HELIX ENERGY SOLUTIONS GROUP INC
Form DEF 14A
March 28, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the registrant Filed by a party other than the registrant

Check the appropriate box:

Preliminary Proxy Statement
CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to Section 240.14a-12

HELIX ENERGY SOLUTIONS GROUP, INC.

(Name of Registrant as Specified in Its Charter)

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

Payment of filing fee (check the appropriate box):
No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

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

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

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

(4) Proposed maximum aggregate value of transaction:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
(1) Amount Previously Paid:

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

(3) Filing Party:

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March 28, 2017

Dear Shareholder:

You are cordially invited to join us for our 2017 Annual Meeting of Shareholders to be held on Thursday, May 11, 2017 at 10:30 a.m. at Helix Energy Solutions Group, Inc. s corporate office, 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043.

The materials following this letter include the formal Notice of Annual Meeting of Shareholders and the proxy statement. The proxy statement describes the business to be conducted at the meeting, including the election of two directors, the ratification of the selection of KPMG LLP as our independent registered public accounting firm for the 2017 fiscal year, the approval on a non-binding advisory basis of the 2016 compensation of our named executive officers, the re-approval of certain terms of the Helix Energy Solutions Group, Inc. 2005 Long Term Incentive Plan (as amended and restated effective January 1, 2017) for purposes of complying with Section 162(m) of the Internal Revenue Code, and the recommendation, on a non-binding advisory basis, on the frequency of holding the advisory vote to approve the compensation of our named executive officers. **At the meeting, you will have an opportunity to meet with some of our directors and officers.**

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

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

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

Sincerely,

Owen Kratz

President and Chief Executive Officer

Important notice regarding the availability of proxy materials

for the Annual Meeting of Shareholders to be held on May 11, 2017

The Helix Energy Solutions Group, Inc. 2017 Proxy Statement and Annual Report to Shareholders (including our Annual Report on Form 10-K) for the fiscal year ended December 31, 2016 are available electronically at

www.Helixesg.com/annualmeeting

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HELIX ENERGY SOLUTIONS GROUP, INC.

NOTICE OF 2017 ANNUAL MEETING

OF SHAREHOLDERS

DATE:	Thursday, May 11, 2017
TIME:	10:30 a.m. Central Daylight Time (Houston Time)
PLACE:	Helix Energy Solutions Group, Inc. s Corporate Office 3505 West Sam Houston Parkway North, Suite 400 Houston, Texas 77043
ITEMS OF BUSINESS:	1. To elect two Class III directors to serve a three-year term expiring at the Annual Meeting of Shareholders in 2020 or, if at a later date, until their successors are elected and qualified. 2. To ratify the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017. 3. To approve, on a non-binding advisory basis, the 2016 compensation of our named executive officers. 4. To re-approve certain terms of our 2005 Long Term Incentive Plan for purposes of complying with Section 162(m) of the Internal Revenue Code. 5. To recommend, on a non-binding advisory basis, the frequency of holding the advisory vote to approve the compensation of our named executive officers. 6. To consider any other business that may properly be considered at the Annual Meeting or any adjournment thereof.
RECORD DATE:	You may vote at the Annual Meeting if you were a holder of record of our common stock at the close of business on March 13, 2017.
VOTING BY PROXY:	In order to avoid additional solicitation expense to us, please vote your proxy as soon as possible, even if you plan to attend the Annual Meeting. Shareholders of record can vote by one of the following methods: 1. CALL 866.883.3382 to vote by telephone any time up to 12:00 noon Central Daylight Time on May 10, 2017; OR 2. GO TO THE WEBSITE: **www.proxypush.com/hlx** to vote over the Internet any time up to 12:00 noon Central Daylight Time on May 10, 2017; OR 3. IF PRINTED PROXY MATERIALS WERE MAILED TO YOU, MARK, SIGN, DATE AND RETURN your proxy card in the enclosed postage-paid envelope. If you are voting by telephone or the Internet, please do not mail your proxy card.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 11, 2017:	**The proxy statement and 2016 Annual Report to Shareholders (including our Annual Report on Form 10-K) for the fiscal year ended December 31, 2016 are also available at www.Helixesg.com/annual meeting.**

By Order of the Board of Directors,

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

Houston, Texas
March 28, 2017

YOUR VOTE IS IMPORTANT

(i)

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HELIX ENERGY SOLUTIONS GROUP, INC.

3505 West Sam Houston Parkway North, Suite 400

Houston, Texas 77043

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 11, 2017

The Board of Directors of Helix Energy Solutions Group, Inc., a Minnesota corporation referred to herein as Helix, the Company, we, us or our, is soliciting your proxy to vote at the 2017 Annual Meeting of Shareholders (the Ann Meeting) on Thursday, May 11, 2017. 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 13, 2017 as the record date for the Annual Meeting. There were 147,660,932 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 Securities and Exchange Commission (SEC) rules, we are making this proxy statement and our 2016 Annual Report to Shareholders available to our shareholders electronically via the Internet. On or about March 28, 2017, we intend to mail to our shareholders a Notice of Availability of Proxy Materials (Notice). The Notice contains instructions on how to vote online, by telephone or, in the alternative, how to request a paper copy of the proxy materials and 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 the Annual Meeting.

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GENERAL INFORMATION

1. Why am I receiving these materials?

We are providing these proxy materials to you in connection with our Annual Meeting, to be held on Thursday, May 11, 2017 at 10:30 a.m. at Helix s corporate office, 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043, and all reconvened

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

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

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

1. First is the election of two Class III directors to our Board, to serve a three-year term expiring at the Annual Meeting of Shareholders in 2020 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 KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017 (subject to the ongoing discretionary authority of the Audit Committee to direct the appointment of a new independent registered public accounting firm should the Audit Committee believe such is in the best interest of Helix and its shareholders).

3. Third is the approval, on a non-binding advisory basis, of the 2016 compensation of our named executive officers.
4. Fourth is the re-approval of certain terms of our 2005 Long Term Incentive Plan for purposes of complying with Section 162(m) of the Internal Revenue Code.

