

HELIX ENERGY SOLUTIONS GROUP INC
Form DEF 14A
March 21, 2014
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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:

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 - (4) Proposed maximum aggregate value of transaction:

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 - (1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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March 21, 2014

Dear Shareholder:

You are cordially invited to join us for our 2014 Annual Meeting of Shareholders to be held on Thursday, May 1, 2014 at 10:00 a.m. at Helix Energy Solutions Group, Inc.'s corporate office, 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043. **Beginning at 9:30 a.m., employees and officers will be available to provide information about 2013 developments.**

The materials following this letter include the formal Notice of Annual Meeting of Shareholders and the proxy statement. The proxy statement describes the business to be conducted at the meeting, including the election of two directors; the ratification of the appointment of Ernst & Young LLP as our independent auditors for the 2014 fiscal year; and the approval on a non-binding advisory basis of the 2013 compensation of our named executive officers. At the meeting, we will also report on industry matters of current interest to our shareholders, and you will have an opportunity to meet with some of our directors and officers.

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

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

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

Sincerely,

Owen Kratz

President and Chief Executive Officer

**Important notice regarding the availability of proxy materials
for the Annual Meeting of Shareholders to be held on May 1, 2014**

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

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fiscal year ended December 31, 2013 are available electronically at

www.helixesg.com/annualmeeting

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HELIX ENERGY SOLUTIONS GROUP, INC.

NOTICE OF ANNUAL MEETING

OF SHAREHOLDERS

- DATE: Thursday, May 1, 2014
- TIME: 10:00 a.m. Central Daylight Time (Houston Time)
- PLACE: Helix Energy Solutions Group, Inc.'s Corporate Office
3505 West Sam Houston Parkway North, Suite 400
Houston, Texas 77043
- ITEMS OF BUSINESS:
1. To elect two Class III directors to serve a three-year term expiring at the Annual Meeting of Shareholders in 2017 or, if at a later date, until their successors are elected and qualified.
 2. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014.
 3. To approve, on a non-binding advisory basis, the 2013 compensation of our named executive officers.
 4. To consider any other business that may properly be considered at the Annual Meeting or any adjournment thereof.
- RECORD DATE: You may vote at the Annual Meeting if you were a holder of record of our common stock at the close of business on March 7, 2014.
- VOTING BY PROXY: In order to avoid additional solicitation expense to us, please vote your proxy as soon as possible, even if you plan to attend the Annual Meeting. Shareholders of record can vote by one of the following methods:
1. CALL (866) 883-3382 to vote by telephone anytime up to 12:00 noon Central Daylight Time on April 30, 2014; OR
 2. GO TO THE WEBSITE: www.proxypush.com/hlx to vote over the Internet anytime up to 12:00 noon Central Daylight Time on April 30, 2014; OR
 3. IF PRINTED PROXY MATERIALS WERE MAILED TO YOU, MARK, SIGN, DATE AND RETURN your proxy card in the enclosed postage-paid envelope. If you are voting by telephone or the Internet, please do not mail your proxy card.
- IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE** **The proxy statement and 2013 Annual Report to Shareholders (including our Annual Report on Form 10-K) for the fiscal year ended December 31, 2013 are also available at www.HelixESG.com/annualmeeting .**

**SHAREHOLDER MEETING TO
BE HELD ON MAY 1, 2014:**

By Order of the Board of Directors,

Alisa B. Johnson

Executive Vice President, General Counsel and Corporate Secretary

**Houston, Texas
March 21, 2014**

YOUR VOTE IS IMPORTANT

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HELIX ENERGY SOLUTIONS GROUP, INC.

3505 West Sam Houston Parkway North, Suite 400

Houston, Texas 77043

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 1, 2014

The Board of Directors of Helix Energy Solutions Group, Inc., a Minnesota corporation that is referred to herein as Helix, the Company, we, us, or our, is soliciting your proxy to vote at the 2014 Annual Meeting of Shareholders (Annual Meeting) on Thursday, May 1, 2014. 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 7, 2014 as the record date for the Annual Meeting. There were 105,733,623 shares of Helix's common stock outstanding on the record date.

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

As permitted by the Securities and Exchange Commission (SEC) rules, we are making this proxy statement and our 2013 Annual Report available to our shareholders electronically via the Internet. On or about March 21, 2014, we intend to mail to our shareholders a Notice of Internet Availability of Proxy Materials (Notice). The Notice contains instructions on how to vote online, by telephone or, in the alternative, request a paper copy of the proxy materials and a proxy card. By providing the Notice and access to our proxy materials via the Internet, we are lowering the costs and reducing the environmental impact of our Annual Meeting.

GENERAL INFORMATION

1. Why am I receiving these materials?

We are providing these proxy materials to you in connection with our Annual Meeting, to be held on Thursday, May 1, 2014 at 10:00 a.m. at Helix Energy Solutions Group, Inc.'s corporate office, 3505 West Sam Houston Parkway North, Suite 400, Houston,

Texas 77043, 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?

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

1. First is the election of two Class III directors to our board, to serve a three-year term expiring at the Annual Meeting of Shareholders in 2017 or, if at a later date, until their successors are elected and qualified.
2. Second is the ratification of the selection by our Audit Committee of the board of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014.

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3. Third is the approval, on a non-binding advisory basis, of the 2013 compensation of our named executive officers. Although we do not expect any other items of business, we will also consider other business that

properly comes before the Annual Meeting in accordance with Minnesota law and our By-laws. The Chair of the Annual Meeting may refuse to allow the presentation of a proposal or a nomination for the board from the floor of the Annual Meeting if the proposal or nomination is not properly submitted.

3. Who may vote at the Annual Meeting?

The board has set March 7, 2014 as the record date for our Annual Meeting. Owners of Helix common stock whose shares are recorded directly in their name in our stock register (shareholders of record) at the close of business on March 7, 2014 may vote their shares on the matters to be acted upon at the Annual Meeting. Shareholders who, as of March 7, 2014, 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 for this purpose you will receive from the holder of record. You are entitled to one vote on each of the matters presented at the Annual Meeting for each share of common stock you held on the record date.

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

Voting Item	Our Board's Voting Recommendations	Voting Standard to Approve Proposal	Treatment of:	
		(assuming a quorum is present)	Abstentions	Broker Non-Votes
1. Election of Directors	FOR each nominee	Plurality Voting Standard: The two nominees receiving the greatest number of votes cast	Withhold authority or abstentions not counted as votes cast and as such have no effect	Not counted as votes cast and as such have no effect
2. Ratification of Public Accounting Firm	FOR	Majority of Votes Cast: Votes that shareholders cast exceed the votes that shareholders cast against	Counted as votes for must 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 2013 Compensation for Named Executive Officers*	FOR	Majority of Votes Cast: Votes that shareholders cast for exceed the votes that shareholders cast against	Counted as votes must against	Counted as votes against
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* Because this shareholder vote is advisory, the vote will not be binding on the board or Helix. The Compensation Committee, however, will review the voting results and take them into consideration when making future compensation decisions for our executive officers.

