HELIX ENERGY SOLUTIONS GROUP INC
Form DEF 14A
April 02, 2019
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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 Filed by a party other than the registrant

Check the appropriate box:

Preliminary Proxy Statement
CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to 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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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:

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April 2, 2019

Dear Shareholder:

You are cordially invited to join us for our 2019 Annual Meeting of Shareholders to be held on Wednesday, May 15, 2019 at 8:30 a.m. at Helix Energy Solutions Group, Inc. s corporate office, 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043.

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 KPMG LLP as our independent registered public accounting firm for the 2019 fiscal year, the approval on a non-binding advisory basis of the 2018 compensation of our named executive officers, the approval of the amendment and restatement of our 2005 Long Term Incentive Plan, and the approval of the amendment and restatement of our Employee Stock Purchase Plan. **At the meeting, 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 that this election enables 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 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 15, 2019

The Helix Energy Solutions Group, Inc. 2019 Proxy Statement and Annual Report to Shareholders (including our Annual

Report on Form 10-K) for the fiscal year ended December 31, 2018 are available electronically at

www.HelixESG.com/annualmeeting

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HELIX ENERGY SOLUTIONS GROUP, INC.

NOTICE OF 2019 ANNUAL MEETING

OF SHAREHOLDERS

DATE:	Wednesday, May 15, 2019
TIME:	8:30 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 I directors to serve a three-year term expiring at the Annual Meeting of Shareholders in 2022 or, if at a later date, until their successors are duly elected and qualified. 2. To ratify the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019. 3. To approve, on a non-binding advisory basis, the 2018 compensation of our named executive officers. 4. To approve the amendment and restatement of our 2005 Long Term Incentive Plan. 5. To approve the amendment and restatement of our Employee Stock Purchase Plan. 6. 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 18, 2019.
VOTING BY PROXY:	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 14, 2019; 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 14, 2019; 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 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 15, 2019:	**The proxy statement and 2018 Annual Report to Shareholders (including our Annual Report on Form 10-K) for the fiscal year ended December 31, 2018 are also available at www.HelixESG.com/annualmeeting.**

By Order of the Board of Directors,

Alisa B. Johnson

Executive Vice President, General Counsel and Corporate Secretary

Houston, Texas

April 2, 2019

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 ON MAY 15, 2019

The Board of Directors of Helix Energy Solutions Group, Inc., a Minnesota corporation referred to herein as Helix, the Company, we, us or our, is soliciting your proxy to vote at the 2019 Annual Meeting of Shareholders (the Ann Meeting) on Wednesday, May 15, 2019. 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 18, 2019 as the record date for the Annual Meeting. There were 148,785,311 shares of Helix 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 Securities and Exchange Commission (SEC) rules, we are making this proxy statement and our 2018 Annual Report to Shareholders available to our shareholders electronically via the Internet. On or about April 2, 2019, we intend to mail to our shareholders a Notice of 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 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 the Annual Meeting.

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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 Wednesday, May 15, 2019 at 8:30 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.

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

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

1. First is the election of three Class I directors to our Board, to serve a three-year term expiring at the Annual Meeting of Shareholders in 2022 or, if at a later date, until their successors are duly elected and qualified.

2. Second is the ratification of the selection by our Audit Committee of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019 (subject to the ongoing discretionary authority of the Audit Committee to direct the appointment of a new independent registered public accounting firm should the Audit Committee believe such is in the best interest of Helix and its shareholders).

3. Third is the approval, on a non-binding advisory basis, of the 2018 compensation of our named executive officers.
4. Fourth is the approval of the amendment and restatement of the Helix Energy Solutions Group, Inc. 2005 Long Term Incentive Plan (as amended and restated January 1, 2017) (our 2005 Long Term Incentive Plan).

5. Fifth is the approval of the amendment and restatement of the Helix Energy Solutions Group, Inc. Employee Stock Purchase Plan (our Employee Stock Purchase Plan).

Although we do not expect any other items of business, we also will consider other business that properly comes before the Annual Meeting or any adjournment thereof in accordance with Minnesota law and our By-laws. The Chairman 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 was not properly submitted.

3. Who may vote at the Annual Meeting?

The Board has set March 18, 2019 as the record date for the 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 18, 2019 may vote their shares on the matters to be acted upon at the Annual Meeting. Shareholders who, as of March 18, 2019, 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 they 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.

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

Voting Item	Our Board s Voting Recommendation	Voting Standard to Approve Proposal (assuming a quorum is present)	Treatment of: Abstentions	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 2018 Compensation of 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	Not counted as votes cast and as such have no effect; brokers may not vote on this proposal absent instructions
4. Approval of Amendment and	FOR	Majority of Votes Cast: Votes that shareholders cast for must	Counted as votes against	Not counted as votes cast and as

Restatement of our 2005 Long Term Incentive Plan		exceed the votes that shareholders cast against		such have no effect; brokers may not vote on this proposal absent instructions
5. Approval of Amendment and Restatement of our Employee Stock Purchase Plan	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 not vote on this proposal absent instructions

(a) If any nominee receives a greater number of withhold authority than votes for his or her election, then that nominee is to promptly tender his or her 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 named executive officers.

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 our shareholders of the availability of the proxy materials on that website. As such, we are furnishing to most of our shareholders proxy materials, including this proxy statement and our 2018 Annual Report to Shareholders, by providing access to those documents on the Internet 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 the proxy materials, you should follow the instructions in the Notice. Your accessing your proxy material on the Internet and your request to receive 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.

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GENERAL INFORMATION

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

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

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

The instructions for these three methods of voting your shares are set forth on the Notice 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 a 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, EQ Shareowner Services, you are considered a shareholder of record with respect to those shares and the Notice is being sent directly to you by EQ Shareowner Services. 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 by telephone, via the Internet, or by marking, signing, dating and returning the proxy card.

Beneficial Owner. If like most Helix shareholders, you hold your shares in street name through a broker, bank or other nominee (your 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 your Nominee as the record holder. If you are a beneficial owner, you may appoint proxies and vote as provided by your Nominee. The availability of telephone

or Internet voting will depend upon the voting process of your Nominee. You should follow the voting directions provided by your Nominee. If you provide specific voting instructions in accordance with the directions provided by your Nominee, your shares will be voted by that party as you have directed.

The organization that holds your shares is considered to be the shareholder of record for purposes of voting at the Annual Meeting. 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 (your Nominee) giving you the right to vote the shares and (b) provide an account statement or letter from the record holder 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 Nominee in whose name your shares are registered to obtain from your Nominee as record holder a proxy executed in your favor and bring it to the Annual Meeting.

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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 shareholder of record your 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 shares of common stock 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 (by telephone, electronically using the Internet or written proxy card).

Proxies received but marked as abstentions or withholding authority 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, then your Nominee, as shareholder of record, is required to vote those shares in accordance with your instructions. However, if you do not give instructions to your 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 (i) the election of directors, (ii) the approval, on a non-binding advisory basis, of the 2018 compensation of our named executive officers, (iii) the approval of the amendment and restatement of our 2005 Long Term Incentive Plan

and (iv) the approval of the amendment and restatement of our Employee Stock Purchase Plan. Accordingly, if you do not instruct your Nominee on how to vote your shares with respect to 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 the response to question 4 above.

12. How many shares can vote?

On the record date, there were 148,785,311 shares of Helix common stock outstanding and entitled to vote at the Annual Meeting, held by approximately 20,943 beneficial owners.

These shares 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 on the record date.

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

Other than the five matters noted in response to question 2 above, 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 Annual Meeting or any adjournment thereof in accordance with Minnesota law and our By-laws.

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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 or any adjournment thereof. If you indicate a choice on your proxy card with respect to any matter to be acted upon, 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 Nominee with voting instructions, your Nominee will determine if it has the discretionary authority to vote on the particular matter.

Under applicable rules, brokers, banks 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

(i) the election of directors, (ii) the approval, on a non-binding advisory basis, of the 2018 compensation of our

named executive officers, (iii) the approval of the amendment and restatement of our 2005 Long Term Incentive Plan and (iv) the approval of the amendment and restatement of our Employee Stock Purchase Plan. Accordingly, if you do not instruct your Nominee on how to vote your shares with respect to non-routine matters, your shares will be broker non-votes with respect to those proposals.

Your vote is especially important. If your shares are held in street name (by your Nominee), your Nominee cannot vote your shares for (i) the election of directors, (ii) the approval, on a non-binding advisory basis, of the 2018 compensation of our named executive officers, (iii) the approval of the amendment and restatement of our 2005 Long Term Incentive Plan and (iv) the approval of the amendment and restatement of our Employee Stock Purchase Plan. Accordingly, if you do not instruct your Nominee on how to vote your shares on non-routine matters, your shares will be broker non-votes with respect to those proposals. Therefore, please promptly instruct your 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 EQ Shareowner Services as the independent inspector of election and handled in a manner that protects your voting privacy. As the independent inspector of election, EQ Shareowner Services 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. 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, certain employees and officers will be available at the meeting to provide information about 2018 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 proxy card that you receive. To

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GENERAL INFORMATION

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, EQ Shareowner Services, at 800.468.9716.

18. Who will count the votes?

We have hired a third party, EQ Shareowner Services, 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. 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, 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 contact 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 2018 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?

Shareholders 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, a particular group or committee of directors, our Chairman or another individual director.

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23. When are shareholder proposals for the 2020 Annual Meeting of Shareholders due?

	Deadline	Compliance	Submission
To be included in the proxy statement for the 2020 Annual Meeting[1]	December 4, 2019[2]	Must comply with Regulation 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), regarding the inclusion of shareholder proposals in company-sponsored proxy materials	All submissions to, or requests of, the Corporate Secretary should be addressed to our corporate office at: 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043
Not to be included in the proxy statement	February 15, 2020[3]	Must comply with our By-laws and Regulation 14A of the Exchange Act[4][5]	

(1) The persons designated in the proxy card will be granted discretionary authority with respect to any shareholder proposal not submitted to us timely.