5. Fifth is the recommendation, on a non-binding advisory basis, on the frequency of holding the advisory vote to approve the 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 or any adjournment thereof in accordance with Minnesota law and our By-laws. The Chairman of the Annual Meeting may refuse to allow the presentation of a proposal or a nomination for the Board from the floor of the Annual Meeting if the proposal or nomination was not properly submitted.

3. Who may vote at the Annual Meeting?

The Board has set March 13, 2017 as the record date for the Annual Meeting. Owners of Helix common stock whose shares are recorded directly in their name in our stock register (shareholders of record) at the close of business on March 13, 2017 may vote their shares on the matters to be acted upon at the Annual Meeting. Shareholders who, as of March 13, 2017, hold shares of our common stock in street name, that is, through an

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

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GENERAL INFORMATION

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

Voting Item	Our Board s Voting Recommendation	Voting Standard to Approve Proposal (assuming a quorum is present)	Treatment of: Abstentions	Treatment of: 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[a]	Not counted as votes cast and as such have no effect; brokers may not vote on this proposal absent instructions
2. Ratification of Public Accounting Firm	FOR	Majority of Votes Cast: Votes that shareholders cast for must exceed the votes that shareholders cast against	Counted as votes against	Not counted as votes cast and as such have no effect; brokers may vote without restriction on this proposal
3. Advisory Approval of the 2016 Compensation of Named Executive Officers[b]	FOR	Majority of Votes Cast: Votes that shareholders cast for must exceed the votes that shareholders cast against	Counted as votes against	Not counted as votes cast and as such have no effect; brokers may not vote on this proposal absent instructions
	FOR			

4. Re-approval of certain terms of our 2005 Long Term Incentive Plan for purposes of complying with Section 162(m) of the Internal Revenue Code		Majority of Votes Cast: Votes that shareholders cast for must exceed the votes that shareholders cast against	Counted as votes against	Not counted as votes cast and as such have no effect; brokers may not vote on this proposal absent instructions
5. Advisory Vote on the Frequency of Holding the Advisory Vote to Approve the Compensation of our Named Executive Officers(c)	1 Year	The choice of frequency that receives the highest number of votes will be considered the advisory vote of the shareholders	Not counted as votes cast and as such have no effect	Not counted as votes cast and as such have no effect; brokers may not vote on this proposal absent instructions

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

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

(c) Because this shareholder vote is advisory, the vote will not be binding on the Board or Helix. The Board, however, will review the voting results and take them into consideration when determining the frequency of holding the advisory vote to approve the compensation of our named executive officers.

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

We are using the notice and access process permitted by the SEC to distribute proxy materials to certain shareholders. This process allows us to post proxy materials on a designated website and notify shareholders of the availability of the proxy materials on that website. As such, we are furnishing to most of our shareholders proxy materials, including this proxy statement and our 2016 Annual Report to Shareholders, by providing access to those documents on the Internet instead of mailing paper copies. The Notice, which is being mailed to most of our shareholders, describes how to access and review all of the proxy materials on the Internet. The Notice also describes how to vote via the Internet. If you would like to receive a paper copy by mail or an electronic copy by e-mail of the proxy materials, you should follow the instructions in the Notice for requesting those materials. Your accessing your proxy material on the Internet and your request to receive future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the impact on the environment.

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

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

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

If you are a shareholder of record, you may either vote your shares in person at the Annual Meeting or designate another person to vote 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:

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

The instructions for these three methods of voting your shares are set forth on the Notice (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 a proxy does not affect your right to vote in person if you attend the Annual Meeting.

Directions to the Annual Meeting can be obtained at www.Helixesg.com/annualmeeting or by calling 888.345.2347.

8. Am I a shareholder of record?

Shareholder of Record. If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., Shareowner Services (Wells 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 marking, signing, dating 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 your broker, bank or other nominee as 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 your 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 that party as you have directed. The organization that holds your shares, however, is considered to be the shareholder of record for purposes of voting at the Annual Meeting.

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

9. May I change my vote?

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

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

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

GENERAL INFORMATION

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 and broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting for quorum purposes.

11. What are broker non-votes and abstentions?

If you are the beneficial owner of shares held in street name, then the broker, bank or other nominee, as shareholder of record, is required to vote those shares in accordance with your instructions. However, 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 2016 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 non-routine matters, your shares will be broker non-votes with respect to those proposals.

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

12. How many shares can vote?

On the record date, there were 147,660,932 shares of Helix common stock outstanding and entitled to vote at the Annual Meeting, held by approximately 15,455 beneficial owners.

These shares are the only securities entitled to vote at the Annual Meeting. Each holder of a share of common stock is entitled to one vote for each share held on the record date.

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

Other than the five matters noted in response to question 2 above, we are not aware of any other business to be acted upon at the Annual Meeting.

If you grant a proxy, other than the proxy held by the shareholder of record if you are the beneficial owner and

hold your shares in street name, the persons named as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting or any adjournment thereof in accordance with Minnesota law and our By-laws.

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

Shareholders of Record. If you are the shareholder of record and you return a signed proxy card but do not indicate how you wish to vote, then your shares will be voted in accordance with the recommendations of our Board on all matters presented in this proxy statement and as the proxy holders may determine in their discretion

regarding any other matters properly presented for a vote at the Annual Meeting. If you indicate a choice with respect to any matter to be acted upon on your proxy card, the shares will be voted in accordance with your instructions.

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GENERAL INFORMATION

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, your 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 2016 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 (1) the election of directors, (2) the approval, on a non-binding advisory basis, of the 2016 compensation of our named executive officers, (3) re-approval of certain terms of our 2005 Long Term Incentive Plan for purposes of complying with Section 162(m) of the Internal Revenue Code and (4) the recommendation, on a non-binding advisory basis, on the frequency of holding the advisory vote to approve the 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. To ensure an orderly meeting, we ask that shareholders direct questions and comments to the Chairman. In order to provide this opportunity to every shareholder who wishes to speak, the Chairman may limit

each shareholder s remarks to two minutes. In addition, certain employees and officers will be available at the meeting to provide information about 2016 developments and to answer questions of more general interest regarding Helix.