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

We are using the notice and access process permitted by the SEC to distribute proxy materials to certain shareholders. This process allows us to post proxy materials on a designated website and notify shareholders of the availability of the proxy materials on that website. As such, we are furnishing proxy materials, including this proxy statement and our 2013

Annual Report, by providing access to those documents on the Internet for most shareholders instead of mailing paper copies.

The Notice, which is being mailed to most of our shareholders, describes how to access and review all of the proxy materials on the Internet. The Notice also

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describes how to vote via the Internet. If you would like to receive a paper copy by mail or an electronic copy by e-mail of our proxy materials, you should follow the instructions in the Notice for requesting those

materials. Your request to receive your future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the impact on the environment.

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

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

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

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

Electronically using the Internet,

By telephone, or

If this proxy statement was mailed to you, by signing and dating the enclosed proxy card and returning it in the prepaid envelope.

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

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

8. Am I a shareholder of record?

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

Beneficial Owner. If, however, like most shareholders of Helix, you hold your shares in street name through a broker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of those shares, and the Notice is being forwarded to you by the record holder. If you are a beneficial owner, you may appoint proxies and vote as provided by that broker, bank or other nominee. The availability of telephone or internet voting will depend upon the voting process of the broker, bank or other nominee. You should follow the voting directions

provided by your broker, bank or other nominee. If you provide specific voting instructions in accordance with the directions provided by your broker, bank or other nominee, your shares will be voted by such party as you have directed. The organization that holds your shares, however, is considered the shareholder of record for purposes of voting at the Annual Meeting. Accordingly, you may vote shares held in street name at the Annual Meeting only if you obtain a signed legal proxy from the record holder (broker, bank or other nominee) giving you the right to vote the shares and you provide an account statement or letter from that nominee showing that you were the beneficial owner of the shares on the record date. If your shares are not registered in your name and you plan to attend the Annual Meeting and vote your shares in person, you should contact your broker, bank or other nominee in whose name your shares are registered to obtain a proxy executed in your favor and bring it to the Annual Meeting.

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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 holder of record, either your broker, bank or other nominee, to revoke or change a proxy. You should contact the shareholder of record directly for more information on these procedures.

10. What is a quorum?

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

 is present in person at the Annual Meeting, or

 has properly submitted a proxy (either by written proxy card or by voting on the Internet or by telephone).

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

11. What are broker non-votes and abstentions?

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

on a non-binding advisory basis, of the 2013

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

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

12. How many shares can vote?

On the record date, there were 105,733,623 shares of Helix common stock outstanding and entitled to vote at the Annual Meeting held by approximately 24,751

beneficial owners. These are the only securities entitled to vote. Each holder of a share of common stock is entitled to one vote for each share held.

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

Other than the election of two Class III directors, the ratification of the selection of Ernst & Young LLP as our independent auditors for the 2014 fiscal year and an advisory, non-binding approval of the 2013 compensation of our named executive officers, we are not aware of any other business to be acted upon at

the Annual Meeting. If you grant a proxy, the persons named as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting in accordance with Minnesota law and our By-laws.

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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. If you indicate a choice with respect to any matter to be acted upon on your proxy card, the shares will be voted in accordance with your instructions.

Beneficial Owners. If you are a beneficial owner and hold your shares in street name and do not provide your broker, bank or other nominee with voting instructions, the broker, bank or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under applicable rules, brokers 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 the election of directors and the approval, on a non-binding advisory basis, of the 2013 compensation of our named executive officers.

Your vote is especially important. If your shares are held by a broker, bank or other nominee, your broker, bank or other nominee cannot vote your shares for the election of directors and the approval, on a non-binding advisory basis, of the 2013 compensation of our named executive officers unless you provide voting instructions. Therefore, please promptly instruct your broker, bank or other nominee regarding how to vote your shares regarding these matters.

15. Is my vote confidential?

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

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

16. May shareholders ask questions at the Annual Meeting?

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

the Chairman may limit each shareholder's remarks to two minutes. In addition, beginning at 9:30 a.m., our employees and officers will be available to provide information about 2013 developments and to answer questions of more general interest regarding Helix.

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

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

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

18. Who will count the votes?

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

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

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

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

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

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

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

21. Whom should I call with other questions?

If you have additional questions about this proxy statement or the Annual Meeting, or would like additional copies of this proxy statement or our 2013 Annual Report to Shareholders (including our Annual

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

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

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

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

23. When are shareholder proposals for the 2015 Annual Meeting of Shareholders due?

All shareholder proposals must be submitted *in writing* to the Corporate Secretary, Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043. Any shareholder who intends to present a proposal at the 2015 Annual Meeting of Shareholders must deliver the proposal to us so that it is received no later than November 21, 2014, to have the proposal included in our proxy materials for that meeting. Shareholder proposals must also meet other requirements of the Securities Exchange Act of 1934, as amended (Exchange Act),

to be eligible for inclusion. In addition, our By-laws permit shareholders to propose business to be considered and to nominate directors for election by the shareholders. To propose business or to nominate a director, the shareholder must deliver a notice to the Corporate Secretary prior to January 31, 2015 setting forth the name of the nominee and all information required to be disclosed in solicitations of proxies or otherwise required pursuant to Regulation 14A under the Exchange Act together with such person's written consent to serve as a director if elected.

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PROPOSAL 1: ELECTION OF DIRECTORS

Two directors are to be elected at the Annual Meeting. The board has nominated two incumbent directors, Nancy K. Quinn and William L. Transier, to stand for re-election as Class III directors to the board to serve a three-year term until the 2017 Annual Meeting of Shareholders or, if at a later date, until their successors are elected and qualified. Ms. Quinn and Mr. Transier are currently serving as Class III directors.

The nominees have agreed to be named in this proxy statement and have indicated a willingness to continue to serve if elected. The Corporate Governance and Nominating Committee of the board has determined that each of the nominees qualifies for election under its criteria for the evaluation of directors and nominated the candidates for election. If the nominees become 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 either of the nominees will become unavailable. The board has affirmatively determined that each of the nominees qualifies as independent as that term is defined under NYSE Rule 303A and applicable rules promulgated by the SEC.

Unless otherwise instructed, the persons named as proxies will vote all proxies received **FOR** the election of each person named as nominee below as a Class III director for a term of three years, until the Annual Meeting of Shareholders to be held in 2017 or, if at a later date, until their respective successor is elected and qualified. There is no cumulative voting in the

election of directors and the Class III 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 III nominees and each other member of the board. Age and other information in the director's biographical information are as of March 7, 2014. Information about the number of shares of our common stock beneficially owned by each director as of March 7, 2014 appears below under the heading Share Ownership Information Management Shareholdings on pages 56-57.

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

Board of Directors Recommendation

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

Vote Required

Election of each director requires the affirmative vote of a plurality of the shares of common stock present or represented and entitled to vote at the Annual Meeting. This means the two 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.