(2) 120 days prior to the anniversary of this year s mailing date.

(3) Not less than 90 days prior to the anniversary of this year s Annual Meeting.

(4) A copy of our By-laws is available from our Corporate Secretary.

(5) The shareholder providing the proposal must provide their name, address, and class and number of voting securities held by them. The shareholder must also be a shareholder of record on the day the notice is delivered to us, be eligible to vote at the Annual Meeting of Shareholders and represent that they intend to appear in person or by proxy at the meeting.

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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, Amerino Gatti, John V. Lovoi and Jan Rask, to stand for election as Class I directors to serve a three-year term expiring at the Annual Meeting of Shareholders in 2022 or, if at a later date, until their successors are duly elected and qualified. Messrs. Gatti, Lovoi and Rask are currently serving as Class I 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 has 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 unable to serve. The Board has affirmatively determined that Messrs. Gatti, Lovoi and Rask qualify as independent as that term is defined under New York Stock Exchange (NYSE) Rule 303A and applicable rules promulgated under the Exchange Act.

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 I director for a term of three years, until the Annual Meeting of Shareholders in 2022 or, if at a later date, until his respective successor is duly elected and qualified. There is no cumulative voting for the election of directors and the Class I 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 I director nominees and each other member of the Board.

Age and other information in the director s biographical information are as of March 18, 2019. Information about the number of shares of our common stock beneficially owned by each director as of March 18, 2019 appears below under the heading Share Ownership Information Management Shareholdings on page 69.

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 holders of a plurality of the shares of common stock present or represented and voting on the proposal 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 nominee for director who receives a greater number of withhold authority than votes for his or her election is required to promptly tender his or her 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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ELECTION OF DIRECTORS

Information about Nominees for Class I Directors:

AMERINO GATTI

Primary Occupation:

Chief Executive Officer Team, Inc.

Director Since: 2018

Age: 48

Professional Experience:

Mr. Gatti was appointed as a director in August of 2018. Since January of 2018 Mr. Gatti has served as Chief Executive Officer and a member of the Board of Directors of Team, Inc., a provider of specialty industrial services, including inspection and assessment, required in maintaining and installing high-pressure piping systems and vessels utilized in the refining, petrochemical, power, pipeline and other heavy industries. Prior to joining Team, Mr. Gatti served as an executive officer and President of the Production Group for Schlumberger Limited (NYSE: SLB), an oilfield services and products provider with operations in over 85 countries. Over his 25-year career at Schlumberger, Mr. Gatti served in a variety of roles of progressing leadership responsibility, including President Well Services, Vice President of the Production Group for North America, Vice President and General Manager for Qatar, Global Vice President for Sand Management Services and Vice President Marketing for North America. Earlier in his Schlumberger career, he held field operations, engineering and human resources positions around the world, including North America, South Asia and the Middle East. Mr. Gatti holds a mechanical engineering degree from the University of Alberta, Canada.

Director Qualifications:

Mr. Gatti possesses international business and executive leadership experience in operations, technology, talent management and governance. In addition, his 25-year career in petroleum and energy businesses provides him with global expertise in key customer segments that strengthen the Board s collective qualifications, skills and experience.

JOHN V. LOVOI

Primary Occupation:

Managing Partner

JVL Partners

Director Since: 2003

Age: 58

Professional Experience:

Mr. Lovoi 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, and as Chairman of Epsilon Energy Ltd., an exploration and production company focused in the Marcellus shale play in the northeast United States. 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.

Director Qualifications:

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

Primary Occupation:

Professional Experience:

Mr. Rask has been an independent investor since July of 2007. Mr. Rask was President, Chief Executive Officer and Director of TODCO from July of 2002 to July of 2007. Mr. Rask was

Managing Director, Acquisitions and Special Projects, of Pride International, Inc., a contract drilling company, from September of 2001 to July of 2002. From July of 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 of 1993 until the acquisition of Arethusa (Off-Shore) Limited by Diamond Offshore Drilling, Inc. in May of 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 industries for approximately 30 years and has held a number of positions of progressive responsibility in finance, chartering and operations.

Independent Investor

Director Since: 2007

Age: 63

Director Qualifications:

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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ELECTION OF DIRECTORS

Information about Continuing Directors

Class III Directors Term Expiring in 2020:

NANCY K. QUINN

Primary Occupation: Independent Energy Consultant

Director Since: 2009

Age: 65

Professional Experience:

Ms. Quinn has been an independent energy consultant since July of 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 Human Resources Committee and member and former chair of the Audit Committee of Atmos Energy Corporation, a natural gas distribution, intrastate pipeline and marketing company. Ms. Quinn served as a director and chair of the Audit Committee of Endeavour International Corporation, an international oil and gas exploration and production company until November of 2015. 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.

Director Qualifications:

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

Primary Occupation: Energy Executive

Professional Experience:

Mr. Transier has served as a director since October of 2000, and as Lead Independent Director from March of 2016 through July of 2017 when he was appointed Chairman of the Board. He is Chief Executive Officer of Transier Advisors, LLC, an independent advisory firm providing

Director Since: 2000

Age: 64

services to companies facing stressed operational situations, turnaround, restructuring or in need of interim executive leadership. He was co-founder of Endeavour International Corporation, an international oil and gas exploration and production company. He served as non-executive Chairman of Endeavour s Board of Directors from December of 2014 until November of 2015. He served until December of 2014 as Chairman, Chief Executive Officer and President of Endeavour and as its Co-Chief Executive Officer from its formation in February of 2004 through September of 2006. Mr. Transier served as Executive Vice President and Chief Financial Officer of Ocean Energy, Inc. from March of 1999 to April of 2003 and prior to that, Mr. Transier served in various positions of increasing responsibility with Seagull Energy Corporation. Before his tenure with Seagull, Mr. Transier served in various roles including partner in the audit department and head of the Global Energy practice of KPMG LLP from June of 1986 to April of 1996. In March of 2019 Mr. Transier was elected to the Board of Directors of Teekay Offshore GP L.L.C. (the general partner of Teekay Offshore Partners L.P.) and as chairman of its audit committee. Since October 2018 Mr. Transier has served as a member of the Board of Directors of Sears Holding Corporation including the Board s Restructuring Committee and Restructuring Subcommittee. From August 2018 to February 2019, Mr. Transier served as a member of the Board of Directors of Gastar Exploration, Inc. From May of 2016 to July of 2017, Mr. Transier was a member of the Board of Directors of CHC Group Ltd. From August of 2014 to July of 2017, Mr. Transier was a member of the Board of Directors of Paragon Offshore plc. From December of 2006 to December of 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. He served as Lead Director of Cal Dive from May of 2009 until December of 2012. Mr. Transier graduated from the University of Texas with a B.B.A. in accounting and has an M.B.A. from Regis University.

Director Qualifications:

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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ELECTION OF DIRECTORS

Class II Directors Term Expiring in 2021:

OWEN KRATZ

Primary Occupation:

President and Chief Executive Officer Helix Energy Solutions Group, Inc.

Director Since: 1990

Age: 64

Professional Experience:

Mr. Kratz is President and Chief Executive Officer of Helix. He was named Executive Chairman in October of 2006 and served in that capacity until February of 2008 when he resumed the position of President and Chief Executive Officer. He served as Helix s Chief Executive Officer from April of 1997 until October of 2006. Mr. Kratz served as President from 1993 until February of 1999, and has served as a Director since 1990 (including as Chairman of the Board from May of 1998 to July of 2017). 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 of 2006 to December of 2011, Mr. Kratz was a member of the Board of Directors of Cal Dive International, Inc., a publicly traded company that was formerly a subsidiary of Helix. Mr. Kratz has a Bachelor of Science degree from State University of New York (SUNY).

JAMES A. WATT

Primary Occupation:

President and Chief Executive Officer Warren Resources,

Professional Experience:

Mr. Watt has served as a director since July of 2006. In November of 2015, Mr. Watt became Chief Restructuring Officer, President and CEO and a director of Warren Resources, Inc. In June of 2016, Warren Resources filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas. In October of 2016, Warren Resources completed its reorganization and emerged

Inc.

Director Since: 2006

Age: 69

from Chapter 11 bankruptcy protection. At that time, Mr. Watt became and continues as President, CEO and a director of the private domestic onshore oil and gas exploration and development company. Mr. Watt was CEO, President and a director of Dune Energy, Inc., an oil and gas exploration and development company from April of 2007 until September of 2015. Mr. Watt served as Chairman and Chief Executive Officer of Maverick Oil and Gas, Inc., an independent oil and gas exploration and production company from August of 2006 until March of 2007. He was the Chief Executive Officer of Remington Oil and Gas Corporation from February of 1998 and the Chairman of Remington from May of 2003 until Helix acquired Remington in July of 2006. Mr. Watt also served on Remington s Board of Directors from September of 1997 to July of 2006. Mr. Watt served as a director of Pacific Energy Resources, Ltd. from May of 2006 until January of 2010. Mr. Watt served on the board of Bonanza Creek Energy, Inc. from August of 2012 until April of 2017. He graduated from Rensselaer Polytechnic Institute with a Bachelor of Science in physics.

Director Qualifications:

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.

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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 2019, 2021 and 2020, respectively, and their respective successors being duly elected and qualified. There are currently two directors each in Class II and Class III and three directors in Class I.

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 for the Board of Directors is available on our website (which can be found at www.HelixESG.com) under *Investor Relations,* by clicking *Governance.* According to the Corporate Governance 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 Messrs. Gatti, Lovoi, Rask, Transier and Watt and Ms. Quinn qualify as independent as that term is defined under NYSE Rule 303A and applicable rules promulgated under the Exchange Act. In making this determination, the Board has concluded that none of these directors has a relationship with Helix that, 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. Our 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 2019. In connection with its determination, the Board gathered information with respect to each Board member individually regarding transactions and relationships between Helix and its directors, including the existence of ongoing transactions, if any, entered into between Helix and other 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 or relationships 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 18.

