-audit services that are recurring in nature and therefore anticipated at the time the budget is submitted. During the year, circumstances may arise such that it becomes necessary to engage the independent registered public accounting firm for services in excess of those contemplated by the budget or for additional services.

Audit Committee approval is required to exceed the budget amount for a particular category of audit or permissible non-audit services and to engage the independent registered public accounting firm for any audit or permissible non-audit services not included in the budget. For both types of pre-approval, the Audit

Committee considers whether these services are consistent with the SEC rules regarding auditor independence.

The Audit Committee charter includes specific pre-approval procedures with respect to tax-related services. The Audit Committee charter delegates pre-approval authority in certain circumstances to the Chairman of the Audit Committee. The Audit Committee periodically monitors the services rendered and actual fees paid to the independent registered public accounting firm to ensure that these services are within the parameters approved by the Audit Committee. None of the fees in 2014 were for services approved by the Audit Committee pursuant to the de minimis exception in paragraph (c)(7)(i)(c) of Rule 2-01 of Regulation S-X.

All fiscal year 2014 professional services by Ernst & Young LLP were pre-approved.

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee has reviewed and discussed the audited financial statements of the Company for the year ended December 31, 2014 with management, our internal auditors and Ernst & Young LLP. In addition, the Committee has discussed with Ernst & Young LLP, the independent registered public accounting firm for the Company, the matters required to be discussed under Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 16, *Communications with Audit Committees* (AS 16). The Sarbanes-Oxley Act of 2002 requires certifications by the Company s chief executive officer and chief financial officer in certain of the Company s filings with the Securities and Exchange Commission (SEC). The Committee discussed the review of the Company s reporting and internal controls undertaken in connection with these certifications with the Company s management and independent registered public accounting firm. The Committee also reviewed and discussed with the Company s management and independent registered public accounting firm management s report and Ernst & Young LLP s report on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. The Audit Committee has further periodically reviewed such other matters as it deemed appropriate, including other provisions of the Sarbanes-Oxley Act of 2002 and rules adopted or proposed to be adopted by the SEC and the NYSE.

The Committee also has received the written disclosures and the letter from Ernst & Young LLP regarding the auditor s independence pursuant to the applicable requirements of the Public Company Accounting Oversight Board Ethics and Independence Rule 3526, and it has reviewed, evaluated and discussed the written disclosures with that firm and its independence from the Company. The Committee also has discussed with management of the Company and the independent registered public accounting firm such other matters and received such assurances from them as it deemed appropriate.

Based on the foregoing review and discussions and relying thereon, the Committee recommended to the Company s Board of Directors the inclusion of the Company s audited financial statements for the year ended December 31, 2014 in the Company s Annual Report on Form 10-K for such year filed with the SEC.

Members of the Audit Committee:

William L. Transier, Chairman

John V. Lovoi

T. William Porter

Nancy K. Quinn

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PROPOSAL 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP served as our independent registered public accounting firm providing auditing and financial services in 2014 and has acted as such since their engagement in fiscal year 2002, and will continue to provide such services during fiscal year 2015. Our Audit Committee has the authority to retain, oversee, evaluate and terminate the independent registered public accounting firm. Pursuant to such authority, the Audit Committee has appointed Ernst & Young LLP, an independent registered public accounting firm, as auditors to examine the financial statements of Helix for the fiscal year ending December 31, 2015, and to perform other appropriate accounting services.

Although our By-laws do not require that shareholders ratify the appointment of Ernst & Young LLP as our outside auditors, the board has determined to submit the selection for ratification by the shareholders. If the shareholders do not ratify the appointment of Ernst & Young LLP, the adverse vote will be considered as a direction to the Audit Committee to consider selecting other auditors for the next fiscal year. However, because of the difficulty and expense of making any substitution of auditors after the beginning of the current fiscal year, it is contemplated that the appointment for the fiscal year ending December 31, 2015 will be permitted to stand unless the Audit Committee finds other reasons for making a change. It is understood that even if the selection of Ernst & Young LLP is ratified, the Audit Committee, in its discretion, may direct the appointment of a new independent accounting firm at any time during the year if the Audit Committee feels that such a change would be in the best interests of Helix and our shareholders.

We expect that representatives of Ernst & Young LLP will be present at the Annual Meeting and will have the opportunity to make a statement if they desire to do so. They will also be available to respond to appropriate questions.

Fees for professional services provided by our independent registered public accounting firm in each of the last two fiscal years in each of the following categories were:

	2014	2013
	(In Thousands)	
Audit Fees[1]	$ 2,018	$ 2,238
Audit-Related Fees[2]	2	2
Tax Fees[3]	55	178
All Other Fees	8	-0-
Total	$ 2,083	$ 2,418

(1) Audit fees include fees related to the following services: the annual consolidated financial statement audit (including required quarterly reviews), subsidiary audits, audit of internal controls over financial reporting,

and consultations relating to the audit or quarterly reviews.