Table of Contents**Information about Nominees for Class III Directors**

Nancy K. Quinn Director since 2009
Independent Energy Consultant age 60

Ms. Quinn has served as a director since February 2009. Ms. Quinn has been an independent energy consultant since July 1996 and resides in Key Biscayne, Florida. Ms. Quinn provides senior financial and strategic advice, primarily to clients in the energy and natural resources industries. Ms. Quinn has worked in the financial industry for over 25 years, specializing in financial restructuring, strategic advice, and mergers and acquisitions for a broad range of energy and natural resource companies. Ms. Quinn gained extensive experience in independent exploration and production, as well as in diversified natural gas and oilfield service sectors, while holding leadership positions at such firms as PaineWebber Incorporated and Kidder, Peabody & Co. Incorporated, as well as energy industry private equity investment and mergers and acquisitions experience in a senior advisory role with Beacon Group. Ms. Quinn currently serves as a director and chair of the audit committee of Endeavour International Corporation, an international oil and gas exploration and production company, and serves as a director and chair of the audit committee of Atmos Energy Corporation, a natural gas distribution, intrastate pipeline and marketing company. Ms. Quinn was also previously a member of the boards of Louis Dreyfus Natural Gas and Deep Tech International. Ms. Quinn graduated with a Bachelor of Fine Arts degree from Louisiana State University and an M.B.A. from the University of Arkansas. As a result of her professional experiences, Ms. Quinn possesses particular knowledge and experience in accounting and finance, including experience with capital market transactions and investments. Ms. Quinn also possesses knowledge in strategic planning and capital markets, as well as corporate governance experience as a board leader in several public companies, that strengthen the board's collective qualifications, skills and experience.

William L. Transier Director since 2000
Chairman of the Board, Chief Executive Officer and President age 59
Endeavour International Corporation

Mr. Transier has served as a director since October 2000. He is founder, Chief Executive Officer and President, and serves as Chairman of the Board of Endeavour International Corporation, an international oil and gas exploration and production company. He served as Co-Chief Executive Officer of Endeavour from its formation in February 2004 through September 2006. Mr. Transier served as Executive Vice President and Chief Financial Officer of Ocean Energy, Inc. from March 1999 to April 2003, when Ocean Energy merged with Devon Energy Corporation. From September 1998 to March 1999, Mr. Transier served as Executive Vice President and Chief Financial Officer of Seagull Energy Corporation when Seagull Energy merged with Ocean Energy. From May 1996 to September 1998, he served as Senior Vice President and Chief Financial Officer of Seagull Energy Corporation. Prior thereto, Mr. Transier served in various roles including partner in the audit department of KPMG LLP from June 1986 to April 1996. From December 2006 to December 2012, Mr. Transier was a member of the Board of Directors of Cal Dive International, Inc., a publicly traded company that was formerly a subsidiary of Helix. Until June 2009, Mr. Transier was a member of the Board of Directors of Reliant Energy, Inc. Mr. Transier graduated from the University of Texas with a B.B.A. in accounting and has an M.B.A. from Regis University. As a result of his professional experiences, Mr. Transier possesses particular knowledge and experience in accounting and disclosure compliance including accounting rules and

regulations. Mr. Transier also has extensive knowledge of international operations, the oil and gas industry, leadership of complex organizations and other aspects of operating a major corporation that strengthen the board's collective qualifications, skills and experience.

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Table of Contents**Information about Continuing Directors****Class I Directors Term Expiring in 2016:****Owen Kratz**

Director since 1990

**Chairman of the Board, President and Chief Executive Officer
Helix Energy Solutions Group, Inc.**

age 59

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

John V. Lovoi

Director since 2003

**Principal
JVL Partners**

age 53

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

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Jan Rask Director since 2012
Independent Investor age 58

Jan Rask has been an independent investor since July 2007. Mr. Rask was President, Chief Executive Officer and Director of TODCO from July 2002 to July 2007. Mr. Rask was Managing Director, Acquisitions and Special Projects, of Pride International, Inc., a contract drilling company, from September 2001 to July 2002. From July 1996, Mr. Rask was President, Chief Executive Officer and a director of Marine Drilling Companies, Inc., a contract drilling company, until the acquisition of Marine Drilling Companies, Inc. by Pride International, Inc. Mr. Rask served as President and Chief Executive Officer of Arethusa (Off-Shore) Limited from May 1993 until the acquisition of Arethusa (Off-Shore) Limited by Diamond Offshore Drilling, Inc. in May 1996. Mr. Rask joined Arethusa Offshore, (ASE) Limited's principal operating subsidiary in 1990 as its President and Chief Executive Officer. Mr. Rask holds a Bachelor of Economics and Business Administration from the Stockholm School of Economics and Business Administration. Mr. Rask has worked in the shipping and offshore industry for approximately 30 years and has held a number of positions of progressive responsibility in finance, chartering and operations. Mr. Rask possesses particular knowledge and experience in the offshore oil and gas contract drilling industry. Mr. Rask also has extensive knowledge in international operations, leadership of complex organizations and other aspects of operating a major corporation that strengthen the board's collective qualifications, skills and experience.

Class II Directors Term Expiring in 2015:

T. William Porter Director since 2004

Chairman Emeritus age 72
Porter Hedges, L.L.P.

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

James A. Watt Director since 2006
Chief Executive Officer and President age 64
Dune Energy, Inc.

Mr. Watt has served as a director since July 2006. Mr. Watt has been Chief Executive Officer, President and a director of Dune Energy, Inc., an oil and gas exploration and development company since April 2007. He served as Chairman and Chief Executive Officer of Maverick Oil and Gas, Inc., an independent oil and gas exploration and production company from August 2006 until March 2007. Mr. Watt was the Chief Executive Officer of Remington Oil and Gas Corporation from February of 1998 and the Chairman of Remington from May 2003, until Helix acquired Remington in July 2006. Mr. Watt also served on Remington's Board of Directors from September 1997 to July 2006. Mr. Watt served as a director of Pacific Energy Resources, Ltd. from May 2006 until January 2010. Mr. Watt has served on the board of

Bonanza Creek Energy, Inc. since August of 2012. He graduated from Rensselaer Polytechnic Institute with a Bachelor of Science in physics. As a result of his professional experiences, Mr. Watt possesses particular knowledge and experience in oil and gas exploration and production and the risks and volatile economic conditions inherent in that industry. Mr. Watt also possesses knowledge in the leadership of complex organizations and other areas related to the operation of a major corporation that strengthen the board's collective qualifications, skills and experience.

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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 2014, 2015 and 2016, respectively, and their respective successor being

elected and qualified. There are currently two directors in Class III and Class II and three directors in Class I. Upon the conclusion of the Annual Meeting, in the event that all director nominees are re-elected, our board will consist of seven members with three directors in Class I and two directors each in Class II and Class III.