Board of Directors Qualifications, Skills and Experience

We are an international offshore energy services 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 oilfield services, oil and gas exploration and production, international operations, accounting and finance, strategic planning, investor relations, governance matters, leadership and administration of complex organizations, management of risk, corporate governance and other areas related to

CORPORATE GOVERNANCE

the operation of a major international corporation (whether social, cultural, industrial, financial or operational). We believe that all of our current Board members possess the professional and personal

qualifications necessary for Board service, and have the director qualifications described in their biographies under Election of Directors on pages 10-12.

Board Leadership Structure

In July of 2017, the Board appointed its former Lead Director, Mr. Transier, to serve as its independent Chairman. The Corporate Governance and Nominating Committee periodically reviews and recommends to the Board appropriate Board leadership structure.

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, a particular group or committee of directors, our Chairman or another 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 Officer and Senior Financial Officers that is currently applicable to our Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer or Corporate Controller (or person performing a similar function, if any), 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 Board holds a regular meeting immediately preceding and/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. All members of the then-current Board attended the 2018 Annual Meeting of Shareholders.

Mandatory Retirement Policy

In February of 2017, the Corporate Governance and Nominating Committee adopted a mandatory retirement policy for directors such that no person may be a director

nominee to serve for a term of service on the Board if during the applicable term he or she would reach the age of 75.

Directors Continuing Education

The Board encourages all directors to attend director education programs if they believe attendance will enable them to perform better and to recognize and effectively deal with issues as they arise. To assist directors continuing education, Helix is a member of the National Association of Corporate Directors and from time to time Helix presents programs regarding topical matters to the Board.

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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 risks associated with our business, which are discussed at Board and/or committee meetings as appropriate. The Board focuses on our general risk management strategy and the most significant risks to Helix, and reviews risk mitigation strategies that 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 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;
- Our hedging policies and transactions;
- Cybersecurity risk and control procedures; and
- Our compliance with legal and regulatory requirements, and our programs related to that 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 compliance, human resources, contracts and insurance

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

Management regularly reports on these risks to the Board and/or its relevant committees. Additional review and reporting of risks is conducted as needed or as requested by the Board and/or its relevant committee(s). Our committees also consider and address risk as they perform their respective 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 committees, the Board receives presentations throughout the year from various members of management that include discussion of significant risks as necessary and appropriate, including any risks associated with proposed transactions. At each Board meeting, our Chief Executive Officer 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 responsibilities, processes and procedures are an effective approach for addressing the risks facing Helix and that our Board structure supports this approach.

Corporate Sustainability

In January of 2019, Helix published its inaugural Corporate Sustainability Report, which provides a detailed look at our management and oversight of the governance, environmental and social factors related to our business. To read our report, visit our website (which is located at www.HelixESG.com) and click on *Corporate Sustainability Report under the About Helix* heading.

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CORPORATE GOVERNANCE

Our Board and Safety, Social and Environment

Our Board is very focused on not just Helix governance practices, but also on environmental, health, safety and social issues. At every regular meeting our Board receives a report on Helix s safety record (including total reportable incident rate, or TRIR), lost time incidents, and any significant accident or illness incidents, and has the opportunity to question management. Our Chief Operating Officer or his designee reports to our Board on Helix s performance compared to Health, Safety and Environment (HSE) targets set for ourselves against industry statistics, and various initiatives being implemented by HSE management.

Helix is dedicated to protecting the environment, and our track record and asset maintenance practices are evidence of our efforts to safeguard the environments in which we operate. Helix has developed and implemented a 4 Pillars of Helix Safety Culture, namely our beliefs, language, workplace and methodology, which is our own safety culture tailored to our specific operations that has proven to be an effective

program. From a social perspective, our Board and senior management recognize their leadership responsibility in embracing our vision and values. Our Board is focused on maintaining an anti-corruption culture at all levels in our organization, receiving regular educational updates on anti-corruption law developments and specific risks in the geographic areas in which we operate or seek to operate in the future.

Our Board also focuses on our internal organization, including how Helix manages various risks involved in our business and our employee culture, including embracing diversity and inclusion. Notably in 2018 Helix employed over 1,550 employees worldwide, representing 29 nationalities, and in our non-U.S. offices in four different countries we employed only 25 expats in our onshore workforce. Our Board believes that employing people with different backgrounds, experience and perspectives makes Helix a stronger company.

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 on our website (which is located at www.HelixESG.com) under *Investor Relations,* then by clicking *Governance.* A copy of each charter is available free of charge upon request sent to the Corporate Secretary at Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043.

The following table summarizes the current membership of the Board and each of its committees as well as the number of times each met during the year ended December 31, 2018. 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
Mr. Gatti[(1)]	Member		Member	Member
Mr. Kratz	Member			
Mr. Lovoi	Member	Member	Member	
Ms. Quinn	Member	Chair		Member
Mr. Rask	Member		Member	Chair
Mr. Transier	Chair	Member	[(2)]	[(2)]
Mr. Watt	Member		Chair	Member
Number of Meetings in 2018				
Regular	5	6	4	4
Special	7	0	5	0

(1) Mr. Gatti was elected to the Board in August of 2018 at which time he became a member of the Compensation Committee and the Corporate Governance and Nominating Committee.

(2) Mr. Transier was a member of this Committee from January until August of 2018.

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Board Attendance

During the year ended December 31, 2018, the Board held a total of twelve meetings. Each director attended 75% or more of the total meetings of the Board held

during the time such director was a member, 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 regular 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 do occasionally meet with individual members of management by invitation, including the Chief Executive Officer, during executive sessions.

The independent Chairman (and, prior to the Chairman s election in July of 2017, the Lead Director) presides at executive sessions of the independent directors. In the case of an executive session of the independent directors held in connection with a committee meeting, the chair of the applicable committee presides as chair.

Audit Committee

The Audit Committee is composed of three non-employee independent directors: Ms. Quinn, Chair, and Messrs. Lovoi and Transier, 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 our shareholders, potential shareholders, the investment community and others relating to: (i) the integrity of our financial statements, (ii) the effectiveness of our internal control over financial reporting, (iii) our compliance with legal and regulatory requirements, (iv) the performance of our internal audit function and independent registered public accounting firm, and (v) the independent registered public accounting firm s qualifications and independence. Among its duties, all of which are more specifically described in the Audit Committee charter, which was most recently amended in December of 2018, the Audit Committee:

- Appoints and oversees 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 the 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;
- Meets with internal audit and reviews significant reports prepared by internal audit as well as the quality and objectivity of the internal audit function;
- Reviews corporate compliance and disclosure systems;
- Reviews corporate compliance and ethics programs and associated legal and regulatory requirements, together with management s periodic evaluation of the programs effectiveness;
- 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; and
- Performs such other duties as may be assigned by the Board from time to time.

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).

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Designation of Audit Committee Financial Expert

The Board has determined that each member 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 25.

Compensation Committee

The Compensation Committee is composed of four non-employee independent directors: Mr. Watt, Chair, and Messrs. Gatti, Lovoi and Rask. The Board has affirmatively determined that all members of the Compensation Committee are considered independent as defined under NYSE Rule 303A.

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 plans, policies, programs and agreements (to the extent such agreements are considered necessary or appropriate by the Compensation Committee). 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. The Compensation Committee has the responsibility to:

- Review our overall compensation philosophy and objectives;
- Make recommendations to the Board with respect to our 2005 Long Term Incentive Plan, our Employees 401(k) Savings Plan, our Employee Stock Purchase Plan, and any other equity-based plans;
- Commission independent consultants to assist the committee in the evaluation of independent board member and executive officer compensation, as discussed in our Compensation Discussion and Analysis below;
- Review and approve employment, severance, change in control agreements and other compensatory arrangements with our executive officers, as the committee determines are appropriate;
- Review and approve executive officer compensation and compensatory arrangements, including base salary and short-term and 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; and
Perform such other duties 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 non-employee independent directors: Mr. Rask, Chair, Mr. Gatti, Ms. Quinn 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 the 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 recommend director nominees to the Board;
Recommend to the Board the number and term of members of the Board and each committee of the Board;
Monitor, and recommend members for, each committee of the Board;
Monitor and recommend the functions of the committees of the Board;

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- Make a recommendation to the Board of whether to accept the resignation of any director who receives a greater number of withhold authority than votes for his or her election in an uncontested election;
- Periodically review and recommend to the Board appropriate Board leadership structure;
- Periodically review and revise our corporate governance principles as appropriate;
- Oversee director orientation and education regarding Helix s business, structure, management and director responsibilities, as well as emerging governance issues and trends;
- Review and make recommendations to the Board regarding notifications made to the committee by directors concerning service on other boards or any material change in employment or other circumstances;
- Give appropriate consideration to shareholder concerns and proposals regarding corporate governance matters concerning the Board, and provide input for any response by Helix to such concerns or proposals;
- 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; and
- Perform such other duties as may be assigned by the Board from time to time.

Director Nomination Process

Process for Director Nominations Shareholder Nominees

The policy of the Corporate Governance and Nominating Committee is to consider properly submitted recommendations of director nominees by shareholders 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 and to address the membership criteria set forth below under Director Qualifications and Diversity. Any shareholder recommendations for director nominees 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.

Neither the Corporate Secretary nor the Corporate Governance and Nominating Committee received any recommendations for director nominees from any shareholder or group of shareholders during 2018 or to date in 2019. As such, Messrs. Gatti, Lovoi and Rask are the only directors standing for election at the Annual Meeting.

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 71.

Director Qualifications and Diversity

The Corporate Governance and Nominating Committee has established certain criteria with respect to the desired skills and experience 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 industry knowledge, intelligence, insight, practical wisdom based on experience, the highest professional and personal ethics and values, leadership skills,

integrity, strength of character and commitment. Nominees should also 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 (including with respect to Compensation Committee responsibilities) 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

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number that permits them, given their individual circumstances, to perform responsibly all director duties to Helix and our shareholders. Specifically, in accordance with our Corporate Governance Guidelines, our directors may not serve on the boards of more than four public companies other than Helix or, if the director is the Chief Executive Officer of Helix or the equivalent of another public company, on the boards of more than two public companies other than Helix. 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 attributes 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 evaluating 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 director nominees. 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 parties. 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 recommendations of director nominees by shareholders.