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

It means you hold shares registered in more than one account. To ensure that all your shares are voted, please follow the instructions and vote the shares represented by each proxy card. 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.

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

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

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

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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. Who 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 2016 Annual Report to Shareholders (including our Annual Report on

Form 10-K), please contact the Corporate Secretary, Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043, telephone: 281.618.0400.

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

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

Please indicate whether your message is for our Board as a whole, a particular group or committee of directors, our Lead Director or another individual director.

23. When are shareholder proposals for the 2018 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 2018 Annual Meeting of Shareholders must deliver the proposal to us so that it is received no later than November 29, 2017, 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 (the Exchange Act), to be eligible for inclusion.

In addition, our By-laws permit shareholders to propose business to be considered and to nominate directors for election by the shareholders. To propose business or to nominate a director at the 2018 Annual Meeting of Shareholders, shareholders must deliver a notice to Helix s Corporate Secretary prior to February 10, 2018, 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 proposed two nominees, Nancy K. Quinn and William L. Transier, to stand for election as Class III directors to serve a three-year term expiring at the Annual Meeting of Shareholders in 2020 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 has nominated the candidates for election. If a nominee becomes unable to serve before the election, the shares represented by proxies may be voted for a substitute designated by the Board, unless a contrary instruction is indicated on the proxy card. The Board has no reason to believe that either of the nominees will become unable to serve. The Board has affirmatively determined that Ms. Quinn and Mr. Transier qualify as independent as that term is defined under NYSE Rule 303A and applicable rules promulgated under the Exchange Act.

Unless otherwise instructed, the persons named as proxies will vote all proxies received **FOR** the election of each person named as nominee below as a Class III director for a term of three years, until the Annual Meeting of Shareholders in 2020 or, if at a later date, until his or her 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 director nominees and each other member of the Board. Age and other information in the director s biographical information are as of March 13, 2017. Information about the number of shares of our common stock beneficially owned by each director as of March 13, 2017 appears below under the heading Share Ownership Information Management Shareholdings on page 50.

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

Board of Directors Recommendation

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

Vote Required

Election of each director requires the affirmative vote of holders of a plurality of the shares of common stock present or represented and voting on the proposal at the Annual Meeting. This means the 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.

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

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Information about Nominees for Class III Directors:

Nancy K. Quinn	Director since 2009
Independent Energy Consultant	age 63

Ms. Quinn has served as a director since February of 2009. Ms. Quinn has been an independent energy consultant since July of 1996 and resides in Key Biscayne, Florida. Ms. Quinn provides senior financial and strategic advice, primarily to clients in the energy and natural resources industries. Ms. Quinn has worked in the financial industry for over 30 years, specializing in financial restructuring, strategic advice, and mergers and acquisitions for a broad range of energy and natural resource companies. Ms. Quinn gained extensive experience in independent exploration and production, as well as in diversified natural gas and oilfield service sectors, while holding leadership positions at such firms as PaineWebber Incorporated and Kidder, Peabody & Co. Incorporated, as well as energy industry private equity investment and mergers and acquisitions experience in a senior advisory role with Beacon Group. Ms. Quinn currently serves as a director and chair of the Human Resources Committee and member and former chair of the Audit Committee of Atmos Energy Corporation, a natural gas distribution, intrastate pipeline and marketing company. Ms. Quinn served as a director and chair of the Audit Committee of Endeavour International Corporation, an international oil and gas exploration and production company until November of 2015. Ms. Quinn was also previously a member of the boards of Louis Dreyfus Natural Gas and Deep Tech International. Ms. Quinn graduated with a Bachelor of Fine Arts degree from Louisiana State University and an M.B.A. from the University of Arkansas. 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
Energy Executive	age 62

Mr. Transier has served as a director since October of 2000. He became Lead Director in March of 2016. He is Chief Executive Officer of Transier Advisors, LLC, an independent advisory firm providing services to energy companies facing stressed operational situations, turnaround, restructuring or in need of interim executive leadership. He was co-founder of Endeavour International Corporation, an international oil and gas exploration and production company. He served as non-executive Chairman of Endeavour s Board of Directors from December of 2014 until November of 2015. He served until

December of 2014 as Chairman, Chief Executive Officer and President of Endeavour and as its Co-Chief Executive Officer from its formation in February of 2004 through September of 2006. Mr. Transier served as Executive Vice President and Chief Financial Officer of Ocean Energy, Inc. from March of 1999 to April of 2003 and prior to that, Mr. Transier served in various positions of increasing responsibility with Seagull Energy Corporation. Before his tenure with Seagull, Mr. Transier served in various roles including partner in the audit department and head of the Global Energy practice of KPMG LLP from June of 1986 to April of 1996. Since May of 2016, Mr. Transier has been a member of the Board of Directors of CHC Group Ltd., and since August of 2014 Mr. Transier has been a member of the Board of Directors of Paragon Offshore plc. From December of 2006 to December of 2012, Mr. Transier was a member of the Board of Directors of Cal Dive International, Inc., a publicly traded company that was formerly a subsidiary of Helix. He served as Lead Director of Cal Dive from May of 2009 until December of 2012. Mr. Transier graduated from the University of Texas with a B.B.A. in accounting and has an M.B.A. from Regis University. 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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PROPOSAL 1: ELECTION OF DIRECTORS

Information about Continuing Directors

Class II Directors Term Expiring in 2018:

Anthony Tripodo Director since 2015

Executive Vice President and Chief Financial Officer age 64

Helix Energy Solutions Group, Inc.

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

James A. Watt Director since 2006

Chief Executive Officer age 67

Warren Resources, Inc.