(2) Audit-related fees included consultations concerning financial accounting and reporting matters not required by statute or regulation.

(3) Fees are primarily related to tax compliance work in the United Kingdom, Egypt, India, Singapore, Angola, Cyprus and Norway, and tax planning.

The Audit Committee considers whether the provision of the foregoing services is compatible with maintaining the auditor s independence and has concluded that the foregoing non-audit services and non-audit-related services did not adversely affect the independence of Ernst & Young LLP.

Board of Directors Recommendation

The board recommends that you vote FOR the ratification of the selection of Ernst & Young LLP as Helix s independent registered public accounting firm set forth in this Proposal 2.

Vote Required

The ratification of Ernst & Young LLP requires the affirmative vote of holders of a majority of the shares of common stock present or represented and voting at the Annual Meeting.

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COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis (CD&A) describes our 2014 executive compensation program, how our Compensation Committee made compensation decisions, and the level of compensation for our principal executive officer, principal financial officer and the two other named executive officers in 2014. In 2014 we had only four executive officers; accordingly, they were also our named executive officers. Those individuals were:

Owen Kratz, our President and CEO
Anthony Tripodo, our Executive Vice President and Chief Financial Officer
Clifford V. Chamblee, our Executive Vice President and Chief Operating Officer
Alisa B. Johnson, our Executive Vice President, General Counsel and Corporate Secretary

Effective May 11, 2015, Mr. Chamblee will resign from Helix and Scotty Sparks, currently Vice President Commercial and Strategic Development, will be promoted to the position of Executive Vice President Operations, and will become an executive officer of Helix.

Our CD&A is divided into the following sections:

A. Executive Summary
B. 2014 Advisory Vote on Executive Compensation
C. Process for Determining Executive Compensation
D. Elements of our 2014 Compensation Program
E. Severance and Change in Control Arrangements
F. Stock Ownership Guidelines
G. Hedging and Pledging Policy

A. Executive Summary

We are an international offshore energy company that provides specialty services to the offshore energy industry, with a focus on well intervention and robotics operations. We primarily conduct operations in the Gulf of Mexico, North Sea, Asia Pacific and West Africa regions.

With our EBITDA of $378 million in 2014, which exceeded the EBITDA bonus target metric of $344 million, our executive officers earned 119% of their bonus targets (out of a maximum of 133%).

Notwithstanding superior financial performance in 2014, due to the cyclicality of our industry and therefore

fluctuating demand for our services, we are focused on the longer term, and our overall executive compensation program reflects that, both in terms of the component of our executive officers compensation that is comprised of long-term incentive compensation, and the overall design of our short-term and long-term programs.

The chart below reflects our total shareholder return over the three-year period of 2012 through 2014 compared to the peer group selected by our Compensation Committee for benchmarking purposes.

(1) Total Shareholder Return is calculated based on the average closing price of the last 20 trading days of 2011 compared to the average closing price of the last 20 trading days of 2014, which is consistent with the way we track our stock performance in connection with our performance-based long-term incentive awards.

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The chart below reflects our adjusted EBITDA (in millions) from continuing operations for each of the three years ended December 31, 2014[(1)].

(1) Adjusted from EBITDA from continuing operations by deducting the noncontrolling interests related to the adjustment components of EBITDA, the gain or loss on the sale of assets from continuing operations, and the unrealized gains or losses on commodity derivative contracts, as applicable.

For 2014, the Compensation Committee determined to make few adjustments to the named executive officers compensation from 2013 compensation levels, and did not change the component metrics from the 2013 short-term incentive program or the components of the 2013 long-term incentive program, as the committee deemed the compensation appropriate for the 2014 business objectives of the Company as well as the responsibilities and performance of our executive officers. 2015 is expected to be a challenging year, in large part due to the precipitous drop in oil prices,

which has triggered aggressive cost cutting measures by the industry. Thus, the design of our 2015 short-term (annual bonus) incentive program reflects financial performance metrics as well as a significant stretch element in our executives target bonuses to align our executives with our shareholders during times of industry stress. The committee also modified the long-term incentive program for 2015 to increasingly align executive compensation with the long-term interests of our shareholders.