Following verification of the shareholder status of persons proposing director nominees, 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 shareholder s recommendation of a director nominee, those materials are forwarded to the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee may also review materials provided by current Board members, professional search firms or other parties in connection with a nominee who was not proposed pursuant to a shareholder recommendation. In evaluating all nominations, the Corporate Governance and Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the Board.

Compensation Committee Interlocks and Insider Participation

During 2018, no member of the Compensation Committee was 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 2018, 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

2018 Director Compensation Table

The following table provides compensation that was earned or paid during the one-year period ended December 31, 2018 for each member who served on our Board during all or part of 2018.

Name[(1)]	Fees Earned or Paid in Cash[(3)(4)]	Stock Awards[(5)(6)]	All Other Compensation	Total
Amerino Gatti[(2)]	$37,938	$54,654	$-0-	$92,592
John V. Lovoi	$-0-	$299,688	$-0-	$299,688
Nancy K. Quinn	$131,000	$150,000	$-0-	$281,000
Jan Rask	$-0-	$305,625	$-0-	$305,625
William L. Transier	$340,150	$150,000	$-0-	$490,150
James A. Watt	$130,750	$150,000	$-0-	$280,750

(1) Mr. Kratz is not included in the table because he does not receive any compensation for serving on our Board.

(2) Mr. Gatti was elected to the Board in August of 2018.

(3) The annual retainer fee for each member of the Board and the retainer fee related to the applicable Board member s serving as a chair of a committee and/or as Chairman of the Board are paid quarterly. Directors have 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 and Rask received their fees in restricted stock during 2018.

(4) In this column we are required to report all fees either earned or paid to directors during 2018. As a result, fees earned in 2017 for fourth quarter service in 2017 but paid in 2018 are also included; thus the dollar amount represents fees paid for five (not four) successive quarters. Fees earned in 2017 but paid in 2018 were as follows: Ms. Quinn, $26,500; Mr. Transier, $76,000 and Mr. Watt, $26,750. Information with regard to Messrs. Lovoi and Rask is included in footnote 6 below.

(5) Amounts shown in this column represent 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.

(6) The grant date fair value of the restricted stock awarded with respect to the year ended December 31, 2018 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. Gatti	August 21, 2018 [(a)]	6,093	$54,654
	December 7, 2017 [(b)]	23,548	$150,000

Mr. Lovoi				
	January 2, 2018	(c)	4,020	$30,313
	April 2, 2018	(c)	5,559	$32,188
	July 2, 2018	(c)	3,189	$26,562
	October 1, 2018	(c)	3,068	$30,312
	January 2, 2019	(c)	5,603	$30,313
Ms. Quinn	December 7, 2017	(b)	23,548	$150,000
Mr. Rask	December 7, 2017	(b)	23,548	$150,000
	January 2, 2018	(c)	4,227	$31,875
	April 2, 2018	(c)	5,505	$31,875
	July 2, 2018	(c)	3,376	$28,125
	October 1, 2018	(c)	3,036	$30,000
	January 2, 2019	(c)	6,238	$33,750
Mr. Transier	December 7, 2017	(b)	23,548	$150,000
Mr. Watt	December 7, 2017	(b)	23,548	$150,000

(a) Represents the pro-rata portion of the annual grant made in August of 2018 for Board service for 2018 and the future.

(b) Represents the annual equity grant made in December of 2017 for Board service for 2018 and the future.

(c) Represents the payment of retainer and Board and committee fees for the fourth quarter of 2017 and each quarter of 2018.

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DIRECTOR COMPENSATION

Additionally, on December 13, 2018, each of the non-employee directors was issued 21,157 shares of restricted stock having a value of $150,000 representing their annual grant for future Board service.

As of December 31, 2018, unvested restricted stock held by each non-employee director who served during all or part of 2018 is as follows:

Name	Shares of Unvested Restricted Stock Outstanding[(1)]
Mr. Gatti	27,250
Mr. Lovoi	56,544
Ms. Quinn	26,417
Mr. Rask	57,946
Mr. Transier	26,417
Mr. Watt	26,417

(1) Does not include January 2, 2019 grant of 5,603 shares of restricted stock to Mr. Lovoi and 6,238 shares of restricted stock to Mr. Rask for 2018 fourth quarter service.

Summary of Director Compensation and Procedures

Our non-employee director compensation structure has three components: (1) director and committee chair retainers, (2) Board and Committee fees (meetings and unanimous consents), and (3) annual equity-based compensation currently in the form of restricted stock awards. We also reimburse our directors for their 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 and other relevant facts and circumstances.

In 2018, all non-employee directors received an annual director s retainer of $55,000, paid on a quarterly basis.

In July of 2017, Mr. Transier, then serving as our Lead Director, was appointed by the Board to serve as its independent Chairman. The Compensation Committee determined that beginning on the date of his appointment as Chairman of the Board, Mr. Transier is to receive an independent chairman s retainer of $195,000 per year (which for 2017 was prorated from the date of the new appointment). The retainer for the Chairman of the Board was based on both peer company data for annual retainers for non-executive chairmen, as well as the complexity and number of issues facing the Board in a difficult market and the frequency of meetings and other Board deliberations during a prolonged challenging business environment. After a year of service, the amount of the independent Chairman s annual retainer was reassessed by the Compensation Committee based on the projected level of Board activity in the future, and in August of 2018, the retainer was reduced from $195,000 to $125,000.

In addition, each committee chair received an annual committee chair retainer fee: $15,000 for the Chair of the Audit Committee, $10,000 for the Chair of the Compensation Committee and $5,000 for the Chair of the Corporate Governance and Nominating Committee.

With respect to fees, in 2018 non-employee directors received $1,500 for each Board meeting attended and for each consent executed after reviewing the subject of the consent. For committee service in 2018, each committee member received a fee of $1,500 for each committee meeting attended and each consent executed.

We also paid the reasonable out-of-pocket expenses incurred by each non-employee director in connection with attending the 2018 meetings of the Board and committees on which the director served.

Since 2005, non-employee directors have had the option of taking Board and committee retainers and fees (but not expenses) in the form of restricted stock, pursuant to the terms of our 2005 Long Term Incentive Plan. An election to take retainers and fees in the form of cash or stock is made by our directors prior to the beginning of the subject fiscal year (and if no election is made, retainers and fees will be paid in cash). Directors taking retainers and fees in the form of restricted stock receive a stock 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 retainers and fees, with the number of shares determined by the closing stock price on the last trading day of the fiscal quarter for which the retainers and fees were earned. These awards fully vest two years after the first day of the year in which the grant is made. Messrs. Lovoi and Rask elected to take Board and committee retainers and fees earned in 2018 in the form of restricted stock. Messrs. Lovoi and Rask have also elected to take Board and committee retainers and fees in the form of restricted stock for 2019.

Upon joining the Board and on the date of each regularly scheduled December Board meeting thereafter, a director receives a grant of restricted stock. These grants are made pursuant to the terms of the 2005 Long Term Incentive Plan. Since 2012 and prior to the 2017 awards, these awards vested ratably over three years. For 2015 and 2016 the annual equity grant had a value of $175,000, which represented a reduction in value from prior years grants of $200,000 to reflect the smaller relative size of Helix in terms of revenue and market capitalization. At its December 2016 meeting the

Compensation Committee determined that for 2017 and thereafter until changed, the annual equity grant s value would be further reduced by $25,000 (to $150,000) and would have a vesting term of one year to align more closely with how our peer group compensates independent directors. The annual equity grant for 2018 was on the same terms and in the same amount as 2017. All grants are subject to immediate vesting on the occurrence of a Change in Control (as defined in the 2005 Long Term Incentive Plan). The grant of stock options is not currently an element of director compensation.

Our Chief Executive Officer did 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 its charter, the 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 policy to approve and enter into transactions with a related party (as defined below) 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, or not inconsistent with, our best interests, including the benefits to us, the impact on a director s independence if the related party is a director or a party related to a director, 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 of Helix during the last fiscal year, a person that beneficially owns more than 5% of any class 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 2018 Helix was not a party to any transaction or series of transactions in which a related party had or will have a direct or indirect material interest, other than the compensation arrangements (including with respect to equity compensation) described in Director Compensation above and Executive Compensation below.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has adopted procedures for pre-approving all audit, review and attest engagements, and permissible non-audit services to be performed 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. 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 Chair of the Audit Committee, provided the Chair reports any approvals to the Audit Committee at its next meeting. For all types of pre-approval, the Audit Committee considers whether these services are consistent with the SEC rules regarding auditor independence.

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 2018 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 2018 professional services by KPMG LLP and 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, 2018 with management, our internal auditors and KPMG LLP. In addition, the Committee has discussed with KPMG 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. 1301, *Communications with Audit* Committees (AS 1301). 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 KPMG 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 KPMG 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, 2018 in the Company s Annual Report on Form 10-K for such year filed with the SEC.

Members of the Audit Committee:

Nancy K. Quinn, Chair
John V. Lovoi
William L. Transier

This report is not deemed to be incorporated by reference in any filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this report by reference.

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PROPOSAL 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP (KPMG) served as our independent registered public accounting firm in 2018 providing audit and financing services since their appointment in May of 2016. Ernst & Young LLP (EY) served in that capacity from 2002 until their dismissal in May of 2016. No dispute or disagreement existed on any issue between Helix and EY.

Our Audit Committee has the authority to retain, oversee, evaluate and terminate our independent registered public accounting firm. Pursuant to such authority, the Audit Committee has appointed KPMG, an independent registered public accounting firm, as auditors to examine the financial statements of Helix for the fiscal year ending December 31, 2019, and to perform other appropriate accounting services.