Mr. Watt has served as a director since July of 2006. Since November of 2015, Mr. Watt has been Chief Executive Officer and a director of Warren Resources, Inc., a domestic onshore oil and gas exploration and development company. In June of 2016, Warren Resources filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas. In October of 2016, Warren Resources completed its reorganization and emerged from Chapter 11 bankruptcy protection. Mr. Watt was Chief Executive Officer, President and a director of Dune Energy, Inc., an oil and gas exploration and development company from April of 2007 until September of 2015. In 2015, Dune Energy filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Western District of Texas. As part of the proceeding, Dune Energy sold substantially all of its assets and distributed its remaining assets to a liquidating trust. Mr. Watt served as Chairman and Chief Executive Officer of Maverick Oil and Gas, Inc., an independent oil and gas exploration and production company from August of 2006 until March of 2007. He was the Chief Executive Officer of Remington Oil and Gas Corporation from February of 1998 and the Chairman of Remington from May of 2003, until Helix acquired Remington in July of 2006. Mr. Watt also served on Remington s Board of Directors from September of 1997 to July of 2006. Mr. Watt served as a director of Pacific Energy Resources, Ltd. from May of 2006 until January of 2010. Mr. Watt 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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PROPOSAL 1: ELECTION OF DIRECTORS

Class I Directors Term Expiring in 2019:

Owen Kratz	Director since 1990
Chairman of the Board, President and Chief Executive Officer	age 62
Helix Energy Solutions Group, Inc.	

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

John V. Lovoi	Director since 2003
Managing Partner	age 56
JVL Partners	

Mr. Lovoi has served as a director since February of 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, and as Chairman of Epsilon Energy Ltd., an exploration and production company focused in the Marcellus shale play in the Northeast United States. Mr. Lovoi graduated from Texas A&M University with a Bachelor of Science degree in chemical engineering and received an M.B.A. from the University of Texas. As a result of these professional experiences, Mr. Lovoi possesses particular financial knowledge and experience in financial matters including capital market transactions, strategic financial planning (including risk assessment), and analysis that strengthen the Board s collective qualifications, skills and experience.

Jan Rask	Director since 2012
Independent Investor	age 61

Mr. Rask has served as a director since August of 2012. He has been an independent investor since July of 2007. Mr. Rask was President, Chief Executive Officer and Director of TODCO from July of 2002 to July of 2007. Mr. Rask was Managing Director, Acquisitions and Special Projects, of Pride International, Inc., a contract drilling company, from September of 2001 to July of 2002. From July of 1996, Mr. Rask was President, Chief Executive Officer and a director of Marine Drilling Companies, Inc., a contract drilling company, until the acquisition of Marine Drilling Companies, Inc. by Pride International, Inc. Mr. Rask served as President and Chief Executive Officer of Arethusa (Off-Shore) Limited from May of 1993 until the acquisition of Arethusa (Off-Shore) Limited by Diamond Offshore Drilling, Inc. in May of 1996. Mr. Rask joined Arethusa Offshore, (ASE) Limited s principal operating subsidiary in 1990 as its President and Chief Executive Officer. Mr. Rask holds a Bachelor of Economics and Business Administration from the Stockholm School of Economics and Business Administration. Mr. Rask has worked in the shipping and offshore industry for approximately 30 years and has held a number of positions of progressive responsibility in finance, chartering and operations. Mr. Rask possesses particular knowledge and experience in the offshore oil and gas contract drilling industry. Mr. Rask also has extensive knowledge in international operations, leadership of complex organizations and other aspects of operating a major corporation that strengthen the Board s collective qualifications, skills and experience.

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PROPOSAL 1: ELECTION OF DIRECTORS

Information About Director Whose Term is Ending March 31, 2017:

T. William Porter Director since 2004

Chairman Emeritus

age 75

Porter Hedges, L.L.P.

Mr. Porter has announced his resignation as a director, which will be effective March 31, 2017. He has served as a director since March of 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 was a director of Copano Energy, L.L.C. from November of 2004 until its sale to Kinder Morgan Energy Partners, L.P. in May of 2013. 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.

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CORPORATE GOVERNANCE

Composition of the Board

Our Board currently consists of eight members and, in accordance with our By-laws, is divided into three classes of similar size. The members of each class are elected to serve a three-year term with the term of office of each class ending in successive years. The Class I, II and III directors are currently serving until the later of the Annual Meeting in 2019, 2018 and 2017, respectively, and their respective successors being elected and

qualified. There are currently three directors each in Class I and Class II and two directors in Class III. However, the Board has resolved that on March 31, 2017, which is the effective date of Mr. Porter s resignation from the Board, the size of the Board will be reduced to seven members and the number of directors in Class II will be reduced to two.

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 Messrs. Lovoi, Porter, Rask, Transier and Watt, and Ms. Quinn qualify as independent as that term is defined under NYSE Rule 303A and applicable rules promulgated under the Exchange Act. In making this determination, the Board has concluded that none of these directors has a relationship with Helix that, in the opinion of the Board, is material and would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The current non-independent management directors are Mr. Kratz, our President and Chief Executive Officer, and Mr. Tripodo, our Executive Vice President and Chief Financial 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 2017. In connection with its determination, the Board gathered information with respect to each Board member individually regarding transactions and relationships between Helix and its directors, including the existence of certain ongoing transactions entered into between Helix and other entities of which our directors serve as officers or directors. Each director also completed a questionnaire, which included questions about his or her relationship with Helix. None of these transactions or relationships were deemed to affect the independence of the applicable director, nor did they exceed the thresholds established by NYSE rules.

Selection of Director Candidates

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

For more information on the director nomination process, including the current selection criteria, see Corporate Governance and Nominating Committee starting on page 19.

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CORPORATE GOVERNANCE

Board of Directors Qualification, Skills and Experience

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

planning, investor relations, legal/regulatory matters, leadership and administration of complex organizations, management of risk, corporate governance and other areas related to the operation of a major international corporation (whether social, cultural, industrial or operational). We believe that all of our current Board members possess the professional and personal qualifications necessary for Board service, and have the described noteworthy attributes in their biographies under Election of Directors on pages 9-12.