Key Features of Our Executive Compensation Program

What We Do	What We Don t Do
ü Substantial focus on performance-based pay	**NO** hedging of our stock
ü Balance of short- and long-term incentives	**NO** tax gross-ups in post-2008 agreements

ü Use formulaic annual bonus structure	**NO** single trigger severance in post-2008 agreements
ü Align executive compensation with shareholder returns through long-term incentives	**NO** perquisites
ü Retain an independent external compensation consultant	
ü Use peer group benchmarks when establishing compensation	
ü Robust stock ownership guidelines for our Section 16 officers and directors	
ü Maintain a strong risk management program, which includes monitoring the effect of our compensation programs on risk taking	

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COMPENSATION DISCUSSION AND ANALYSIS

B. 2014 Advisory Vote on Executive Compensation

In 2014, we sought an advisory vote from our shareholders regarding our executive officer compensation for 2013 and received a 96% favorable say-on-pay vote. The Compensation Committee considered the positive results of the advisory vote in completing its annual review of the compensation packages provided to our executive officers, and in general continued for 2014 the performance-based measures instituted in 2012. The Compensation Committee will continue to consider the outcome of our say-on-pay votes and our shareholder views when making future compensation decisions for our executive officers.

C. Process for Determining Executive Compensation

Participants in the Decision Making Process

The following summarizes the allocation of responsibilities associated with our executive officer compensation program:

Compensation Committee (comprised of four independent directors)	Determines program principles and philosophies; Determines short-term incentive plan and design, and performance measures for executive officers; Determines design of long-term incentive programs for executive officers; Determines all compensation for the named executive officers including base salary, short-term incentive plan targets and individual awards, and long-term incentive plan targets and individual awards; Reviews and approves payouts under performance-based short-term and long-term incentive programs for executive officers; Considers all other arrangements, policies and practices related to our executive officer compensation program such as employment agreements, change in control arrangements, stock ownership policies, and our hedging and pledging policy;

	Does not delegate any of its functions or authority to management with regard to compensation for our executive officers; and Has exclusive authority to retain and terminate any independent compensation consultant.
Meridian Compensation Partners, LLC (independent compensation consultant)	Retained by, and performs work at the direction and under the supervision of, the Compensation Committee; Provides advice, research and analytical services on subjects such as trends in executive compensation, executive officer compensation program design, peer and industry data, executive officer compensation levels, and non-employee director compensation; Reviews and reports on Compensation Committee materials, participates in Compensation Committee meetings, and communicates with the Compensation Committee Chair between meetings; and Provides no services to Helix other than those provided directly to or on behalf of the Compensation Committee.
Management	CEO recommends base salary, short-term incentive plan targets, and long-term incentive plan awards for executive officers other than himself; CEO provides information on Helix s and the executive officers long-term and short-term business and strategic objectives for consideration by the Compensation Committee in structuring the short-term incentive plan and performance-based cash and equity awards; and CEO provides the Compensation Committee a performance assessment of each executive officer.

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COMPENSATION DISCUSSION AND ANALYSIS

Our Compensation Philosophy and Objectives

Helix is an international offshore energy company that provides specialty services to the offshore energy industry, with a focus on well intervention and robotics operations. We operate in a very cyclical industry because of volatility in the price of oil and gas and therefore the demand for our services. Our business model and growth strategy require highly qualified, experienced and technically proficient executive officers who can still operate effectively in both a positive and negative industry environment. Thus, we rely on our executive officers to develop and execute our business strategy in a way that maximizes value for our shareholders through the fluctuations of a cyclical industry. Our compensation philosophy reflects the realities of the competitive market in which we operate as well as the characteristics of our business environment. The Compensation Committee and management believe that our compensation programs closely align the executive officers with our shareholders and help us attract, retain and motivate qualified, experienced and technically proficient executive officers through a range of business cycles.

Our compensation programs are designed to reward our named executive officers both for the achievement of short-term financial goals and the longer term goal of increasing total shareholder return, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. Our named

executive officers total compensation is comprised of a mix of base salary, annual short-term cash incentive (bonus) awards and long-term incentive awards that for 2014 included cash performance awards, performance-based equity awards and time-vested restricted stock.

Our executive compensation program was designed upon the following principles:

- In general, we reward based on the overall performance of Helix and therefore the implementation by the executive team of our business plan and financial objectives;
- Compensation is targeted at competitive levels within the market in which we compete for executive talent, with consideration given for each executive s roles and responsibilities at Helix;
- Our compensation reflects a balance of short-term and long-term performance reward opportunities, with a heavier emphasis on the longer term;
- Our executives interests should be aligned with long-term shareholder value;
- A substantial portion of total compensation should be at risk ; and
- Our program is aimed to encourage the stability and retention of our executive team over the long term.

Consideration of Risk

Our compensation programs are balanced and primarily focused on the long term. The greatest amount of compensation can be achieved through consistent superior performance over sustained periods of time. In addition, significant amounts of compensation are usually paid out over time, specifically the long-term incentive awards, which currently have a three-year vesting period. This provides incentives to manage Helix for the longer term, while avoiding excessive risk-taking in the short term.