Role of the Board

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

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

Board of Directors Independence and Determinations

The board has affirmatively determined that the following members of the board qualify as independent as that term is defined under NYSE Rule 303A and applicable rules under the Exchange Act: Messrs. Lovoi, Porter, Rask, Transier and Watt, and Ms. Quinn. In making this determination, the board has concluded that none of these directors has a relationship with Helix which, in the opinion of the board, is material and would interfere with the exercise of

independent judgment in carrying out the responsibilities of a director. The 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 2014. In connection with its determination, the board gathered information with respect to each board member individually regarding potential transactions and relationships between Helix and its directors, including the existence of certain ongoing transactions entered into between Helix and certain entities of which our directors serve as officers or directors. Each director also completed a questionnaire which included questions about his or her relationship with Helix. None of these transactions were deemed to affect the independence of the applicable director, nor did they exceed the thresholds established by NYSE rules.

Selection of Director Candidates

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

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

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Board of Directors Qualification, Skills and Experience

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

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

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 it contains a message for the board as a whole, or a particular group or committee of directors, or an individual director.

Code of Business Conduct and Ethics

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

Relations, then by clicking *Governance*. In addition, we intend to post on

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

Attendance at the Annual Meeting

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

attend the annual meeting, but does not have a written policy regarding attendance at the meeting. Six members of the board attended the 2013 Annual Meeting of Shareholders.

Directors' Continuing Education

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

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

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Selection of Chairman and Chief Executive Officer

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

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

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

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

Risk Oversight

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

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

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

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

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

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

transactions. At each board meeting, the chairman and CEO addresses matters of particular importance or concern, including any significant areas of risk that require board attention, whether commercial, operational, legal, regulatory or other type of risk. Additionally, the board reviews our short-term and long-term strategies, including consideration of significant risks facing Helix and the impact of such risks.

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

Meetings of the Board and Committees

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

Committee was formed to assess whether to pursue a shareholder derivative claim. The following table summarizes the membership of the board and each of its committees as well as the number of times each met during the year ended December 31, 2013. 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.

Corporate

Governance

Name	Board	Audit	Compensation	and Nominating	Special
Mr. Kratz	Chair				

Mr. Lovoi	Member	Member	Chair		Member
Mr. Porter	Member	Member		Chair	Chair
Ms. Quinn	Member	Member		Member	Member
Mr. Rask	Member		Member	Member	Member
Mr. Transier	Member	Chair	Member		Member
Mr. Watt	Member		Member	Member	Member
Number of Meetings in 2013					
Regular	4	7	4	4	0
Special	3	1	1	0	2

Board Attendance

During the year ended December 31, 2013, the board held a total of seven meetings. Each director attended 75% or more of the total meetings of the board and

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

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Executive Sessions of the Directors

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

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

Audit Committee

The Audit Committee is composed of four non-employee, independent directors, Mr. Transier, Chairman, Mr. Lovoi, Mr. Porter and Ms. Quinn, each of whom meets the independence and financial literacy requirements as defined in the applicable NYSE and SEC rules. The Audit Committee is appointed by the board to assist the board in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community and others relating to: (i) the integrity of our financial statements, (ii) the compliance with applicable legal and regulatory requirements, (iii) the performance of our internal audit function and independent registered public accounting firm, and (iv) the independent registered public accounting firm's qualifications and independence. Among the duties of the Audit Committee, all of which are more specifically described in the Audit Committee charter, which was most recently amended and restated in December 2013, the Audit Committee:

- Oversees and appoints our independent registered public accounting firm.

- Reviews the adequacy of our accounting and audit principles and practices, and the adequacy of compliance assurance procedures and internal controls.

- Reviews and pre-approves all non-audit services to be performed by the independent registered public accounting firm in order to maintain such accounting firm's independence.

- Reviews the scope of the annual audit.

- Reviews with management and the independent registered public accounting firm our annual and quarterly financial statements, including disclosures made in management's discussion and analysis and in our earnings press releases.

- Meets independently with management and the independent registered public accounting firm.

Reviews corporate compliance and disclosure systems.
Reviews and approves related-party transactions.
Makes regular reports to the board.
Reviews and reassesses the adequacy of its charter annually and recommends any proposed changes to the board for approval.
Performs an annual self-evaluation of its own performance.
Produces an annual report for inclusion in our proxy statement.

Audit Committee Independence

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

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

Designation of Audit Committee Financial Expert

The board has determined that each of the members of the Audit Committee is financially literate and that Mr. Transier and Ms. Quinn are audit committee financial experts, as that term is defined in the rules

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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 23.

Compensation Committee

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

- Review our overall compensation philosophy.

- Oversee the 2005 Long-Term Incentive Plan (as amended and restated effective May 9, 2012) (the 2005 Plan), the Employee Retirement Savings Plan, the Employee Stock Purchase Plan, and any other equity-based plans.

- Commission independent consultants and review compensation with respect to our executive officers as compared to industry surveys and our peer group, as discussed in our Compensation Discussion and Analysis below.

- Review and approve executive officer compensation, including short-term incentive compensation, and equity and cash opportunity long-term incentive compensation.

- Review and reassess the adequacy of its charter annually and recommend any proposed changes to the board for adoption.

- Perform an annual self-evaluation of its performance.

Corporate Governance and Nominating Committee

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

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

Nominating Committee has the responsibilities specifically described in the Corporate Governance and Nominating Committee charter, including the responsibility to:

- Identify and evaluate potential qualified director nominees and select or recommend director nominees to the board.
- Monitor, and recommend members for, each of the committees of the board.
- Periodically review and revise our corporate governance principles as appropriate.
- Review and reassess the adequacy of its charter annually and recommend any proposed changes to the board for approval.
- Perform an annual self-evaluation of its performance and the performance of the board as a whole.
- Perform such other duties as may be assigned by the board from time to time.

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Special Committee

A Special Committee of the board was formed and is comprised of our six independent, non-employee directors: Mr. Porter, Chairman, Messrs. Lovoi, Rask, Transier and Watt, and Ms. Quinn, for the purpose of considering whether it was in our best interest to pursue the claims alleged in connection with the Shareholder Derivative Complaint styled *Lucas v.*

Kratz, et al., Cause No. 2012-26160 in the District Court of Harris County, Texas. The Special Committee evaluated and rejected the plaintiff's demand to pursue certain claims against various present and former directors and executive officers of Helix as not being, in the judgment of the Special Committee, in the best interest of Helix or our shareholders.

Director Nominee Process

Process for Director Nominations – Shareholder Nominees

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

name and qualifications for board membership and should be addressed to the Corporate Secretary, Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043. In addition, our By-laws permit shareholders to nominate directors for consideration at an annual shareholder meeting. However, in order to be considered at this year's Annual Meeting, nominations were required to be received by us prior to the date of this proxy statement. Shareholders may nominate persons for election to the board to be considered at next year's Annual Meeting of Shareholders in accordance with the procedure beginning on page 58.