Board Leadership Structure Chairman and Lead Director

The Board believes that the individual with the most extensive knowledge of Helix and the industry, and who is ultimately responsible for Helix s day-to-day operations and executing our financial objectives, our CEO, is best positioned to serve as Chairman of the Board, taking a key role in setting agendas for the Board in terms of the most significant business issues and risks that affect Helix from time to time. In addition, the Board also believes that together with our CEO serving as Chairman, a lead director promotes the appropriate amount of independent judgment and risk oversight by the Board. We believe that this structure, combined with strong committee chairs and our other governance practices, provides a healthy balance of strong leadership and active participation by our independent board members, and facilitates communications among the Board, its committees and management. The Board does periodically review its leadership structure.

Pursuant to the Lead Director Charter adopted by the Board in March of 2016, in circumstances in which the Chairman of the Board is not independent, the independent directors (after considering the recommendation of the Corporate Governance and Nominating Committee) annually elect from among their number a Lead Director. The Lead Director is elected annually, but is generally expected to serve for more than one year. Mr. Transier currently serves as Lead Director.

The Lead Director is charged with generally coordinating the activities of the other independent board members and performing such other duties and responsibilities as determined from time to time by the independent directors. The specific responsibilities of the Lead Director set forth in the Lead Director Charter are as follows:

- Presides at all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;
- Schedules an executive session of the independent directors at least one time per year;
- Serves as liaison between the independent directors and the Chairman, including promptly communicating to the Chairman messages and directives approved in executive sessions;
- In an executive session each year, facilitates the discussion of the independent directors to evaluate the performance of the CEO;
- Collaborates with the Compensation Committee and the Board on the annual performance evaluation of the CEO;
- Communicates the content and results of that evaluation to the CEO;
- Advises management on and approves information sent to the Board, including the quality, quantity and timeliness of that information;
- Advises management on and approves agendas for meetings of the Board;
- Facilitates the Board s approval of the number and frequency of meetings of the Board;
- Approves schedules for meetings of the Board to assure that there is sufficient time for discussion of all agenda items;
- Collaborates with management in the formulation and periodic updating of Helix s strategic plan for presentation to the Board for consideration and adoption;
- Collaborates with the CEO and executive management in establishing and enforcing risk mitigation criteria for capital expenditures and ongoing operations;
- Collaborates with the CEO and executive management in formulating and implementing a robust management succession plan;

- Authorizes the retention of outside advisors and consultants who report directly to the Board on board-wide issues; and
- If requested by shareholders and in coordination with executive management, ensures that he or she is available, when appropriate, for consultation and direct communication.

Communications with the Board

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

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

Code of Business Conduct and Ethics

In addition to the Corporate Governance Guidelines, in 2003 we adopted a written Code of Business Conduct and Ethics that applies to all of our directors, officers and employees, including our executive officers. At that time we also established a Code of Ethics for Chief Executive and Senior Financial Officers, which is applicable to our Chief Executive Officer, Chief Financial Officer, Vice President Finance and Accounting 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 our Board hold a regular meeting immediately preceding and/or immediately after each year s Annual Meeting of Shareholders. Therefore, members of our Board generally attend Helix s Annual Meetings of Shareholders.

The Board encourages its members to attend the Annual Meeting, but does not have a written policy regarding attendance at the meeting. All members of the Board attended the 2016 Annual Meeting of Shareholders.

Mandatory Retirement Policy

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

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

Directors Continuing Education

The Board encourages all members to attend director education programs if they believe attendance will enable them to perform better and to recognize and effectively

deal with issues as they arise. In addition, from time to time Helix will present programs regarding topical matters to the Board.

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Risk Oversight

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

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

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

The Board s risk oversight process builds upon management s risk assessment and mitigation processes. Our management is responsible for the day-to-day management of Helix including the management of risk. Our finance, legal (which includes compliance, human resources, contracts and insurance functions) and internal audit departments serve as the primary monitoring and

testing function for company policies and procedures, and manage the day-to-day oversight of our risk management strategy. This oversight includes identifying, evaluating and addressing potential risks that may exist at the enterprise, strategic, financial, operational, compliance and reporting levels.

Management regularly reports on these risks to the Board and/or the relevant committee. Additional review and reporting of risks is conducted as needed or as requested by the Board and/or relevant 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 members of management that include discussion of significant risks as necessary and appropriate, including any risks associated with proposed transactions. At each Board meeting, our 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 on our website, which is located at

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

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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, 2016. Members were elected to the Board based upon the recommendation of the Corporate Governance and

Nominating Committee followed by a vote of the full Board. Each member of each of these committees is independent as defined by the applicable NYSE and SEC rules.

Name	Board	Audit	Compensation	Corporate Governance and Nominating
Mr. Kratz	Chair			
Mr. Lovoi	Member	Member	Member	
Mr. Porter	Member	Member		Member
Ms. Quinn	Member	Chair		Member
Mr. Rask	Member		Member	Chair
Mr. Transier	Member	Member	Member	Member
Mr. Tripodo	Member			
Mr. Watt	Member		Chair	Member
Number of Meetings in 2016				
Regular	4	7	4	4
Special	13	2	4	1

Board Attendance

During the year ended December 31, 2016, the Board held a total of seventeen meetings. Each director attended 75% or more of the total meetings of the Board

held during the time such director was a member, and each director attended 75% or more of the total meetings of the committees on which such director served.

Executive Sessions of the Directors

Non-management directors meet in 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 do periodically meet with individual members of management by invitation, including the CEO, during executive session. Prior to the adoption of the Lead Director Charter in March of 2016, which provides that the Lead Director presides at

executive sessions of the independent directors, Mr. Porter, as Chair of the Corporate Governance and Nominating Committee, 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. In the case of an executive session of the independent directors held in connection with a meeting of a committee of the Board, the chair of the applicable committee presides as chair.