The elements of compensation are balanced among base salary, annual short-term cash incentive (bonus) opportunity, and long-term incentive awards. We have determined that our current forms of long-term stock-based incentive compensation are more appropriate than stock options to encourage management to take only the appropriate level of risk in order to create sustained shareholder value over the long term.

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COMPENSATION DISCUSSION AND ANALYSIS

Competitive Benchmarking Process

Each year, including 2014, the Compensation Committee compares the total compensation for each position occupied by our executive officers to the compensation paid by companies in our peer group for similar positions, as set forth in our peer companies proxy statements for the prior year. The independent compensation consultant provides the Compensation Committee with market data for this purpose; however, the market data is only used as a benchmark. Generally, the Compensation Committee seeks to ensure that executive compensation falls between the 25th and 75th percentiles of the market data for each individual, but individual positioning varies based on the individual s role within our organization, his or her experience and his or her contribution to our success.

The Compensation Committee s independent compensation consultant proposes companies to be included in our peer group. The independent compensation consultant may consult with management to ensure that the most appropriate companies are included. The Compensation Committee then reviews and approves the peer group for the applicable compensation year, as it deems appropriate.

In August 2013, following a discussion with a report from the independent compensation consultant, the Compensation Committee selected a peer group for benchmarking 2014 compensation consisting of the following companies, which was the same peer group used in 2013:

Fiscal Year End 2013 Peer Group Data[1]

Company	Ticker Symbol	Revenue[2]	Market Cap[2]	Enterprise Value[2]
			($ in millions)	
Atwood Oceanics, Inc.	ATW	$1,103	$3,420	$4,603
Dril-Quip, Inc.	DRQ	$ 872	$4,473	$4,092
GulfMark Offshore, Inc.	GLF	$ 455	$1,280	$1,743
Hercules Offshore, Inc.	HERO	$ 858	$1.042	$1,899
Hornbeck Offshore Services, Inc.	HOS	$ 548	$1,775	$2,288
McDermott International, Inc.	MDR	$2,659	$2.167	$1,960
Oceaneering International, Inc.	OII	$3,287	$8,535	$8,472
Oil States International, Inc.	OIS	$1,883	$5,610	$5,842
Rowan Companies, Inc.	RDC	$1,579	$4,393	$5,393

Superior Energy Services, Inc.	SPN	$4,402	$4,244	$5,815
TETRA Technologies, Inc.	TTI	$ 909	$ 975	$1,290
Tidewater Inc.	TDW	$1,396	$2,939	$4,339
25th Percentile		**$ 869**	**$1,651**	**$1,945**
Median		**$1,249**	**$3,180**	**$4,216**
75th Percentile		**$2,077**	**$4,413**	**$5,498**
Helix Energy Solutions Group, Inc.	**HLX**	**$ 877(3)**	**$2,452**	**$2,541**
HLX Percentile Rank		**33%**	**42%**	**42%**

(1) Data Source: S&P Compustat

(2) Revenue, Market Cap & Enterprise Value as of FYE 2013

(3) Excludes revenues of $48.8 million associated with our former oil and gas exploration and production business, a discontinued operation.

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We believe these companies were appropriate for the purpose of compensation benchmarking for 2014 because:

- they were companies that were likely competition for our executive talent;
- each of the companies was of a comparable size to us; and/or
- each company was within our same general industry.

In August 2014, the Compensation Committee modified the above peer group of companies used to benchmark 2013 and 2014 compensation (deleting Dril-Quip, Inc., McDermott International, Inc., and Superior Energy Services, Inc., and adding FMC Technologies, Inc., Diamond Offshore Drilling, Inc., and Forum Energy Technologies, Inc.) for purposes of benchmarking 2015 compensation, to better reflect Helix s current operations.

Tax Considerations

The Compensation Committee and management consider the accounting and tax effects of various compensation elements when designing our executive compensation plans and making other compensation decisions. These considerations, however, are secondary to meeting the overall objectives of the executive compensation program. Section 162(m) of the Internal Revenue Code of 1986, as amended, places a limit of $1,000,000 on the amount of non-performance-based compensation, as described in Section 162(m) and related regulations, that may be deducted by Helix in any year with respect to the named executive officers compensation, other than

that of the Chief Financial Officer. Although the Compensation Committee may take into account the potential application of Section 162(m) in its compensation decisions, including the grant of long-term incentive compensation awards, it may approve compensation that exceeds the $1,000,000 limit in order to ensure competitive levels of compensation for our executive officers. As a result, certain compensation paid to the named executive officers may not be deductible by us for tax purposes. The Compensation Committee does not let deductibility drive its compensation decisions.