Although our By-laws do not require that shareholders ratify the appointment of KPMG as our independent registered public accounting firm, the Board has determined to submit the selection of KMPG for ratification by the shareholders. If the shareholders do not ratify the appointment of KPMG, the adverse vote will be considered as a direction to the Audit Committee to consider selecting other auditors for the next fiscal year. However, it is contemplated that the appointment for the fiscal year ending December 31, 2019 will be permitted to stand unless the Audit Committee finds reasons for making a change. It is understood that even if the selection of KPMG is ratified, the Audit Committee, in its discretion, may direct the appointment of a new independent registered public 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 KPMG 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:

	2018		2017	
	(In Thousands)			
	KPMG	EY	KPMG	EY
Audit Fees(1)	$ 2,048	$ 65	$ 1,687	$ 61
Audit-Related Fees	0	0	0	0
Tax Fees(2)	40	57	36	73
All Other Fees	0	0	0	0
Total	$ 2,088	$ 122	$ 1,723	$ 134

(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) Fees are primarily related to tax compliance work in the United States, Norway, Brazil, Singapore and the United Kingdom, and tax planning.

The Audit Committee considers whether the provision of the foregoing services is compatible with maintaining the registered public accounting firm s independence and has concluded that the foregoing non-audit services and non-audit-related services did not adversely affect the independence of KPMG.

Board of Directors Recommendation

The Board recommends that you vote FOR the ratification of the selection of KPMG as Helix s independent registered public accounting firm set forth in this Proposal 2.

Vote Required

The ratification of KPMG requires the affirmative vote of holders of a majority of the shares of common stock present or represented and entitled to vote on the proposal at the Annual Meeting.

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (CD&A) describes Helix s 2018 executive compensation program, including the philosophy behind the program, how our Compensation Committee made 2018 compensation decisions, and the level and elements of 2018 compensation for each of our named executive officers (NEOs).

For 2018, our NEOs consisted of our Chief Executive Officer, Chief Financial Officer, and our three other highest paid executive officers, and are as follows:

- Owen Kratz, President and Chief Executive Officer
- Erik Staffeldt, Executive Vice President and Chief Financial Officer
- Scotty Sparks, Executive Vice President and Chief Operating Officer
- Alisa B. Johnson, Executive Vice President, General Counsel and Corporate Secretary
- Geoffrey Wagner, our former Executive Vice President and Chief Commercial Officer who left the Company in October of 2018.

The Compensation Committee encourages you to read this CD&A carefully and consider it when conducting your say on pay vote on the 2018 compensation of our NEOs. Although this is a non-binding advisory vote, the Compensation Committee considers the outcome of the vote when making future compensation decisions.

Our CD&A is divided into the following sections:

A. Executive Summary

Helix and Industry Overview

Helix is an international offshore energy services company. Our focus is on well intervention and robotics operations. We provide services primarily in deepwater in the U.S. Gulf of Mexico, Brazil, North Sea, Asia Pacific and West Africa regions. Our business is substantially dependent on the condition of the oil and gas industry, and the willingness of oil and gas companies to make expenditures on capital projects and other operations. This willingness tends to hinge in large part on commodity prices.

A precipitous decline in commodity prices, especially oil prices, beginning in 2014, with lower oil prices continuing through oil and gas operators budgeting season in 2017 for 2018 spend, has continued to affect service providers to the oil and gas industry. During the past several years, our customers have significantly reduced their operational and capital spending on offshore projects,

reducing demand (and therefore rates) for our services. Additionally, drilling rigs have become a source of competition in the well intervention market, which has created additional downward pressure on day rates that we can charge for our services. Despite some oil price recovery during the course of 2018, oil company spend was still subdued as being largely based on budgets created in 2017, and competition for limited work continued to affect both the volume of business and the rates that we can charge for our services.

Although 2018 continued to be a challenging industry environment for us for the above-stated reasons, our 2018 adjusted EBITDA[1] improved significantly from 2017 levels, i.e., by $55 million, or 51%. We generated Free Cash Flow[2] of $60 million in 2018, an improvement of $230 million over 2017. Also in 2018 our net debt (our total long-term debt less cash on hand) decreased to

(1) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of this financial measure to reported net income (loss), see Non-GAAP Financial Measures on pages 29 and 30 of our Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 22, 2019 (our 2018 Annual Report).

(2) Free Cash Flow is also a non-GAAP financial measure. For a reconciliation of this financial measure to cash flows from operating activities, see Non-GAAP Financial Measures on pages 29 and 30 of our 2018 Annual Report.

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COMPENSATION DISCUSSION AND ANALYSIS

$161 million from $229 million, and our net debt to book capitalization improved to 9% from 13%. We believe that the financial improvements in 2018 reflect our operational performance and continuous focus by our management team on cost efficiencies.

Notwithstanding some oil price recovery during 2018 (with a higher annual average price than the two prior years average prices), oil closed at the end of 2018 at a price that was lower than closing prices at the end of both 2016 and 2017. A drop in oil price, together with the impact of the overall macro political and economic climate during the fourth quarter of 2018, resulted in a significant drop in our stock price at the end of 2018, which was also experienced by our industry peers. We believe that our stock price over the past several years continues to be reflective of general industry conditions over a prolonged period, including an uncertain outlook on the timing of a recovery, rather than our own financial and operational performance.

Despite the continued volatility in our stock price during the market conditions that we and others in our industry have faced over the past several years and the impact

on our total shareholder return (TSR), our absolute TSR over the last three years was positive, and exceeded that of all of our Performance Share Unit (PSU) and proxy peer group of companies, all of whose TSRs over the same period were negative.

It is our objective to continue to work hard for our shareholders in both favorable and in challenging market conditions. In that connection, we will strive to:

- Continue to improve operational execution, including minimizing downtime when our assets are working for customers;
- Enhance sales and commercial efforts, including finding work not being tendered and exploring new markets;
- Seek non-traditional ways to create utilization for our assets (minimizing our idle time costs), including strategic acquisitions such as our recent Droshky asset acquisition described in our 2018 Annual Report; and
- Continually evaluate and manage our capital structure, including debt reduction, to provide greater flexibility in a challenging market.

Helix Compensation Program Works

Because of the cyclicality of our industry and our commitment to create long-term value for our shareholders, our overall compensation program is performance based. Notably, throughout the downturn in our industry that has continued for the last several years, no element of our NEOs target compensation was increased during this time, except for one NEO who was promoted to an executive officer position mid-2017. Although our compensation program is generally focused primarily on longer term performance, the paid compensation of our NEOs also reflects annual year-over-year financial performance.

The first chart below compares the target and realized compensation of our Chief Executive Officer, Helix s adjusted EBITDA, and Helix s stock price for each of 2016, 2017 and 2018. Target compensation includes base salary, bonus target, and value at the time of grant of the long-term incentive awards granted at the beginning of each of 2016, 2017 and 2018. As the chart illustrates, target compensation levels for our Chief Executive Officer have remained flat.

The realized compensation for our Chief Executive Officer for that same period includes base salary paid in each year, bonuses paid in respect of each year, and payout of all long-term incentive compensation that vested after the relevant performance period (i.e., the value at the time of vesting of restricted stock and PSUs that vested immediately after the year in question).

As the first chart below illustrates, the realized compensation of our CEO in both of 2016 and 2017 was significantly less than target. Our CEO s 2018 realized compensation increased from the two prior years. This increase in realized compensation primarily reflects (a) the payout above target of the 2018 short term incentive bonus, which was reflective of the 51% increase in 2018 adjusted EBITDA over 2017, and (b) the payout at the maximum level (200%) of three-year cliff vesting PSUs (that were granted in January of 2016) as a result of our TSR outperforming all of our PSU peer companies over the three-year performance period. In that connection, the second chart graphically depicts our TSR performance over the three-year performance measurement period for our 2016 PSUs compared to the TSRs of the peer companies that were identified for TSR comparison purposes in the 2016 PSUs. The combination of our relative TSR performance, and our significantly improved 2018 adjusted EBITDA, is reflected in the 2018 realized compensation of our CEO.

Because we can t control market or industry conditions, our program is designed to pay our executives for outperforming our industry peers during both good and bad industry cycles that is the incentive that we want to create for our executives and our other management employees. Although much of our realized 2018 compensation was somewhat depressed due to Helix s absolute stock price, 2018 demonstrated our operational performance and cost discipline, and our continued focus on optimizing results during the ongoing challenging conditions that affect our industry. As the chart below illustrates, the compensation for our Chief Executive Officer has been aligned with the annual financial results of Helix, as well as the returns to our

shareholders as compared to our peer group throughout the downturn in our industry that has persisted for the last several years. We believe that this reflects how well the business was managed by our executive leadership during this turbulent period.

(1) The realized compensation levels shown include base salary paid in each year, bonuses paid in respect of each year, and payout of long-term incentive compensation that vested after each year (i.e., the value at the time of vesting of restricted stock and cliff vesting PSUs that vested immediately after the year in question).
(2) Value of PSU payout (if any), which was determined by our three-year stock performance compared to that of our peer group companies (as set forth in the applicable award agreement), vesting immediately after the applicable year.
(3) Value of time-vesting restricted stock vesting immediately after the applicable year (three different grants).
(4) Represents stock price during the three-year period beginning January 4, 2016 and ending December 31, 2018.

(1) We define TSR for this three-year period as the average stock price for the 20 trading days prior to December 31, 2018 divided by the average stock price for the 20 trading days prior to January 1, 2016.

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COMPENSATION DISCUSSION AND ANALYSIS

2018 Executive Compensation Program

The following charts show the breakdown of the elements of 2018 executive compensation that was awarded by the Compensation Committee, including bonus at target level and long-term incentives at grant date value. As is shown graphically below, for both our Chief Executive Officer and the other NEOs, the majority of 2018 compensation that could be earned was based on the performance of those at risk compensation elements

With respect to our 2018 executive compensation program, because we expected industry conditions to remain challenging in 2018, the Compensation Committee determined to maintain total targeted compensation (i.e., base salary, bonus target and long-term incentive award values) at the same levels as 2017 for all NEOs other than one of our NEOs who was promoted in mid-2017 to an executive officer position. (Mr. Wagner, who joined the Company in January of 2018, received a compensation package approved by the Compensation Committee prior to his joining Helix, as more particularly described on page 37.)