Audit Committee

The Audit Committee is composed of four non-employee directors, Ms. Quinn, Chair, and Messrs. Lovoi, Porter and Transier, each of whom meets the independence and financial literacy requirements as defined in the applicable NYSE and SEC rules. The Audit Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibility to our shareholders, potential shareholders, the investment community and others relating to: (i) the integrity of our financial statements, (ii) the effectiveness of our internal control over financial reporting, (iii) our compliance with legal and regulatory requirements, (iv) the performance of our internal audit function and independent registered public accounting

firm and (v) the independent registered public accounting firm s qualifications and independence. Among its duties, all of which are more specifically described in the Audit Committee charter, which was most recently amended in December of 2016, 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

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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 corporate compliance and ethics programs and associated legal and regulatory requirements together with management s periodic evaluation of the programs effectiveness;
- Reviews and approves related-party transactions;
- Makes regular reports to the Board;
- Reviews and reassesses the adequacy of its charter annually and recommends any proposed changes to the Board for approval;
- Performs an annual self-evaluation of its performance;
- Produces an annual report for inclusion in our proxy statement; and
- Performs such other duties as may be assigned by the Board from time to time.

Audit Committee Independence

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

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

Designation of Audit Committee Financial Expert

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

and have financial management expertise as required by the NYSE listing rules.

For more information regarding the Audit Committee, please refer to the Report of the Audit Committee on page 24.

Compensation Committee

The Compensation Committee is composed of four non-employee independent directors: Mr. Watt, Chair, and Messrs. Lovoi, Rask and Transier. The Compensation Committee is appointed by the Board to discharge the Board s responsibilities relating to compensation of our executive officers. The Compensation Committee has the responsibilities described in the Compensation Committee charter including the overall responsibility for reviewing, evaluating and approving Helix s executive officer compensation plans, policies, programs and agreements (to the extent such agreements are considered necessary or appropriate by the Compensation Committee). The Compensation Committee is also responsible for reviewing and recommending to the Board whether the Compensation Discussion and Analysis should be included in our proxy statement 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 January 1, 2017) (the 2005 Plan), the Employees 401(k) Savings Plan, the Employee Stock Purchase Plan, and any other equity-based plans;
- Commission independent consultants and review compensation with respect to our executive officers as compared to our peer group, as discussed in our Compensation Discussion and Analysis below;
- Review and approve executive officer compensation, including short-term incentive compensation, and equity based long-term incentive compensation;

Review and reassess the adequacy of its charter annually and recommend any proposed changes to the Board for approval;
Perform an annual self-evaluation of its performance; and
Performs such other functions as may be assigned by the Board.

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Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is composed of five non-employee independent directors: Mr. Rask, Chair, Mr. Porter, Ms. Quinn, Mr. Transier and Mr. Watt. The Corporate Governance and Nominating Committee is appointed by the Board to take a leadership role in shaping the corporate governance and business standards of our Board and Helix. The Corporate Governance and Nominating Committee identifies individuals qualified to become Board members, consistent with criteria approved by the Board, oversees the organization of the Board to discharge the Board s duties and responsibilities properly and efficiently, and identifies best practices and recommends corporate governance principles, including giving proper attention and effective responses to shareholder concerns regarding corporate governance. The Corporate Governance and Nominating Committee has the responsibilities specifically described in the Corporate Governance and Nominating Committee charter and the Corporate Governance Guidelines, including the responsibility to:

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

Director Nominee Process

Process for Director Nominations Shareholder Nominees

The policy of the Corporate Governance and Nominating Committee is to consider properly submitted recommendations of director nominees by shareholders as described below under Identifying and Evaluating Nominees for Directors. In evaluating these nominations, the Corporate Governance and Nominating Committee seeks to achieve a balance of knowledge, experience and capability and to address the membership criteria set forth below under Director Qualifications and Diversity. Any shareholder recommendations for director nominees for consideration by the Corporate Governance and Nominating Committee should include the nominee s name and qualifications for Board membership and should be addressed to the Corporate Secretary, Helix Energy Solutions Group, Inc., 3505 West Sam Houston Parkway North, Suite 400, Houston, Texas 77043. In addition, our By-laws permit shareholders to nominate directors for

consideration at an annual shareholder meeting. However, in order to be considered at this year s Annual Meeting, nominations were required to be received by us prior to the date of this proxy statement.

Neither the Corporate Secretary nor the Corporate Governance and Nominating Committee received any recommendations for director nominees from any shareholder or group of shareholders during 2016 or to date in 2017. As such, Ms. Quinn and Mr. Transier are the only directors standing for election at the Annual Meeting.

Shareholders may nominate persons for election to the Board to be considered at next year s Annual Meeting of Shareholders in accordance with the procedure on page 60.

Director Qualifications and Diversity

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

Governance and Nominating Committee, selects potential new Board members using criteria and priorities established from time to time. Desired personal qualifications for director nominees include industry knowledge, intelligence, insight, practical wisdom based on experience, the highest professional and personal

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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 formal policy regarding Board diversity, it does view diversity expansively and has determined that it is desirable for the Board to have a variety of different viewpoints, professional experiences, educational backgrounds and skills, and considers these types of diversity and background considerations in its selection process. The composition, skills and needs of the Board change over time and will be considered in determining desirable candidates for any specific opening on the Board. The Corporate Governance and Nominating Committee in considering a potential nominee will conduct its search for the best candidate for the Board seat on a non-discriminatory basis.

Identifying and Evaluating Nominees for Directors

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

As described above, the Corporate Governance and Nominating Committee considers properly submitted recommendations of director nominees by shareholders.

Following verification of the shareholder status of persons proposing director nominees, recommendations are considered by the Corporate Governance and Nominating Committee at a regularly scheduled meeting, which is generally the first or second meeting prior to the issuance of the proxy statement for our Annual Meeting of Shareholders. If any materials are provided by a shareholder in connection with the shareholder s recommendation of a director nominee, those materials are forwarded to the Corporate Governance and Nominating Committee.