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COMPENSATION DISCUSSION AND ANALYSIS

D. Elements of our 2014 Compensation Program

Overview

During fiscal 2014, the primary elements of compensation for our named executive officers included:

- base salary;
- annual short-term cash incentive (bonus) award;
- long-term incentive compensation, in the form of a cash performance award;
- long-term incentive compensation, in the form of a cliff-vesting performance share unit award; and
- long-term incentive compensation, in the form of a restricted stock award.

We use each element of compensation to satisfy one or more of our stated compensation objectives. The Compensation Committee s goal is to achieve the appropriate balance between short-term cash rewards and long-term financial incentives to promote the achievement of both annual and long-term financial goals. Also for 2014 the short-term incentive program was restructured from that of prior years. In our prior years bonus programs, there was only a maximum target up to which the executives could receive a

bonus based on performance of the applicable metrics. The 2014 program is more closely aligned with other companies programs in setting the executives target bonuses as a lower percentage of their base salaries than our prior bonus programs, with an opportunity to earn additional bonus amounts, up to a maximum amount, if Helix s performance exceeds the target levels for the various metrics. Each metric has an entry point such that performance below that point results in no bonus payout for that metric.

Below sets forth the target direct compensation for each of our named executive officers for 2014:

Named Executive Officer	2014 Base Salary	2014 Short-Term Incentive Target Award	Annual Long-Term Incentive Award	Total Direct Compensation
Owen Kratz	$ 700,000	$ 1,050,000	$ 3,000,000	$ 4,750,000
Anthony Tripodo	480,000	576,000	1,500,000	2,556,000
Clifford V. Chamblee	400,000	480,000	1,075,000	1,955,000
Alisa B. Johnson	360,000	360,000	1,050,000	1,770,000

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Base Salary Determination

In establishing base salaries for our executive officers, the Compensation Committee considers a number of factors including the executive s job responsibilities, individual contributions, level of experience, personal compensation history and peer company data. Base salary is generally set for our named executive officers at the regularly scheduled December meeting of our Compensation Committee in the preceding year. There

were no increases to base salaries in 2014 from 2013 and 2012 levels for any of our named executive officers other than for Mr. Chamblee, whose base salary was increased for 2014 due to development in his role, as well as and peer group data for the position. Set forth below are the base salaries for 2014, 2013 and 2012:

Named Executive Officer	2014 Base Salary	2013 Base Salary	2012 Base Salary	Percent Increase
Owen Kratz[1]	$ 700,000	$ 700,000	$ 700,000	0.0%
Anthony Tripodo	480,000	480,000	480,000	0.0%
Clifford V. Chamblee	400,000	380,000	380,000	5.3%
Alisa B. Johnson	360,000	360,000	360,000	0.0%

(1) Annual base salary for Mr. Kratz has remained unchanged since 2008.

Short-Term Cash Incentive (Bonus) Program

Our annual short term cash incentive (bonus) program consists of a cash bonus designed to reward our employees, including our executive officers, for the achievement of certain goals in a given year. The bonus target for each executive officer is established at either the December meeting of the Compensation Committee in the prior year or during the Compensation Committee s first meeting of the applicable year. The 2014 program sets the executive

officers target bonuses at a lower percentage of base salary than the 2013 and prior years programs, with an opportunity to earn additional bonus amounts, up to a maximum amount, if Helix s performance exceeds the target levels for the various metrics. The calculation of any bonus payout when performance for a metric falls between levels is made on a linear basis. For 2014, the threshold, target and maximum bonus opportunity for each named executive officer was as follows:

Named Executive Officer	Threshold Level as a Percent of Salary	Target Opportunity as a Percent of Salary	Maximum Opportunity as a Percent of Salary
Owen Kratz	100%	150%	200%
Anthony Tripodo	80%	120%	160%
Clifford V. Chamblee	80%	120%	160%
Alisa B. Johnson	75%	100%	133%

The Compensation Committee adopted three financial performance metrics for the 2014 short-term cash incentive (bonus) program for our named executive officers.

Set forth below is the weight given to each of the three financial performance metrics, the percentage of target achieved and the percentage of the target bonus earned for 2014.

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COMPENSATION DISCUSSION AND ANALYSIS

Metric	Weight		Achievement of Target		2014 Bonus
EBITDA [1]	75%	X	116%	=	87%
Return on Capital [2]	15%	X	133%	=	20%
Maintenance of CAPEX[3]	10%	X	119%	=	12%
Overall Performance	100%				119%

(1) Defined as income (loss) from continuing operations plus income taxes, net interest expense and other, depreciation, depletion and amortization expense.