Director Qualifications and Diversity

The Corporate Governance and Nominating Committee has established certain criteria with respect to the desired skills and experiences for prospective board members, including those candidates recommended by the committee and those properly nominated by shareholders. The board, with the assistance of the Corporate Governance and Nominating Committee, selects potential new board members using criteria and priorities established from time to time. Desired personal qualifications for director nominees include intelligence, insight, practical wisdom based on experience, the highest professional and personal ethics and values, integrity, strength of character and commitment. Nominees should also have broad experience at the policy-making level in business and possess a familiarity with complex business organizations and one or more of our business lines or those of our customers. Nominees should have the independence necessary to make an unbiased evaluation of management performance and effectively carry out their oversight responsibilities and

be committed to enhancing shareholder value. Nominees should have sufficient time to carry out their duties. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all director duties to Helix and our shareholders. Each director must represent the interests of all shareholders. Although the Corporate Governance and Nominating Committee does not have a specific formal policy regarding board diversity, it does view diversity expansively and has determined that it is desirable for the board to have a variety of different viewpoints, professional experiences, educational backgrounds and skills, and considers these types of diversity and background considerations in its selection process. The composition, skills and needs of the board change over time and will be considered in determining desirable candidates for any specific opening on the board. The Corporate Governance and Nominating Committee in considering a potential nominee will conduct its search for the best candidate for the board seat on a non-discriminatory basis.

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Identifying and Evaluating Nominees for Directors

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

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

Sources for New Nominees

Ms. Quinn and Mr. Transier are the only directors standing for re-election. Neither the Corporate Secretary nor the Corporate Governance and

Nominating Committee received any recommendations for director candidates from any shareholder or group of shareholders during 2013 or to date in 2014.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee of our board was, during fiscal year 2013, 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 2013, 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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The following table provides compensation that was earned or paid during the one-year period ended December 31, 2013 for each member of our board.

Name (1)	Fees Earned or Paid in Cash (\$)(2)(3)	Stock Awards (\$)(4)(5)	Option Awards (\$)(4)(6)	All Other Compensation (\$)	Total (\$)
John V. Lovoi	\$-0-	\$363,440	\$-0-	\$-0-	\$363,440
T. William Porter	\$135,750	\$200,000	\$-0-	\$-0-	\$335,750
Nancy K. Quinn	\$126,750	\$200,000	\$-0-	\$-0-	\$326,750
Jan Rask	\$21,750	\$321,252	\$-0-	\$-0-	\$343,002
William L. Transier	\$145,750	\$200,000	\$-0-	\$-0-	\$345,750
James A. Watt	\$120,750	\$200,000	\$-0-	\$-0-	\$320,750

- (1) Mr. Kratz is not included in the table because he did not receive any compensation for serving on our board during fiscal year 2013.
- (2) The annual retainer fee for each member of the board and the retainer fee related to the applicable board member's serving on committees are paid quarterly. Since January 1, 2005, non-employee directors have had the option of taking board and committee fees (but not expenses) in the form of restricted stock. See Summary of Director Compensation and Procedures below. Messrs. Lovoi and Rask were the only directors to receive their fees in restricted stock during 2013.
- (3) In this column we are required to report all fees earned or paid to directors during the 2013 fiscal year. As a result, fees earned in the previous year for fourth quarter service in that year but paid in 2013 are also included; thus the dollar amount represents fees paid for five (not four) successive quarters. Those fees were as follows: Mr. Porter, \$26,750; Mr. Rask \$21,750, Ms. Quinn, \$25,750; Mr. Transier, \$27,750; and Mr. Watt, \$23,750. Information with regard to Mr. Lovoi and Mr. Rask are included in footnote 5 below.
- (4)

Amounts shown in these columns 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.

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- (5) The grant date fair value of the restricted stock awarded with respect to the year ended December 31, 2013 to each director, computed in accordance with FASB ASC Topic 718, is as follows:

Name	Date of Grant		Number of	Grant Date
			Shares	Fair Value
Mr. Lovoi	December 6, 2012	(a)	11,031	\$200,000
	January 2, 2013	(b)	1,620	\$33,438
	April 1, 2013	(b)	1,407	\$32,188
	July 1, 2013	(b)	1,451	\$33,438
	October 1, 2013	(b)	1,219	\$30,938
	January 2, 2014		1,443	\$33,438
Mr. Porter	December 6, 2012	(a)	11,031	\$200,000
Ms. Quinn	December 6, 2012	(a)	11,031	\$200,000
Mr. Rask	December 6, 2012		11,031	\$200,000
	April 1, 2013	(a)	1,407	\$32,188
	July 1, 2013	(b)	1,289	\$29,688
	October 1, 2013	(b)	1,170	\$29,688
	January 2, 2014	(b)	1,281	\$29,688
Mr. Transier	December 6, 2012	(a)	11,031	\$200,000
Mr. Watt	December 6, 2012	(a)	11,031	\$200,000

(a) Represents the annual grant for board service for 2013 and the future.

(b) Represents the payment of retainer and board and committee fees for the fourth quarter of 2012 and each quarter of 2013

Additionally, on December 6, 2013, each of the non-employee directors was issued 8,893 shares of restricted stock having a value of \$200,000 representing their annual grant for future board service.

As of December 31, 2013, unvested restricted stock held by each non-employee director is as follows:

Name	Shares of Unvested Restricted Stock Outstanding ^(a)
Mr. Lovoi	47,844
Mr. Porter	35,347

Ms. Quinn	47,967
Mr. Rask	24,226
Mr. Transier	33,152
Mr. Watt	33,152

- (a) Includes January 2, 2014 grant of 1,443 shares of restricted stock to Mr. Lovoi and 1,281 shares of restricted stock to Mr. Rask for 2013 fourth quarter service.
- (6) We did not grant any stock options in the year ended December 31, 2013. In 2013, Mr. Porter exercised options to purchase 52,800 shares of our common stock and sold the shares purchased. All grants of options to directors were in the initial amount equivalent to 88,000 shares and vested ratably over a five-year period on the anniversary of the grant date. None of our directors have any outstanding options as of December 31, 2013.

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Summary of Director Compensation and Procedures

Our non-employee director compensation structure has three components: (1) director retainer and fees (meetings and unanimous consents), (2) equity-based compensation currently in the form of restricted stock awards and (3) reimbursement of board related expenses. We re-evaluate director compensation on an annual basis based on the compensation of directors by companies in our peer group. In 2013, the directors (other than Mr. Kratz who is a Helix employee) received an annual director's fee of \$45,000, and \$2,000 per board meeting for attending each of four regularly scheduled quarterly meetings and special board meetings. In addition, each of the outside directors received an annual committee retainer fee of \$5,000 (\$10,000 for the Chairman of the Audit Committee) for each committee on which a director serves and a fee of \$2,000 (\$3,000 for the Chairman) for each committee meeting attended. We also paid the reasonable out-of-pocket expenses incurred by each director in connection with attending the meetings of the board and any board committee.

In December 2013, the Compensation Committee determined to change the way board and committee fees are structured and approved the following: (1) increasing the annual board retainer to \$55,000 (from \$45,000); (2) reducing all meeting fees to \$1,500 per meeting (formerly \$2,000 for each board meeting, and \$2,000 for each committee member and \$3,000 for the committee chair for each committee meeting); (3) eliminating retainers for committee membership, other than for the committee chair (formerly \$5,000 retainer for each non-chair committee member); (4) increasing the Audit Committee Chairman's annual committee retainer to \$15,000 (from \$10,000) and increasing the Compensation Committee Chairman's annual committee retainer to \$10,000 (from \$5,000).