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

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee was, during 2016, 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 2016, no executive officer of Helix served as (1) a member of the compensation committee (or other board committee performing equivalent functions) of another entity, one or more of whose executive officers served on the Compensation Committee of our Board, (2) a director of another entity, one or more of whose executive officers served on the Compensation Committee of our Board or (3) a member of the compensation committee (or other board committee performing equivalent functions) of another entity, one or more of whose executive officers served as a member of our Board.

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DIRECTOR COMPENSATION

2016 Director Compensation Table

The following table provides compensation that was earned or paid during the one-year period ended December 31, 2016 for each member of our Board.

Name[1]	Fees Earned or Paid in Cash[2][3]	Stock Awards[4][5]	All Other Compensation	Total
John V. Lovoi	$-0-	$353,626	$-0-	$353,626
T. William Porter	$124,325	$175,000	$-0-	$299,325
Nancy K. Quinn	$142,813	$175,000	$-0-	$317,813
Jan Rask	$-0-	$343,673	$-0-	$343,673
William L. Transier	$176,305	$175,000	$-0-	$351,305
James A. Watt	$139,625	$175,000	$-0-	$314,625

(1) Messrs. Kratz and Tripodo are not included in the table because they do not receive any compensation for serving on our Board.

(2) The annual retainer fee for each member of the Board and the retainer fee related to the applicable Board member s serving as a chair of a committee are paid quarterly. Since 2005, 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 received their fees in restricted stock during 2016.

(3) In this column we are required to report all fees earned or paid to directors during 2016. As a result, fees earned in 2015 for fourth quarter service in 2015 but paid in 2016 are also included; thus the dollar amount represents fees paid for five (not four) successive quarters. Fees earned in 2015 but paid in 2016 were as follows: Mr. Porter, $24,000; Ms. Quinn, $22,750; Mr. Transier, $28,000 and Mr. Watt, $22,750. Information with regard to Messrs. Lovoi and Rask is included in footnote 5 below.

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

(5) The grant date fair value of the restricted stock awarded with respect to the year ended December 31, 2016 to each director, computed in accordance with FASB ASC Topic 718, is as follows:

Name	Date of Grant		Number of Shares	Grant Date Fair Value
Mr. Lovoi	December 3, 2015	(a)	28,409	$175,000
	January 4, 2016	(b)	6,357	$33,438
	April 1, 2016	(b)	6,975	$39,063
	July 1, 2016	(b)	4,419	$29,875
	October 3, 2016	(b)	4,113	$33,438
	January 3, 2017	(b)	4,854	$42,813
Mr. Porter	December 3, 2015	(a)	28,409	$175,000
Ms. Quinn	December 3, 2015	(a)	28,409	$175,000
Mr. Rask	December 3, 2015	(a)	28,409	$175,000
	January 4, 2016	(b)	5,406	$28,436
	April 1, 2016	(b)	6,752	$37,811
	July 1, 2016	(b)	4,057	$27,425
	October 3, 2016	(b)	3,690	$30,000
	January 3, 2017	(b)	5,102	$45,000
Mr. Transier	December 3, 2015	(a)	28,409	$175,000
Mr. Watt	December 3, 2015	(a)	28,409	$175,000

(a) Represents the annual grant for Board service for 2016 and the future.

(b) Represents the payment of retainer and Board and committee fees for the fourth quarter of 2015 and each quarter of 2016.

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DIRECTOR COMPENSATION

Additionally, on December 2, 2016, each of the non-employee directors was issued 15,780 shares of restricted stock having a value of $175,000 representing their annual grant for future Board service.

As of December 31, 2016, unvested restricted stock held by each non-employee director is as follows:

Name	Shares of Unvested Restricted Stock Outstanding[a]
Mr. Lovoi	71,489
Mr. Porter	37,598
Ms. Quinn	37,598
Mr. Rask	68,335
Mr. Transier	50,376
Mr. Watt	37,598

(a) Does not include January 3, 2017 grant of 4,854 shares of restricted stock to Mr. Lovoi and 5,102 shares of restricted stock to Mr. Rask for 2016 fourth quarter service.

Summary of Director Compensation and Procedures

Our non-employee director compensation structure has three components: (1) director retainer and fees (meetings and unanimous consents), (2) equity-based compensation currently in the form of restricted stock awards and (3) reimbursement of reasonable expenses related to attending Board and committee meetings. We re-evaluate director compensation on an annual basis based on the compensation of directors by companies in our peer group. In 2016, the non-employee directors received an annual director s fee of $55,000, and $1,500 for each Board meeting attended and for each consent executed after reviewing the subject of the consent. For committees on which a non-employee director serves, the director received a fee of $1,500 for each committee meeting attended. In addition, each committee chair received an annual committee chair retainer fee: $15,000 for the Chair of the Audit Committee, $10,000 for the Chair of the Compensation Committee and $5,000 for the Chair of the Corporate Governance and Nominating Committee. The Lead Director also received an annual retainer fee of $25,000. We also paid the reasonable out-of-pocket expenses incurred by each non-employee director in connection with attending the meetings of the Board and any Board committee.

Since 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. An election to take fees in the form of cash or stock is made by our directors prior to the beginning of the subject fiscal year (and if no election is made, fees will be paid in cash). Directors taking fees in the form of restricted stock receive an award for service during a quarter on or about the first business day of the next quarter in an amount equal to 125% of the cash equivalent of his or her fees, with the number of shares determined by the stock price on the last trading day of the fiscal quarter for which the fees were earned. These awards fully vest two years after the first day of the year in which the grant is made. Messrs. Lovoi and Rask elected to take Board and committee fees paid in 2016 in the form of restricted stock. Messrs. Lovoi and Rask have also elected to take Board and committee fees in the form of restricted stock for 2017.