(2) Defined as gross profit (exclusive of income/loss from equity investments) less selling, general and administrative expenses (other than one-time gains, losses and impairments) divided by gross assets (excluding certain assets under construction and cash).

(3) Maintaining CAPEX spending within board approved levels.

Bonuses are typically paid in March of the year following the applicable performance year.

EBITDA Targets

Set forth below are certain EBITDA targets that were approved by the Compensation Committee to evaluate 2014 performance with respect to this financial metric and the actual performance achieved.

The targets were based on a variety of factors including the overall Helix budget approved by the board and market guidance.

EBITDA Targets

($ in millions)

Actual	Metric		Achievement of Target
	$275	<	0%
	$275	3	80%
	$344	3	100%
$378			116%
	$ 413	3	120%

Return on Capital Targets

Set forth below are certain return on capital targets that were approved by the Compensation Committee to evaluate 2014 performance with respect to this

financial metric and the actual performance achieved. The targets were based on a variety of factors including discussions with the board.

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Return on Capital Targets

Actual	Metric		Achievement of Target
	11%	<	0%
	11%	3	67%
	12%	3	100%
	13%	3	133%
14.75%			133%

Maintenance of CAPEX Spending within Board Approved Levels

This metric measure is the maintenance of CAPEX spending within the amounts approved by the board for the subject bonus year. For 2014, if CAPEX spending was lower than budgeted CAPEX, then the named executive officers would earn a percentage of this component (10% of total bonus target amount) equal to

the weighted average of the EBITDA and return on capital achievement of their respective targets. As the weighted average of the EBITDA and return on capital targets for 2014 was 119% and CAPEX spending was lower than budgeted CAPEX, 119% of this metric was earned.

Bonus Levels and Amounts Paid

Set forth below are the 2014 bonus targets and the actual bonuses paid (in March 2015) to each named executive officer, which were 119% of target:

Named Executive Officer	Target	Actual
Owen Kratz	$1,050,000	$1,249,500
Anthony Tripodo	576,000	685,440
Clifford V. Chamblee	480,000	571,200
Alisa B. Johnson	360,000	428,400

Long-Term Incentive Awards

The Compensation Committee believes that equity-based incentive awards serve to align the economic interests of our executive officers with those of our shareholders. We believe that our restricted stock awards, combined with our 2014 long-term cash performance awards and performance share unit awards (the payout of which are based on our stock price), provide proper incentives to avoid excessive risk while increasing long-term shareholder value. We also believe that these awards are an important

retention tool with respect to our employees, including our named executive officers. In determining the value of each named executive officer s long-term incentive award, the Compensation Committee reviews the peer group data provided by the independent compensation consultant, historical awards and the CEO s recommendation regarding the long-term incentive award for each named executive officer, and makes its determination at its December meeting.

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COMPENSATION DISCUSSION AND ANALYSIS

2014 Long-Term Incentive Awards

As in 2013, the 2014 long-term incentive awards to our named executive officers were comprised of: (1) 25% in a performance share unit award, (2) 50% in a cash performance award, and (3) 25% in a time-vested restricted stock award. The total value of the long-term incentive awards for each named executive officer was determined by the Compensation Committee in December 2013. At that time, the Compensation

Committee determined that the total value of the long-term incentive award for our executive officers would be the same as the prior year, except for Mr. Chamblee, whose award was increased due to continued development in his role, as well as peer group data for the position. Set forth below are the long-term incentive awards for each of the named executive officers granted in January 2014.

Named Executive Officer	Performance Share Unit Awards (25%)	Cash Performance Awards (50%)	Restricted Stock Awards (25%)	Total Value of LTI Awards
Owen Kratz	34,513	$1,600,000	34,513	$3,200,000
Anthony Tripodo	16,178	750,000	16,178	1,500,000
Clifford V. Chamblee	11,594	537,500	11,594	1,075,000
Alisa B. Johnson	11,324	512,500	11,324	1,050,000

2014 Performance Share Unit Awards

In January 2014, each named executive officer received a performance share unit award under our 2005 Plan. Each unit represents the contingent right to receive one share of our common stock. These awards are paid with shares of our common stock unless the Compensation Committee determines to make the payment in cash. The performance share unit award vests entirely after a three-year period with the final number of shares issued based on our total shareholder return relative to that of our peers over the same three-year period. The maximum number of shares that may be issued is 200% of the units awarded and the minimum is 0. The total shareholder return calculation for the performance share unit award compares Helix s total shareholder return against the total shareholder return of each company in the 2014 peer group. The total shareholder return formula is computed as: the ending price the beginning price

+ dividends (if any) paid over the performance period / the beginning price, with the beginning price being the average closing price of the last 20 trading days of 2013 and the ending price being the average closing price of the last 20 trading days of 2016.

