

Noble Corp plc
Form DEFA14A
April 08, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ ..

Check the appropriate box:

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

NOBLE CORPORATION plc

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

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Noble Corporation plc
Compensation Overview
April 7, 2016

2015 Financial and
Operational Highlights

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Transforming our fleet into one of the most
modern in the industry

Lowering the average age of fleet from 25 years in
2013 to 10 years in February 2016

Strengthening our position to weather current
market challenges

Securing contract backlog of \$6.9 billion at 12/31/15

Achieving financial success and returning value

2015 Adjusted EPS from continuing operations rose
17% to \$2.59*

Debt to total capitalization ratio declined from 40%
to 38% during 2015

Operating costs declined 18% during 2015

Paid 2015 dividends of \$316m

Operating at a high level of safety/efficiency

*See last slide for non-GAAP adjustments

The Current Environment

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Market Realities:

Crude oil price decline of more than 66% from 3Q 2014 to 1Q 2016

Oversupply of drilling rigs during period of slackening demand

Noble Reality:

Created modern, high-specification fleet with a commercial competitive advantage

Secured large backlog with \$2.2b coverage for 2016 and significant contract coverage in 2017 and beyond

Reduced operating costs through strict cost control efforts and lower capital expense costs as newbuild program is completed and rigs are deployed

Current Noble Position among
Offshore Drillers

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Noble now positioned to:

Weather current market challenges

Exploit commercial advantage from our
technically advanced and young fleet

Reap benefits of advantageous capital position
and backlog compared to peer companies

Take advantage of opportunities during down
cycle

We don't control oil price but have
strategically controlled our position in
industry

Our Compensation Program
and 2015 Highlights, cont.

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Noble pays for performance

Competitive base salary

Held 2015 and 2016 base salary at 2014 levels for all named
executives

Reduced the 2015 total reported compensation to CEO by 19%
between 2015 and 2014

Short-term incentive plan (STIP) tied to annual
operating and safety performance vs. defined
goals

Cut STIP award by 25% from the level available for award in
2015

CEO 2015 STIP award 34% less than 2014 award

Appropriately focused achievement goals

Our Compensation Program
and 2015 Highlights

Long-term equity awards at risk and tied to
relative total shareholder returns (TSR)

Reduced the grant value of 2015 and 2016 CEO/CFO long-
term incentive awards by 10% from 2013 value

Properly aligned results: officers forfeited 43.67% of 2013-

2015 performance cycle LTI awards and 100% and 54.66%,
respectively, of LTI awards in previous two performance cycles

Other Compensation Issues

Ended the payment of expatriate benefits for all NEOs in 3Q

2015 --

reduction of \$1m to CEO on an annualized basis

Noble is committed to maintaining best

governance practices

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Proxy Advisory Considerations

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Split in proxy advisor recommendations:

Glass Lewis FOR

ISS Against

Principal ISS Objection

Negative TSR

Cyclical commodity based business experiencing precipitous drop in oil price

Noble management has put company in very strong position relative to peers during current downturn

Noble TSR is strong compared to drilling company peers

Compensation Committee believes that long-term executive incentives important in cyclical downturns

Compensation Committee is addressing scale and absolute level of compensation in downturn

Increase in number of shares
in 2015 Incentive Plan

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Noble is seeking an increase of 9.5m shares for
the 2015 Incentive Plan

Shares depleted sooner than anticipated because of
decline in share price closely correlated to decline in oil

price

Plan has state-of-the-art governance best practices and approval was recommended by ISS and Glass Lewis in 2015 when originally adopted

We have highly disciplined grant practices

Three year burn rate falls between 1.06% and 2.17%, well below ISS cap of 3.12%

New shares would represent 3.91% of outstanding

Since

spin-off

in

2014,

negative

dilution

of

4.35%

Half of equity awards at risk and meaningful holding rule

Increase in number of shares
in 2015 Incentive Plan

At current share price, the requested number
of shares would likely be sufficient to allow us
to make two years of equity awards

If the increase is not approved, we will
effectively be unable to provide equity

compensation in the next annual granting
cycle in 2017 and beyond

If equity compensation is not available, we
could lose high performing employees or be
forced to use cash-based long-term incentives

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Non-GAAP Adjustment

Non-GAAP Adjustments from Slide 2

EPS as shown excludes the impact of impairment charge in 2015 and 2014 and a 2015 gain from a contract cancellation and arbitration settlement (2015 EPS including such impairment and gains --

\$2.06 and 2014 EPS including such impairment

a loss
of \$0.60).

EPS excluding the impact of impairment charge and the gain from
a contract cancellation and arbitration settlement is a non-GAAP
financial measure. A reconciliation to the most comparative GAAP
measure is set forth on the Company's website at
www.noblecorp.com

in
the
Investor
Relations
section
under
2016
proxy statement.
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