Our 2018 bonus program was based on the sole metric of adjusted EBITDA; the Compensation Committee continued to view this financial metric as the most important business driver in the lingering industry environment as reflective of utilization, rates and cost management.

As in prior years, our 2018 long-term incentive program was based on our stock performance. Half of the long-term incentive award was comprised of time-vesting

restricted stock, the value of which when and after vested depends on our absolute stock price (which fluctuates with macro-economic conditions and oil price, and is not solely based on company financial performance). The other half of the award took the form of cliff-vesting PSUs, the payout of which reflects not just the current stock price at the time of payout, but also the TSR performance of the Company over a three-year performance period compared to that of a designated peer group. In this manner, half of the award payout is not solely linked to extraneous factors but also reflects Helix stock s performance relative to its peers during the same industry conditions.

The overall design of the 2018 executive compensation program, in which short-term incentive payouts are based on annual adjusted EBITDA and long-term incentive payouts on stock performance (on both an absolute basis and as compared to our peers), demonstrates our compensation philosophy of supporting the alignment of executive management and shareholder interests, both during times of industry booms and industry stress.

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Key Features of Our 2018 Executive Compensation Program

What We Do	What We Don t Do
Substantial focus on performance-based pay Balance of short- and long-term incentives Use formulaic annual bonus structure tied to Helix financial performance	**NO** hedging of our stock
Align executive compensation with shareholder returns through long-term incentives Retain an independent external compensation consultant	**NO** tax gross-ups in post-2008 agreements
	NO single trigger change of control payments
	NO guaranteed salary increases
	NO guaranteed bonuses
Consider peer group benchmarks when establishing compensation	**NO** perquisites
Impose robust stock ownership guidelines for our Section 16 officers and our directors	
Allow pledging of stock only if certain stringent quantitative requirements are met (including limiting the amount of stock being pledged) and the transaction is also approved by the Board considering a variety of factors	
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. Executive Compensation Process

The executive compensation process is led by the Compensation Committee, which has overall responsibility for reviewing, evaluating and approving Helix s executive compensation policies, plans, programs and agreements. Our management provides input on performance and achievements, and an independent compensation consultant provides competitive market data and advises the Compensation Committee on program design.

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

Participants in Compensation Process	
Compensation Committee (comprised of four independent directors)	Determines program principles and philosophies Determines short-term incentive program design and bonus metrics for our executive officers Determines design of long-term incentive program for our executive officers Determines all levels of compensation for each of our NEOs including base salary, bonus targets, and long-term incentive awards Reviews and approves payouts under performance-based short-term and long-term incentive programs for our 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 policies regarding hedging and pledging Does not delegate any of its functions or authority to management regarding compensation for our executive officers Has exclusive authority to retain and terminate any independent compensation consultant Oversees aspects of our compensation arrangements affecting our executive officers as well as our non-executive employees, such as our Employees 401k Savings Plan, 2005 Long Term Incentive Plan and Employee Stock Purchase Plan
Independent Compensation	Retained by, and performs work at the direction and under the supervision of, the Compensation Committee

Consultant	Provides advice, research and analytical services on subjects such as trends in executive compensation, executive officer compensation program design, peer and industry data, and independent director compensation Reviews and reports on Compensation Committee materials, participates in Compensation Committee meetings, and communicates with the Compensation Committee Chair between meetings 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 targets and long-term incentive award values for executive officers other than himself CEO provides information on Helix s short-term and long-term business and strategic objectives for consideration by the Compensation Committee in structuring the short-term incentive program and performance-based long-term incentive awards CEO provides the Compensation Committee a performance assessment of each executive officer

Competitive Benchmarking Process

In general, and consistent with a performance based compensation philosophy, the Compensation Committee seeks to ensure that executive base pay falls close to the median of the peer group, with an opportunity to earn greater overall compensation in the event such is warranted by our financial and stock price performance.

The exact level of targeted compensation for each NEO varies based on the individual s role in Helix, his or her experience, and his or her contribution to our success.

In most years, the Compensation Committee compares the total compensation for each NEO position to the

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compensation paid for similar positions by companies in our peer group, as set forth in our peer companies proxy statements for the prior year. The Compensation Committee s independent consultant proposes companies to be included in our peer group; the consultant may consult with management to ensure that the most appropriate companies are included from the perspective of similarity of business lines and competition for talent. The Compensation Committee then reviews and if applicable, approves, the proposed peer group for the applicable compensation year, as it deems appropriate.

For 2018 compensation, the Compensation Committee used Willis Towers Watson (Willis Towers) as its independent consultant. The Compensation Committee receives information from Willis Towers in order for the Compensation Committee to make a determination that Willis Towers is independent from Helix s management, including information responsive to six specifically listed factors set forth in the NYSE s rule requiring that compensation committees consider factors relevant to a consultant s independence in connection with the consultant s engagement.

It is difficult to select an appropriate peer group for our Company. We operate in a very competitive environment. The services that we provide are unique given that we focus on offshore well intervention and robotics, and although drill ships have become competition for limited work, we are not a drilling company, nor are we structured as one. In addition, many of our principal competitors providing similar offshore services are international companies (who compensate differently from U.S. companies for a variety of reasons and/or do not publish the same type of compensation information as U.S. companies do), or are subsidiaries of a much larger provider of services in the industry.

In determining the peer group, we strive to define the market for our executive talent using a sizable group of

companies that are comparable to us in both line of business and size. However, because there are not a sufficient number of direct competitors, there are challenges in identifying companies to comprise such a peer group that compare to us in business and size.

Notably, no changes to executive compensation levels were made in 2018 other than for an executive who was promoted in the middle of the prior year. Thus the principal impact of using peer companies was for TSR comparison purposes pursuant to our 2018 PSU awards. Using larger companies for TSR comparison purposes does not necessarily result in a higher payout and in fact could have the reverse effect as smaller companies can have a competitive disadvantage during difficult market conditions and can experience greater volatility than larger ones.

In selecting a peer group for 2018 compensation, several changes were made from the prior year s peer group. Four companies were removed as being either outsized (and therefore not a good comparator), having an unusual compensation structure, or potentially facing a bankruptcy or a merger transaction. To replace the eliminated companies, the Compensation Committee reviewed a report by Willis Towers applying several screening criteria to a group of potential peer companies (primarily revenue and business lines, but also total assets, market capitalization and TSR) and selected those companies with the best screen matches. Following a discussion with Willis Towers regarding the suggested deletions and additions, the Compensation Committee selected the peer group set forth below for 2018 executive compensation. We believe that the companies identified in the chart below are the best and most appropriate companies for benchmarking compensation which helps attract and retain highly experienced executives with well-developed management, operational, and marketing skills needed to compete in our industry.

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2018 Peer Company Data

Peer Companies	Industry	Revenue (LTM)(1)	Assets (LTM)	Net Income	EBITDA (LTM)(1)(2)	Market Cap(3)
Oceaneering International, Inc.	Oil and Gas Equipment and Services	$1,926	$3,145	-$18	$238	$1,980
Superior Energy Services, Inc.	Oil and Gas Equipment and Services	$1,731	$3,211	-$426	$66	$1,297
Rowan Companies plc	Oil and Gas Drilling	$1,338	$8,373	-$64	$557	$1,832
Noble Corporation plc	Oil and Gas Drilling	$1,287	$10,898	-$1,795	$583	$1,026
TETRA Technologies, Inc.	Oil and Gas Equipment and Services	$766	$1,301	-$42	$92	$338
Forum Energy Technologies, Inc.	Oil and Gas Equipment and Services	$718	$1,815	-$121	-$15	$1,583
Newpark Resources, Inc.	Oil and Gas Equipment and Services	$680	$926	$3	$46	$738
Oil States International, Inc.	Oil and Gas Equipment and Services	$657	$1,329	-$58	$29	$1,162
Tidewater Inc.	Oil and Gas Equipment and Services	$516	$1,813	-$2,055	$16	$502
Dril-Quip, Inc.	Oil and Gas Equipment and Services	$454	$1,437	-$28	$5	$1,628
Frank s International N.V.	Oil and Gas Equipment and Services	$444	$1,357	-$117	-$ 14	$1,484
Hornbeck Offshore Services, Inc.	Oil and Gas Equipment and Services	$177	$2,721	-$86	$10	$135
75th Percentile		$1,300	$3,161	-$38	$128	$1,594
Average		$891	$3,194	-$400	$134	$1,142
Median		$699	$1,814	-$75	$37	$1,229
25th Percentile		$500	$1,350	-$197	$9	$679
Helix Energy Solutions Group, Inc.	Oil and Gas Equipment and Services	$546	$2,366	-$75	$89	$1,021
Percent Rank		29%	60%	50%	72%	36%

(1) Revenue and EBITDA values reflect most recent fiscal year end data available at time of analysis (which is 12/31/2016 for all peers other than Tidewater Inc. whose fiscal year end was 3/31/2017).

(2) Other companies may calculate EBITDA and Adjusted EBITDA differently from the way we do, which may limit their usefulness as comparative measures. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for, but instead are supplemental to, income from operations, net income or other income data prepared in accordance with GAAP.

(3) Market Cap is as of 11/1/2017 for all companies.

We believe these companies were appropriate for compensation benchmarking for 2018 because:

- They were companies that were likely competition for our executive talent;
- The median overall size was of comparable size to us; and/or
- Each company was within our same general industry.

Tax and Accounting Considerations

The Compensation Committee and Helix management consider the accounting and tax impacts of various compensation elements when designing our executive compensation programs and making other compensation decisions. These considerations, however, are secondary to meeting the overall objectives of the executive compensation programs.