In calculating our relative total shareholder return, the top and bottom performer of the peer group is excluded, and the remaining peers and Helix are grouped into quintiles. The quintiles and the respective amount of the performance share unit award earned are set forth below:

Lowest quintile	0% of award earned
Second lowest quintile	50% of award earned
Middle quintile	100% of award earned
Second highest quintile	150% of award earned
Highest quintile	200% of award earned

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2014 Cash Performance Awards

In January 2014, each named executive officer received a cash performance award under our 2005 Plan. Our executive officers are granted cash performance awards, the amount of which to be paid out on any vesting date will depend on the performance of our common stock price over the applicable measurement period compared to a base stock price determined by the Compensation Committee on the date of the award. The stock price measurement period to determine the annual payout of these share-based cash awards is the last 20 trading days of the year immediately prior to a vesting (the Average Price). The base stock price for the long-term incentive cash performance awards granted in 2014 was $26.30, representing 115% of the average closing price of our common stock over the last 20 trading days of 2013. Payment amounts are based on the calculated ratio of the Average Price divided by the base stock price. The purpose of the 115% factor in the base stock price is to require that the stock value

increase by 15% before the award can be earned at its original face value, thus incorporating a significant stretch factor in order to further align this component of long-term incentive with the interests of our shareholders. In addition, should the performance of our stock over the relevant period go below 75% of the base stock price, no payout will be made. The long-term incentive cash performance awards granted in 2014 vest ratably on an annual basis over a three-year period, or upon such other events described in the award letters applicable to such awards.

Example of 2015 Payout for 2014 Cash Performance Award: If the award is $3,000, the payout at 100% on each vesting date is $1,000. The cash payment due on the first of such vesting dates is set out below. The example includes the actual average closing price for the last 20 trading days of 2013, $22.87, and therefore a base stock price of $26.30, which is 115% of $22.87.

Average Price on January 2015 Vesting Date	Potential Payout	Potential Payout
$ 52.60+	200%	$ 2,000.00
$ 46.03	175%	$ 1,750.00
$ 39.45	150%	$ 1,500.00
$ 26.30	100%	$ 1,000.00
$ 22.88	87%	$ 870.00
$ 19.73	75%	$ 750.00
Less than $ 19.73	0%	$ 0.00

Actual Payout of 2014 Cash Performance Award

The Average Price for the 2014 vesting was $21.85, which resulted in a payout of 83.08% for the first vesting tranche of the 2014 cash performance awards. Set forth below is the actual amount received by each named executive officer:

Named Executive Officer	2014 Cash Performance Award Payout
Owen Kratz	$438,621
Anthony Tripodo	$205,604
Clifford V. Chamblee	$147,349
Alisa B. Johnson	$143,923

COMPENSATION DISCUSSION AND ANALYSIS

For amounts received in 2014 from the vesting of 2013, 2012, 2011 and 2010 long-term incentive cash performance awards issued pursuant to our 2005 Plan and our 2009 Long-Term Incentive Cash Plan (the

2009 Plan), as applicable, see footnote 3 to the Summary Compensation Table under Executive Compensation.

2014 Restricted Stock Awards

In January 2014, each named executive officer received a time-vested restricted stock award under our 2005 Plan. The restricted stock awards vest over a three-year period in one-third increments on each anniversary of the date of grant.

Perquisites and Benefits

Our named executive officers are not entitled to any benefits that are not otherwise available to all of our employees. In this regard it should be noted that we do not provide pension arrangements, post-retirement health coverage or similar benefits for our named executive officers.

We offer a variety of health and welfare and retirement programs to all eligible employees. The executive officers are eligible for the same benefit programs on the same basis as the rest of our employees. Our health and welfare programs include medical, pharmacy, dental, vision, life insurance and accidental death and disability insurance. In addition, we offer a

retirement program intended to supplement our employees personal savings and social security. Our retirement program consists solely of our Helix Energy Solutions Group, Inc. Employees Retirement Savings Plan, which is a 401(k) plan. With respect to all employees who participate in our 401(k) plan, Helix currently matches 75% (which was increased from 50% effective January 1, 2014) of the employee s pre-tax contributions up to 5% of the employee s compensation subject to contribution limits. All of our named executive officers participated in our 401(k) plan and received matching funds in 2014. Our health and insurance plans are the same for all employees.