Since January 1, 2005, non-employee directors have had the option of taking board and committee fees (but not expenses) in the form of restricted stock, pursuant to the terms of our 2005 Plan for grants after May 10, 2005, or our 1995 Long Term Incentive Plan, as amended (the 1995 Plan) for grants on or before May 10, 2005. An election to take fees in the form of cash or stock is made by a director prior to the beginning of the subject fiscal year. Directors taking fees in the form of restricted stock receive an award for service during a quarter on or about the first business day of the next quarter in an amount equal to 125% of the cash equivalent of his or her fees, with the number of shares determined by the stock price on the last trading day of the fiscal quarter for which the fees are being determined. These awards fully vest two years after the first day of the subject fiscal year. For fiscal year 2013, only Messrs. Lovoi and Rask elected to take board fees in the form of restricted stock. Messrs. Lovoi, Rask and Transier have elected to take board fees in the form of restricted stock for 2014.

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

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

CERTAIN RELATIONSHIPS

In accordance with our Audit Committee charter, our Audit Committee is responsible for reviewing and approving the terms and conditions of all related party transactions. The Audit Committee has adopted a written statement of policy with respect to related party transactions. It is our written policy to approve and enter into transactions only when the board, acting through the Audit Committee, determines that a transaction with a related party is in, or not inconsistent with, the best interests of Helix and our shareholders.

The Audit Committee will consider all relevant facts and circumstances available to the Audit Committee to determine whether the related party transaction is in our best interests, including the benefits to us, the impact on a director's independence, the availability of other sources for the product or services, the terms of the transaction and the terms available from unrelated third parties. The policy covers any transaction, arrangement or relationship in which we are a participant and in which a related party has a direct or

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indirect interest, other than transactions available to all employees generally or transactions involving less than \$5,000. A related party includes any person that served as a senior officer or director in the last fiscal

year, a person that beneficially owns more than 5% of our outstanding voting securities, and a person that is an immediate family member of either of the foregoing or an entity that is controlled by any of the foregoing.

OKCD Investments, Ltd.

In April 2000, we acquired a 20% working interest in Gunnison, a deepwater Gulf of Mexico prospect of Kerr-McGee. Financing for the exploratory costs of approximately \$20 million was provided by an investment partnership (OKCD Investments, Ltd. or OKCD), the investors of which included our CEO and certain former members of Helix senior management. In exchange, ERT, our oil and gas subsidiary until sold in February 2013, gave OKCD a revenue interest that is an overriding royalty interest of 25% of ERT's 20% working interest. Production from the Gunnison field

commenced in December 2003. We made payments to OKCD during the time we owned ERT totaling \$0.6 million, \$6.9 million and \$8.3 million in the years ended December 31, 2013, 2012 and 2011, respectively. As of December 31, 2013, our CEO, Mr. Kratz, through Class A limited partnership interests in OKCD, personally owned approximately 85% of the partnership. In 2000, OKCD also awarded Class B income participations to key Helix employees, who are required to maintain their employment status with Helix in order to retain such income participations.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has adopted procedures for pre-approving certain audit and permissible non-audit services provided by the independent registered public accounting firm. These procedures include reviewing a budget for audit and permissible non-audit services. The budget includes a description of, and a budgeted amount for, particular categories of audit and permissible non-audit services that are recurring in nature and therefore anticipated at the time the budget is submitted. During the year, circumstances may arise such that it becomes necessary to engage the independent registered public accounting firm for services in excess of those contemplated by the budget or for additional services. Audit Committee approval is required to exceed the budget amount for a particular category of audit or permissible non-audit services and to engage the independent registered public accounting firm for any audit or permissible non-audit services not included in the budget. For both

types of pre-approval, the Audit Committee considers whether these services are consistent with the SEC rules regarding auditor independence. The Audit Committee charter includes specific pre-approval procedures with respect to tax related services. The Audit Committee charter delegates pre-approval authority in certain circumstances to the Chairman of the Audit Committee. The Audit Committee periodically monitors the services rendered and actual fees paid to the independent registered public accounting firm to ensure that these services are within the parameters approved by the Audit Committee. None of the fees in 2013 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 2013 professional services by Ernst & Young LLP were pre-approved.

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee has reviewed and discussed the audited financial statements of the Company for the year ended December 31, 2013 with management, our internal auditors and Ernst & Young LLP. In addition, the Committee has discussed with Ernst & Young LLP, the independent registered public accounting firm for the Company, the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Sarbanes-Oxley Act of 2002 requires certifications by the Company's chief executive officer and chief financial officer in certain of the Company's filings with the Securities and Exchange Commission (SEC). The Committee discussed the review of the Company's reporting and internal controls undertaken in connection with these certifications with the Company's management and independent registered public accounting firm. The Committee also reviewed and discussed with the Company's management and independent registered public accounting firm management's report and Ernst & Young LLP's report on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. The Audit Committee has further periodically reviewed such other matters as it deemed appropriate, including other provisions of the Sarbanes-Oxley Act of 2002 and rules adopted or proposed to be adopted by the SEC and the NYSE.

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

Based on the foregoing review and discussions and relying thereon, the Committee recommended to the Company's Board of Directors the inclusion of the Company's audited financial statements for the year ended December 31, 2013 in the Company's Annual Report on Form 10-K for such year filed with the SEC.

Members of the Audit Committee:

William L. Transier, Chairman

John V. Lovoi

T. William Porter

Nancy K. Quinn

HELIX ENERGY SOLUTIONS GROUP, INC. *ê 2014 Proxy Statement* **23**

Table of Contents**PROPOSAL 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP served as our independent registered public accounting firm providing auditing and financial services in 2013 and has acted as such since their engagement in fiscal year 2002, and will continue to provide such services during fiscal year 2014. Our Audit Committee has the authority to retain, oversee, evaluate and terminate the independent registered public accounting firm. Pursuant to such authority, the Audit Committee has appointed Ernst & Young LLP, an independent registered public accounting firm, as auditors to examine the financial statements of Helix for the fiscal year ending December 31, 2014, and to perform other appropriate accounting services.

Although our By-laws do not require that shareholders ratify the appointment of Ernst & Young LLP as our outside auditors, the board has determined to submit the selection for ratification by the shareholders. If the shareholders do not ratify the appointment of Ernst & Young LLP, the adverse vote will be considered as a direction to the Audit Committee to consider selecting other auditors for the next fiscal year. However, because of the difficulty and expense of making any substitution of auditors after the beginning of the current fiscal year, it is contemplated that the appointment for the fiscal year ending December 31, 2014 will be permitted to stand unless the Audit Committee finds other reasons for making a change. It is understood that even if the selection of Ernst & Young LLP is ratified, the Audit Committee, in its discretion, may direct the appointment of a new independent accounting firm at any time during the year if the Audit Committee feels that such a change would be in the best interests of Helix and our shareholders.