Pursuant to the Tax Cuts and Jobs Act (the 2017 Tax Act) that was signed into law in December 2017, under Section 162(m) of the Internal Revenue Code of 1986, as amended, all compensation (other than certain grandfathered arrangements) in excess of $1 million will be non-deductible, including compensation that, prior to the enactment of the 2017 Tax Act, qualified as

performance-based compensation that could be deducted under prior law and was excluded from the $1 million limitation on deductibility. Although the Compensation Committee does consider accounting and tax impacts of its compensation decisions, including the potential application of Section 162(m), it may approve compensation that exceeds the $1 million limit in order to ensure competitive levels of compensation for our executive officers. The Compensation Committee does not let deductibility drive its compensation decisions, and as a result, certain compensation paid to our NEOs may not be deductible by Helix for tax purposes. The Compensation Committee will continue to take into account all applicable facts and circumstances in exercising its business judgment with respect to appropriate compensation plan design.

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C. Compensation Philosophy and Objectives

Helix s compensation program is based on the philosophy that the interests of our executive management team should be aligned with those of our shareholders, and that our executives should be incentivized and rewarded for performance that advances business goals and the creation of sustainable value in all business cycles. The overall compensation program is designed to achieve four key objectives: attracting and retaining qualified executives, supporting our business strategy and the creation of long-term value, aligning management s and shareholders interests, and discouraging excessive risk-taking.

Implementing our business model and strategy in a cyclical business environment requires input from highly qualified, experienced and technically proficient executive officers. We rely on our executive officers to operate effectively in both negative and positive industry environments. They are charged with being able to

develop and execute Helix s business strategy to achieve value for shareholders through all fluctuations of the business. The Compensation Committee believes the executive compensation program helps us attract, retain and motivate qualified, experienced and technically proficient executive officers through a range of business cycles.

We strive to pay base salaries for our executives at the median level compared to our peers, and to allow our executives to earn greater levels of short-term and long-term compensation only when our financial performance and shareholder returns warrant compensation at those higher levels. The Compensation Committee believes that both the structure and results of our 2018 executive compensation reflect our financial results and relative shareholder return during the current cycle for our industry.

The following table summarizes the objectives of Helix s executive compensation program and the particular compensation practices and elements that support each objective.

Objective	Practice
Attract, retain and motivate executives through range of cycles	Retain independent compensation consultant for advice on competitive landscape Target total compensation at competitive market levels, and allow executives to earn total compensation above the median of the range only when warranted by financial and share price return Consider each executive s roles, responsibilities and goals

Advance business strategy and long-term value creation	Balance short- and long-term performance incentives with heavier emphasis on the longer term Reward based on overall Helix performance, implementation by NEOs of business plans, and achievement of annual financial objectives and stock price performance
Align management and shareholder interests	Establish and enforce stock ownership guidelines Pay out long-term incentive performance based compensation based on sustained stock performance considering the cyclical business environment of our industry Consider shareholder views in establishing pay policies and levels
Discourage excessive risk-taking	Substantial portion of total compensation is at-risk Significant portion of at-risk compensation is cliff-vesting Maintain stock ownership guidelines Maintain prohibition of hedging and stringent limitations on pledging of stock

Consideration of Risk

Our compensation program is balanced and primarily focused on the long term, which is consistent with our strategy and business model. The greatest amount of compensation can be achieved through consistent, superior performance over sustained periods of time. In

addition, significant amounts of compensation are paid out over time, specifically the long-term incentive awards. These awards currently vest over a three-year period and 50% of 2018 long-term incentive awards are cliff-vesting (i.e., vest 100% at the end of the applicable

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performance period). These practices, along with stock ownership guidelines and a policy prohibiting NEOs from hedging and limiting NEOs pledging of Helix stock,

incentivize executives to manage Helix for the longer term, while discouraging them from taking excessive risk in the short term.

Stock Ownership Guidelines

We have in place stock ownership guidelines for our Section 16 officers and our independent directors. These covered persons have five years from the date 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), and time-vested restricted stock. The ownership guidelines are as follows:

- Independent Board Members five times annual cash retainer
- President and Chief Executive Officer six times current base salary
- Executive Vice Presidents three times current base salary

Hedging and Pledging Policy

Helix considers it inappropriate for any director, officer or employee to enter speculative transactions in our stock. Therefore, we have a policy that prohibits the purchase or sale of puts, calls or options based on our securities, or the short sale of our securities. Directors, officers and other employees may not purchase Helix securities on margin. The policy prohibits the hedging of our stock and imposes discrete stringent limitations on the ability to pledge Helix stock.

Because much of the net worth and compensation of our executives consists of Helix stock, our executives may prefer to pledge stock as collateral for a loan rather than selling Helix stock to meet cash needs. However, any significant sale of that collateral into the market may have adverse consequences (at least in the short term) on our stock price. Accordingly, Helix s policy provides that directors and officers may pledge our stock only if the pledged stock does not exceed:

- Senior Vice Presidents, Vice Presidents and other Section 16 officers not listed above two times current base salary

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, which may include the retention of a portion of a participant s vested shares or the participant receiving grants of equity in lieu of cash compensation until compliance is achieved; waivers may be granted for certain hardship issues. Currently, all of our directors are in compliance with the stock ownership guidelines other than Mr. Gatti who joined the Board in August of 2018 (and is within the five-year window in which to achieve compliance), and all of our Section 16 officers are in compliance with the guidelines.

25% of the director s or officer s total holdings;
Two percent of Helix s outstanding securities; and
200% of Helix s average daily trading volume over the three months prior to the transaction.

In addition, every pledge transaction must be specifically approved by the Board. In assessing a potential pledging transaction, the Board may consider any factors it deems appropriate and relevant, including whether the indebtedness secured by the pledged stock is non-recourse, whether the director or officer has other assets to satisfy the loan, whether the stock pledged was purchased (as opposed to granted as compensation by Helix), and any mechanisms in the pledge transaction that are in place to avoid undesirable transactions in Helix s securities.

At this time, there are no outstanding pledges of our stock by any of our directors or officers.

D. 2018 Executive Compensation Components

During fiscal 2018, the primary components of compensation for our NEOs consisted of:

- A base annual salary
- A short-term cash incentive (bonus) opportunity based on 2018 financial results
- A long-term incentive award in the form of cliff-vesting PSUs
- A long-term incentive award in the form of time-vesting restricted stock

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 for achievement of annual financial performance targets and long-term incentives to promote achievement of sustained value over the longer term.

The following table sets forth the total target 2018 compensation for each NEO, broken out by base salary, bonus target and value of long-term incentive awards at grant date. Other than for Mr. Staffeldt, who was promoted in June of 2017 and whose 2018 compensation reflected that promotion, there were no changes from 2017 levels.

Named Executive Officer 2018 Compensation Summary

Named Executive Officer	2018 Base Salary	2018 Bonus Target	Sign on Bonus	2018 Long-Term Incentive Award	Total Target Direct Compensation
Owen Kratz	$700,000	$1,050,000		$3,200,000	$4,950,000
Erik Staffeldt	$375,000	$375,000		$750,000	$1,500,000
Scotty Sparks	$375,000	$375,000		$1,075,000	$1,825,000
Alisa B. Johnson[(1)]	$360,000	$360,000		$1,050,000	$1,770,000
Geoffrey Wagner [(2)]	$360,000	$360,000	$50,000	$700,000	$1,470,000

(1) On March 21, 2019, Ms. Johnson notified Helix of her intention to retire from Helix. Ms. Johnson has agreed to continue in her current officer positions with Helix for an unspecified period to assist with the transition of her responsibilities.

(2) Mr. Wagner served as our Executive Vice President from January 2, 2018 until he separated from the Company on October 26, 2018. Pursuant to the terms of Mr. Wagner s employment agreement, upon termination Mr. Wagner received one year of his base salary and the accelerated vesting of restricted stock that would otherwise occur within twelve months of termination (15,473 shares); the remainder of his 2018 long-term incentive award was forfeited. Also pursuant to his employment agreement, Mr. Wagner received an amount equal to his 2018 target bonus at the same time in March of 2019 as other 2018 short-term incentive program participants were paid their 2018 bonuses.

Following is a more detailed discussion of each element of our NEOs 2018 compensation.

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 and personal compensation history
- Peer company data

NEO base salary is generally set at the regularly scheduled December meeting of our Compensation

Committee in the preceding year. There were no increases to 2018 base salaries from 2017 levels for any of our NEOs other than for Mr. Staffeldt, who became our Senior Vice President and Chief Financial Officer on June 5, 2017 (at which point his base salary was increased), who received another base salary increase for 2018 after serving as our Chief Financial Officer for the latter half of 2017. Our Chief Executive Officer s base salary has not changed since 2008; our Executive Vice President and General Counsel s base salary has not changed since 2012; and our Executive Vice President and Chief Operating Officer s salary has not

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Base Salaries for 2017 and 2018			
Named Executive Officer	2017 Base Salary	2018 Base Salary	Percent Increase
Owen Kratz	$700,000	$700,000	0.0%
Erik Staffeldt	$350,000[(2)]	$375,000	7.1%
Scotty Sparks	$375,000	$375,000	0.0%
Alisa B. Johnson	$360,000	$360,000	0.0%
Geoffrey Wagner [(1)]	N/A	$360,000	N/A

(1) Mr. Wagner joined the Company in January of 2018, and therefore was not paid a base salary for 2017 by Helix.

(2) This was Mr. Staffeldt s annualized salary during the last half of 2017 reflecting his promotion to an executive officer position in June of 2017. His blended salary for 2017, including his previous base salary, was $306,000.

Short-Term Cash Incentive (Bonus) Program

Our annual short-term cash incentive (bonus) program consists of a cash bonus opportunity designed to reward our employees, including our executive officers, for the achievement of certain corporate financial goals in a given year. Bonuses, if earned, are typically paid in March of the year following the applicable performance year. As in the past several years, the executive bonus program was the same as the bonus program for all Helix onshore employees.

The bonus target for each executive officer is a percentage of his or her salary. Individual NEO bonus targets for a given year are generally established at the December meeting of the Compensation Committee in the prior year (at the same time base salary and long-term incentive awards are determined), and bonus metrics are generally established at the Compensation Committee s first regular meeting of the applicable year.