2015 Long-Term Incentive Program and Short-Term Incentive Program

In December 2014, the Compensation Committee determined to change the structure of the long-term incentive program. As described above, composition of long-term incentive awards to our executive officers that has been in place since 2012 consisted of (i) 50% in a performance-based cash long-term incentive award vesting pro-rata over three years, the payout of which is to be measured by the performance of Helix s stock year over year (*i.e.*, vesting date price compared to a base price), (ii) 25% in cliff-vesting performance share units, the payout of which is measured by the performance of Helix s stock relative to its peer group over the three-year vesting period and (iii) 25% in an award of time-vested restricted stock, vesting pro-rata over three years. In reviewing the program in connection with its 2015 determinations, the Compensation Committee determined to focus more of the performance-based long-term incentive awards on the performance of our stock compared to our peer group (rather than a year-over-year comparison to our own stock price, which could potentially lead to a result that is mostly reflective of general market conditions at the time of vesting), in that the operating performance

of Helix and its executive officers is more accurately gauged by the relative performance of our stock price compared to that of our peers.

The Compensation Committee also determined that more of the long-term incentive awards granted to our executive officers should be cliff-vesting (in the prior years programs, cliff-vesting awards only constituted 25% of the total long-term incentive awards). In that connection, the Compensation Committee determined to change the structure of performance-based long-term incentive awards to our executive officers to one form of performance-based award: a cliff-vesting award the payout of which is based on our stock performance compared to that of our peer group, and to eliminate the pro-rata vesting cash performance award the payout of which is based on a year-over-year comparison with respect to our own stock price. This structural change also simplifies the long-term incentive program by moving to only one form of performance-based long-term incentive awards, *i.e.*, performance share units, and to only two forms of long-term incentive awards.

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Thus, for 2015 the long-term incentive award program was changed from the 2014 (and prior years) program consisting of 50% cash performance awards, 25% cliff-vesting performance share units and 25% restricted stock, to a program consisting of 50% cliff-vesting performance share units and 50% restricted stock.

In February 2015, the Compensation Committee approved the 2015 Short-Term Incentive Program for Helix s executive officers, including entry level, target and maximum bonuses that can be earned by each

executive officer, which incorporates a significant stretch element in light of the current condition of the service market due to industry reaction to the precipitous drop in oil prices. To simplify and reflect the financial performance drivers for 2015, the Compensation Committee retained only one financial metric: EBITDA targets. As such, the return on capital metric and the maintenance of CAPEX spending within board approved levels metric were deleted, and the EBITDA targets metric was increased from 75% weighting to 100%.

E. Severance and Change in Control Arrangements

We believe that the competitive marketplace for executive talent and our desire to retain our executive officers require us to provide our executive officers with certain severance benefits. In addition, we believe that the interests of our shareholders are served by having limited change in control benefits for executive officers who would be integral to the success of, and are most likely to be impacted by, a change in control. Each of our named executive officers with the exception of Mr. Chamblee executed amended and restated employment agreements in November 2008. Mr. Chamblee executed an employment agreement in May 2011 in connection with his promotion to an executive officer position. In order to reflect evolving corporate governance standards, Mr. Chamblee s agreement does not have gross-up , or excise tax protection, provisions.

The employment agreements with our named executive officers contain severance benefits in the

event the executive s employment is terminated by Helix Without Cause or the executive terminates employment for Good Reason , as those terms are defined in the agreements. The employment agreements generally contain benefits payable to the executive officer if the executive officer terminates his or her employment for Good Reason or is terminated without Cause within a two-year period following a Change in Control. We believe the provision of these benefits to be reasonable and customary within our peer group. For more information regarding the severance and change in control benefits, please refer to Employment Agreements and Change in Control Provisions.

In February 2012, the Compensation Committee adopted a policy that prohibits any future employment agreements with executive officers from containing single trigger change in control provisions, or gross-up , or excise tax protection, provisions.

F. Stock Ownership Guidelines

We have implemented stock ownership guidelines for our Section 16 officers and non-employee directors. These covered persons have five years from the later of (1) the date of adoption of the guidelines in February 2011 or (2) the date upon which they become subject to the guidelines to accumulate the equity necessary to comply with the guidelines. The forms of equity ownership that can be used to satisfy the guidelines include shares of our common stock owned directly, shares of our common stock owned indirectly (*e.g.,* by a spouse or a trust) or time-vested restricted stock.

The ownership guidelines are as follows:

Non-Employee Members of the board	5 times annual cash retainer
President and Chief Executive Officer	6 times current base salary
Executive Vice Presidents	3 times current base salary
Senior Vice Presidents, Vice Presidents and other Section 16 officers not listed above	2 times current base salary

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COMPENSATION COMMITTEE REPORT

The value of an individual s holdings is based on the average of the closing price of a share of our common stock for the previous calendar year. There are penalties for non-compliance; however waivers may be

made for certain hardship issues. Currently, each of our directors and Section 16 officers is in compliance with the ownership guidelines.

G. Hedging and Pledging Policy