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

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

	2013	2012
	(In Thousands)	
Audit Fees ⁽¹⁾	\$ 2,238	\$ 2,357
Audit-Related Fees ⁽²⁾	2	463
Tax Fees ⁽³⁾	178	164
All Other Fees	-0-	-0-
Total	\$ 2,418	\$ 2,984

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

(2)

Audit-related fees included consultations concerning financial accounting and reporting matters not required by statute or regulation. The audit-related fees in 2012 include fees related to the sale of ERT, including certain fees that were subsequently reimbursed to Helix by the purchaser of ERT.

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

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

Board of Directors Recommendation

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

Vote Required

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

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COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis (CD&A) provides information regarding the 2013 compensation program for each individual who served as our principal executive officer or principal financial officer during 2013 and the three other executive officers who at fiscal year-end were our most highly compensated executives in 2013. Those individuals were:

Owen Kratz, our President and CEO
Anthony Tripodo, our Executive Vice President and Chief Financial Officer
Clifford V. Chamblee, our Executive Vice President and Chief Operating Officer
Alisa B. Johnson, our Executive Vice President, General Counsel and Corporate Secretary
Johnny Edwards, our former Executive Vice President – Oil & Gas

Mr. Edwards' s employment with Helix terminated in March 2013, in connection with the divestiture of Energy Resource Technology GOM, Inc. (ERT), our

former oil and gas subsidiary, which is more particularly described in Executive Summary below.

This section of the proxy statement also describes the actions and decisions of the Compensation Committee of our board relating to 2013 executive officer compensation. The discussion is divided into the following sections:

- A. Executive Summary
- B. 2013 Advisory Vote on Executive Compensation
- C. Compensation Philosophy and Objectives and Key Considerations for Executive Compensation
- D. Participants in the Decision-Making Process
- E. Components of the Compensation Committee Analysis
- F. Elements of our 2013 Compensation Program
- G. Severance and Change in Control Arrangements
- H. Stock Ownership Guidelines
- I. Anti-Hedging and Anti-Pledging Policy

A. Executive Summary

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

The past two fiscal years have been transformative for Helix. We announced in 2012 and sold in 2013 ERT, a former wholly-owned U.S. subsidiary that conducted our oil and gas operations in the Gulf of Mexico. We also announced in 2012 and sold in 2013 our two remaining subsea construction pipelay vessels. In January 2014, we sold our Ingleside, Texas spoolbase facility, which supported our subsea construction pipelay vessels. In connection with the sale of these non-core assets, we also improved our balance sheet

and increased our liquidity through reduction of our outstanding debt. We also made adjustments to our organizational structure to reflect our streamlined business model. With the completion of these strategic initiatives we are positioned to grow our well intervention and robotics businesses.

Despite the shifting environment during 2012 and 2013, we were able to continue to execute on our financial goals, meet our budgeted EBITDA and maintain a strong total shareholder return relative to our peers, as indicated by the graph below. Based on performance versus budget for our EBITDA and return on capital employed goals, bonuses for our executive officers were paid at 96.74% of target for 2013 and at target for 2012.

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- (1) Total Shareholder Return is calculated based on the average closing price of the last 20 trading days of 2011 compared to the average closing price of the last 20 trading days of 2013.

We and the Compensation Committee viewed 2013 as a year of transition and transformation as we continued to assess the impact on Helix's organization and processes of the significant transactions described above. As a result, the Compensation Committee in 2012 selected a new peer group for purposes of determining the 2013 compensation for our executive officers, which aligned with our ongoing business model transformation, the execution of which was then

being led by our executive officers. In addition, the Compensation Committee determined to make no adjustments to the named executive officers' compensation from 2012 compensation levels (other than to implement different short-term incentive (bonus) metrics for 2013 based on our 2013 commercial focus) as the committee deemed the compensation appropriate for the responsibilities and performance of our executive officers.

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Key Features of Our Executive Compensation Program

What We Do	What We Don't Do
<ul style="list-style-type: none"> ii Substantial focus on performance based pay 	<ul style="list-style-type: none"> Hedging of our stock
<ul style="list-style-type: none"> ii Balance of short- and long-term incentives 	<ul style="list-style-type: none"> Post-2008, enter into agreements with our executive officers containing tax gross-up protections
<ul style="list-style-type: none"> ii Use formulaic approach when setting annual bonus targets 	<ul style="list-style-type: none"> Post-2008, enter into agreements with our executive officers with a single trigger severance
<ul style="list-style-type: none"> ii Align executive compensation with shareholder returns through long-term incentives 	<ul style="list-style-type: none"> Perquisites
<ul style="list-style-type: none"> ii Annual say-on-pay advisory vote for shareholders 	
<ul style="list-style-type: none"> ii Retain an independent external compensation consultant 	
<ul style="list-style-type: none"> ii Use peer group benchmarks when establishing compensation 	
<ul style="list-style-type: none"> ii Robust stock ownership guidelines for executives and directors 	
<ul style="list-style-type: none"> ii Maintain a strong risk management program, which includes our Compensation Committees 	

ongoing evaluation of the relationship between our compensation programs and risk

B. 2013 Advisory Vote on Executive Compensation

In 2013, we sought an advisory vote from our shareholders regarding our executive officer compensation for 2012 and received a 99% favorable say-on-pay vote. The Compensation Committee considered the positive results of the advisory vote in completing its annual review of each pay element and the compensation packages provided to our executive

officers, and continued for 2013 the performance-based measures instituted in 2012. The Compensation Committee will continue to consider the outcome of our say-on-pay votes and our shareholder views when making future compensation decisions for our executive officers.

C. Compensation Philosophy and Objectives and Key Considerations for Executive Compensation

Our business model and growth strategy require highly qualified, experienced and technically proficient executive officers. In addition, we rely on our executive officers to develop and execute our business strategy in a way that maximizes value for our shareholders through the fluctuations of a cyclical industry. Our compensation philosophy reflects the realities of the competitive market in which we operate as well as the characteristics of our business environment. The Compensation Committee and management believe that our compensation programs are balanced and

reasonable and help us attract, retain and motivate qualified and technically proficient employees, including our executive officers, through a range of business cycles. Details of compensation for our named executive officers can be found in the tables beginning on page 42.

We seek to closely align the interests of our named executive officers with the interests of our shareholders. Our compensation programs are designed to reward our named executive officers both

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for the achievement of short-term financial goals and the longer term goal of increasing total shareholder return, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. Our named executive officers total compensation is comprised of a mix of base salary, annual short-term cash incentive (bonus) awards and long-term incentive awards that include cash performance awards, performance-based equity awards and time-vested restricted stock.

The elements of our executive compensation program were designed upon the following principles:

In general, we compensate to reflect the overall performance of Helix;

We pay competitively in terms of type and amount of compensation, as compared to other companies in our industry (as discussed below);

We compensate based upon the responsibilities, complexity and difficulty of an executive's position during the applicable period;

Components of our compensation are tied to increasing shareholder value;

Our executive compensation balances rewards for short-term and long-term performance;

A substantial portion of each executive's total compensation is variable or at risk;

Our compensation program is aimed at incentivizing executive officers to remain with us over the long term;

Our compensation program is aimed at incentivizing our executive officers to execute our business plan and financial objectives consistent with our long-term strategy; and

Annual performance that reflects the execution of our stated strategy is rewarded.