In February of 2018, the Compensation Committee approved the 2018 short-term incentive program for Helix s executive officers. In light of the continuing challenging industry conditions, and the importance of utilization of our business assets and cost efficiency and containment, the Compensation Committee believed that achieving a certain level of adjusted EBITDA was again the key financial objective for Helix and its shareholders, and thus should be the sole financial metric for determining bonus payout. Also like the prior years programs, there was for 2018 a stretch element in the bonus metrics to earn a target bonus, adjusted EBITDA had to exceed the Board-approved 2018 adjusted EBITDA budget for the Company.

For 2018, up to 25% of target bonus could be earned in the event three tiers of adjusted EBITDA were achieved; the tiers and potential payouts at each EBITDA tier are shown in the chart below. With the limited visibility in the current market conditions as to the feasibility of attaining any specific level of EBITDA, the rationale behind this tiered approach was to provide our onshore employees a short-term incentive payment that would be meaningful if a certain financial performance level is achieved (which itself is not completely predictable in the current market), but not in an amount that would negatively affect adjusted EBITDA to a significant extent if the Company is not able to achieve its adjusted EBITDA budget.

Beyond the three tiers of bonus payout depicted below, once the Company achieved 2018 adjusted EBITDA of $152 million, a pool of funds (called the incremental profit pool) consisting of 50% of adjusted EBITDA in excess of $152 million up to the maximum target levels for all employee participants (including executive officers) would be formed, payout of which would be allocated among all of our onshore employees, including our executive officers, based on their bonus targets, provided that no executive officer could earn a bonus in excess of his or her maximum level set by the Compensation Committee. Thus it was possible for a named executive officer to earn a bonus below or above his or her target bonus, but not above a maximum level unless due to unique circumstances, the Compensation Committee exercises its discretion and concludes that circumstances warrant exceeding a maximum level.

Set forth below are the 2018 adjusted EBITDA targets at which various levels of bonus payouts could be earned.

2018 Adjusted EBITDA	Bonus Payout %
$140 million	5%
$145 million	10%
$152 million	25%
$159.4 million	100%
$162.7 million	Maximum

For 2018 the target and maximum bonus levels for each named executive officer were as follows:

Named Executive Officer	Target	Maximum
Owen Kratz	$1,050,000	$1,400,000
Erik Staffeldt	$375,000	$499,000
Scotty Sparks	$375,000	$499,000
Alisa Johnson	$360,000	$479,000
Geoffrey Wagner	$360,000	$479,000

The following are the 2018 bonus targets and actual payouts for each NEO. Adjusted EBITDA for 2018 was almost $162 million. Because the pre-budget tiers were met and there was also an incremental profit pool that was available for payout under the program, our executive officers (other than Mr. Wagner) were each paid a bonus at 123% of target bonus, in the amounts set forth below:

Short-Term Bonus: Target v. Actual		
Named Executive Officer	Target	Actual
Owen Kratz	$1,050,000	$1,289,400
Erik Staffeldt	$375,000	$460,500
Scotty Sparks	$375,000	$460,500
Alisa B. Johnson	$360,000	$442,080
Geoffrey Wagner[(1)]	$360,000	$360,000

(1) Mr. Wagner joined the Company in January of 2018 and separated from the Company in October of 2018. Pursuant to his employment agreement, in the event of a termination without Cause (as defined in the employment agreement), Mr. Wagner was paid a target annual bonus for the year in which the separation occurs at the same time that other participants in the bonus program receive payment.

For 2019, target and maximum bonus levels for each of our executive officers are the same as they were for 2018, and certain levels of adjusted EBITDA must be achieved to earn a bonus payment; however, the Compensation Committee may apply negative discretion to downward adjust any executive officer s payout. In addition, the Compensation Committee has the authority to award a discretionary bonus to individual executive officers, provided that bonus payments cannot exceed any individual s maximum bonus level.

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 and PSU awards (the payout of which is based on our TSR

over a three-year performance period compared to that of our peer group) provide proper incentives to avoid excessive risk taking while increasing long-term shareholder value. We also believe that these awards

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are an important retention tool with respect to our employees, including our named executive officers.

In determining the value of each NEO s long-term incentive award, the Compensation Committee typically reviews the data provided by its independent

compensation consultant, historical awards and the CEO s recommendation regarding the long-term incentive award for each NEO and makes its determination at its regularly scheduled December meeting.

2018 Long-Term Incentive Awards

Like the 2015, 2016 and 2017 long-term incentive awards to our NEOs, the 2018 long-term incentive awards consisted of: (1) 50% in the form of a cliff-vesting PSU award and (2) 50% in the form of a time-vesting restricted stock award. Thus half of the total award is cliff-vesting, and pays out depending on how our TSR compares to that of our PSU peers as opposed to the absolute price of our own stock, which may be influenced by general industry or macroeconomic conditions that may exist at various points in time, rather than our own financial performance.

The Compensation Committee determined in December of 2017 that the total value of the 2018 long-term incentive award opportunity for Mr. Kratz, Mr. Sparks

and Ms. Johnson would be the same as the prior year. The value of the long-term incentive award to Mr. Staffeldt (who was not made an executive officer until June of 2017 and therefore his 2017 long-term incentive award did not reflect his mid-2017 promotion to the position of Senior Vice President and Chief Financial Officer) was increased from the prior year (from $300,000 to $750,000) to reflect his promotion.

Mr. Wagner received a long-term incentive award in the amount approved by the Compensation Committee along with the other components of his compensation package.

Set forth below are the long-term incentive awards granted in January of 2018 to each of our NEOs.

	2018 Long-Term Incentive Awards		
Named Executive Officer	**PSU Awards (50%)**	**Restricted Stock Awards (50%)**	**Total Value of LTI Awards**
Owen Kratz	212,201	212,202	$3,200,000
Erik Staffeldt	49,735	49,735	$750,000
Scotty Sparks	71,286	71,286	$1,075,000

Alisa B. Johnson	69,629	69,629	$1,050,000
Geoffrey Wagner	46,419	46,419	$700,000

2018 PSU Awards

In January of 2018, each NEO received a PSU award pursuant to our 2005 Long Term Incentive Plan. Each unit represents the contingent right to receive at vesting one share of our common stock. These awards are to be paid out in shares of Helix common stock. The PSU awards vest entirely after a three-year period with the final number of shares issued based on our TSR relative to that of a group of peer companies (as set forth in the

applicable PSU award agreement, and which are the same companies used for 2018 benchmarking) over the same three-year period. The maximum number of shares that may be issued at vesting is 200% of the number of units awarded and the minimum is zero. The total shareholder return formula for the 2018 PSU awards is computed as follows:

$$\frac{\text{Ending Price} - \text{Beginning Price} + \text{Dividends}^{*}}{\text{Beginning Stock Price}} = \text{Total Shareholder Return}$$

** Dividends, if any paid over the performance period; Beginning Price being the average closing price of the last 20 trading days of 2017 and the Ending Price being the average closing price of the last 20 trading days of 2020.*

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The TSR performance threshold required for any payout of PSUs is the 30th percentile of the peer group and the TSR performance requirement for a maximum payout

(200% of PSUs granted) is the 90th percentile of the peer group. Payout between the 30% threshold and the 90% maximum is calculated on a linear basis.

2018 Restricted Stock Awards

In January of 2018, each NEO received a time-vesting restricted stock award pursuant to our 2005 Long Term Incentive Plan. The restricted stock awards vest over a three-year period in one-third increments on each anniversary of the date of grant.

Payouts of Prior Performance-Based Long-Term Incentive Awards

Our executive officers had long-term incentive awards that vested immediately after the end of 2018 the payout of which was based on the performance of our common stock, i.e., an annual vesting for each of the 2016, 2017 and 2018 restricted stock awards, and the cliff-vesting of the 2016 PSU awards.

With respect to the cliff-vesting of the 2016 PSU awards at the end of the performance period ending

December 31, 2018, Helix s three-year TSR exceeded that of its all of its PSU peers (and in fact was the only positive TSR of the peer group) and fell into the highest quintile of the peer group; therefore 200% of the granted PSUs was earned by our executive officers. This award was settled in cash based on our closing stock price on December 31, 2018, which was 96% of the value of each unit at grant date.

Perquisites and Benefits

Our NEOs are not entitled to any benefits that are not otherwise available to all our employees. We do not provide pension arrangements, free or subsidized post-retirement health coverage or similar benefits to our NEOs.

We offer a variety of health and welfare and retirement programs to all eligible employees. Helix s executive officers are eligible for the same benefit programs on the same basis as the rest of our U.S. 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 for our U.S. employees, including our executive officers, consists solely of our Helix Energy

Solutions Group, Inc. Employees 401(k) Savings Plan.

At their meetings in February of 2016, the Compensation Committee and the Board resolved to suspend Helix s discretionary matching contributions to our employees 401(k) accounts for an indefinite period. (Prior to that time, Helix matched 75% of the participating employees pre-tax contributions up to five percent of the employees compensation subject to contribution limits.) At its meeting in December of 2018, the Compensation Committee and the Board resolved to reinstate Helix s discretionary matching contributions at the 50% level of participating employees pre-tax contributions up to five percent of the employees compensation subject to contribution limits, to begin in mid-April of 2019. All executive officers except for Mr. Sparks participate in our 401(k) plan. Our health and insurance plans are the same for all employees.

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. In November 2008, Mr. Kratz and Ms. Johnson executed amended and restated employment agreements with the Company. Mr. Sparks executed an employment agreement in May of 2015 in connection with his

promotion to an executive officer position and Mr. Staffeldt executed an employment agreement in June of 2017 in connection with his promotion to an executive officer position. Mr. Wagner, who left the Company in October of 2018, executed an employment agreement upon his joining the Company as Executive Vice President and Chief Commercial Officer. Mr. Sparks s and Mr. Staffeldt s employment agreements do not (and Mr. Wagner s employment agreement did not) have a gross-up, or excise tax protection, provision.