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D. Participants in the Decision-Making Process.

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

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

CEO provides the Compensation Committee a performance assessment of each executive officer.

E. Components of the Compensation Committee Analysis

Set forth below are some of the components that impact the compensation decisions made by the Compensation Committee. These factors or components are not intended to be exhaustive.

Business Context

Helix is an international offshore energy company that provides specialty services to the offshore energy industry, with a focus on well intervention and robotics operations. We operate in a very cyclical industry

because of volatility in demand and prices for oil and gas and therefore our services. We rely on our executive team to develop, maintain and execute our strategy over the long term in order to build value for

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our shareholders through the up and down cycles of our industry. The skills, technical expertise, experience and personal qualities of the executives needed to successfully manage this type of business are currently in very high demand. We believe that our current mix

of compensation is appropriate to attract and retain executives to implement our strategy of focusing on expanding our well intervention and robotics businesses.

Considerations Regarding Roles and Responsibilities

The roles and responsibilities of each named executive officer are taken into account in two distinct ways in determining compensation. First, the officer's roles and responsibilities are considered by the Compensation Committee, as well as by its independent compensation consultant, when determining the applicable comparable position for inclusion in the peer

group compensation information. Second, the Compensation Committee evaluates the specific responsibilities of the applicable officer's specific position to determine how such officer's overall compensation, and mix of compensation, should differ from that of the other named executive officers.

Peer Group

Each year, including 2013, the Compensation Committee compares the total compensation for each position occupied by our executive officers to the compensation paid by companies in our peer group for similar positions, as set forth in our peer companies' proxy statements. The independent compensation consultant provides the Compensation Committee with market data for this purpose; however, the market data is only used as a benchmark. Generally, the Compensation Committee seeks to ensure that executive compensation falls between the 25th and 75th percentiles of the market data for each individual, but individual positioning varies based on the individual's role within our organization, his or her experience and his or her contribution to our success.

The Compensation Committee's independent compensation consultant proposes companies to be

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

In August 2012, following a discussion with and a report from the independent compensation consultant, the Compensation Committee selected a new peer group of energy services companies that was more reflective of Helix's strategy to dispose of our oil and gas business and focus on expanding our well intervention and robotics services businesses. For fiscal 2013, the peer group for executive officer compensation consisted of the following companies:

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Company	Ticker Symbol	Revenue	Market Cap (\$ in millions)	Enterprise Value
Atwood Oceanics, Inc.	ATW	\$787	\$2,975	\$3,547
Dril-Quip, Inc.	DRQ	\$733	\$2,957	\$2,690
GulfMark Offshore, Inc.	GLF	\$389	\$927	\$1,169
Hercules Offshore, Inc.	HERO	\$710	\$979	\$1,585
Hornbeck Offshore Services, Inc.	HOS	\$513	\$1,218	\$1,665
McDermott International, Inc.	MDR	\$3,642	\$2,599	\$2,017
Oceaneering International, Inc.	OII	\$2,783	\$5,804	\$5,821
Oil States International, Inc.	OIS	\$4,398	\$3,913	\$4,950
Rowan Companies, Inc.	RDC	\$1,393	\$3,884	\$4,948
Superior Energy Services, Inc.	SPN	\$4,568	\$3,263	\$5,097
TETRA Technologies, Inc.	TTI	\$881	\$593	\$935
Tidewater Inc.	TDW	\$1,244	\$2,499	\$3,370
25th Percentile		\$727	\$1,158	\$1,645
Median		\$1,062	\$2,778	\$3,030
75th Percentile		\$2,997	\$3,419	\$4,949
Helix Energy Solutions Group, Inc.	HLX	\$846⁽¹⁾	\$2,183	\$2,764
HLX Percentile Rank		42%	34%	46%

*Data Source: S&P Compustat

-Revenue, Market Cap & Enterprise Value as of FYE 2012

(1) Excludes revenues of \$557.2 million associated with our former oil and gas exploration and production business, a discontinued operation.

We believe these companies were appropriate for the purpose of our targeted compensation comparison for 2013 because:

they were our direct competitors;
they were companies that were likely competition for our executive talent;
their executive officers often had similar positions to or responsibilities of the positions held by our executive officers;
each of the companies was of a comparable size to us; and/or
each company was within our same general industry.

Consideration of Risk

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

Goals and objectives reflect a balance of performance measures to avoid excessive weight on a single performance measure. Likewise, the elements of compensation are balanced among base salary, short-term (annual) cash bonus, long-term cash performance awards and long-term equity incentive awards. We also have determined that our current form of long-term incentive compensation is more appropriate than stock options to encourage management to take only the appropriate level of risk in order to create sustained shareholder value over the long term.

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Tax Considerations

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

Section 162(m) of the Internal Revenue Code of 1986, as amended, places a limit of \$1,000,000 on the amount of compensation that may be deducted by Helix in any year with respect to the named executive officers' compensation unless the compensation is

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

F. Elements of our 2013 Compensation Program

Overview

During fiscal 2013, the primary elements of compensation earned by each of our executive officers, including our named executive officers, consisted of:

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

We use each element of compensation to satisfy one or more of our stated compensation objectives. The Compensation Committee's goal is to achieve the appropriate balance between short-term cash rewards and long-term financial incentives for the achievement of both annual and long-term financial goals. To ensure appropriate linkage between our business objectives and compensation levels, we periodically review the goals and the levels of each element of compensation. For instance, each year we determine annual bonus

components and metrics that relate specifically to our financial and strategic objectives for that year.

Typically, the Compensation Committee reviews and approves each element of compensation separately and, if necessary, makes adjustments to individual elements of compensation to achieve total compensation that is competitive with our peer group at the desired levels and that is deemed appropriate by the Compensation Committee for each named executive officer.

In light of the transformation of Helix that has occurred over the past several years, including entering into an agreement in 2012 to sell our oil and gas exploration and production business, the Compensation Committee made no changes to or increases in 2013 compensation from 2012 levels as the committee deemed the levels of compensation to continue to be appropriate for our executive officers' responsibilities and performance. The Compensation Committee during 2013 has considered, and continues to consider, the appropriateness of the overall compensation of our executive officers in light of our new business model and growth strategy.

Table of Contents**Base Salary Determination**

In establishing base salaries for our executive officers, including the named executive officers, the Compensation Committee considers a number of factors including the executive's job responsibilities, individual contributions, level of experience, personal compensation history and peer company data. Base

salary is generally set for our named executive officers at the regularly scheduled December meeting of our Compensation Committee in the preceding year. There were no increases to base salaries in 2013 for any of our named executive officers. The following sets forth the base salaries for 2013 and 2012:

	2013	2012	Percent
Named Executive Officer	Base Salary	Base Salary	Increase
Owen Kratz ⁽¹⁾	\$ 700,000	\$ 700,000	0%
Anthony Tripodo	480,000	480,000	0%