Upon joining the Board and on the date of each regularly scheduled December Board meeting thereafter, a director receives a grant of restricted stock. These grants are made pursuant to the terms of the 2005 Plan and for years prior to 2012 vested ratably over five years, and vest ratably over three years for grants in 2012 and thereafter. For 2015 and 2016 the annual equity grant had a value of $175,000, which represents a reduction in value from prior years grants of $200,000 to reflect the smaller relative size of Helix in terms of revenue and market capitalization. At its December 2016 meeting the Compensation Committee determined that for 2017 the annual equity grant s value will be further reduced by $25,000 (to $150,000) and will have a vesting term of one year to align more closely with how our peer group compensates independent directors. 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 and our Chief Financial Officer do not receive any cash or equity compensation for their service on the Board in addition to the compensation payable for their service as employees of Helix.

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CERTAIN RELATIONSHIPS

In accordance with its 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, or not inconsistent with, our best interests, including the benefits to us, the impact on a director s independence if the related party is a director or a party related to a director, the availability of other sources for the product or services, the terms of the transaction and the terms available from unrelated third parties. The policy covers any transaction, arrangement or relationship in which we are a participant and in which a

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

During 2016 Helix was not a party to any transaction or series of transactions in which the amount involved did or may exceed $120,000 in which any of our directors or executive officers, any holder of more than 5% of our common stock, or any member of the immediate family of any of these persons, had or will have a direct or indirect material interest, other than the compensation arrangements (including with respect to equity compensation) described in Executive Compensation below.

Audit Committee Pre-Approval Policies and Procedures

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

The Audit Committee charter delegates pre-approval authority in certain circumstances to the Chair of the Audit Committee, provided the Chair reports any approvals to the Audit Committee at its next meeting. For all types of pre-approval, the Audit Committee considers whether these services are consistent with the SEC rules regarding auditor independence.

The Audit Committee periodically monitors the services rendered and actual fees paid to the independent registered public accounting firm to ensure that these services are within the parameters approved by the Audit Committee. None of the fees in 2016 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 2016 professional services by KPMG LLP and Ernst & Young LLP were pre-approved.

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee has reviewed and discussed the audited financial statements of the Company for the year ended December 31, 2016 with management, our internal auditors and KPMG LLP. In addition, the Committee has discussed with KPMG LLP, the independent registered public accounting firm for the Company, the matters required to be discussed under Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 1301, *Communications with Audit Committees* (AS 1301). The Sarbanes-Oxley Act of 2002 requires certifications by the Company s chief executive officer and chief financial officer in certain of the Company s filings with the Securities and Exchange Commission (SEC). The Committee discussed the review of the Company s reporting and internal controls undertaken in connection with these certifications with the Company s management and independent registered public accounting firm. The Committee also reviewed and discussed with the Company s management and independent registered public accounting firm management s report and KPMG LLP s report on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. The Audit Committee has further periodically reviewed such other matters as it deemed appropriate, including other provisions of the Sarbanes-Oxley Act of 2002 and rules adopted or proposed to be adopted by the SEC and the NYSE.

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

Based on the foregoing review and discussions and relying thereon, the Committee recommended to the Company s Board of Directors the inclusion of the Company s audited financial statements for the year ended December 31, 2016 in the Company s Annual Report on Form 10-K for such year filed with the SEC.

Members of the Audit Committee:

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

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

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PROPOSAL 2: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Our Audit Committee has the authority to retain, oversee, evaluate and terminate our independent registered public accounting firm. Pursuant to such authority, the Audit Committee has appointed KPMG, an independent registered public accounting firm, as auditors to examine the financial statements of Helix for the fiscal year ending December 31, 2017, and to perform other appropriate accounting services.

Although our By-laws do not require that shareholders ratify the appointment of KPMG as our independent registered public accounting firm, the Board has determined to submit the selection of KMPG for ratification by the shareholders. If the shareholders do not ratify the appointment of KPMG, the adverse vote will be considered as a direction to the Audit Committee to consider selecting other auditors for the next fiscal year. However, it is contemplated that the appointment for the fiscal year ending December 31, 2017 will be permitted to stand unless the Audit Committee finds reasons for making a change. It is understood that even if the selection of KPMG is ratified, the Audit Committee, in its discretion, may direct the appointment of a new independent registered public accounting firm at any time during the year if the Audit Committee feels that such a change would be in the best interests of Helix and our shareholders.

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

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

	2016		2015
	(In Thousands)		
	KPMG	EY	EY
Audit Fees[1]	$ 1,549 0	$ 872 2	$ 1,917 2

Audit-Related Fees(2)			
Tax Fees(3)	0	119	67
All Other Fees(4)	170		
Total	$ 1,719	$ 993	$ 1,986

(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 include consultations concerning financial accounting and reporting matters not required by statute or regulation.

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

(4) Other fees were for services performed prior to KPMG s appointment in May of 2016. None of these were for financial information systems design and implementation.

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

Board of Directors Recommendation

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

Vote Required

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

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PROPOSAL 2: RATIFICATION OF KPMG LLP

CHANGE IN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

On May 24, 2016, EY was dismissed as our independent registered public accounting firm. The Audit Committee recommended and approved the dismissal of EY. EY s reports on the Helix consolidated financial statements as of and for each of the fiscal years ended December 31, 2015 and 2014 did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope or accounting principles. During the fiscal years ended December 31, 2015 and 2014, and the subsequent interim period through May 24, 2016, (a) there were no disagreements with EY on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of EY, would have caused EY to make reference thereto in its reports on Helix s financial statements for those years and (b) there were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

On May 26, 2016, the Audit Committee approved the appointment of KPMG as Helix s new independent registered public accounting firm, effective immediately, to perform independent audit services for the fiscal year ending December 31, 2016. During the fiscal years ended December 31, 2015 and 2014 and the subsequent interim period through May 26, 2016, neither Helix, nor anyone on its behalf, consulted KPMG with respect to (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered with respect to Helix s consolidated financial statements, and no written report or oral advice was provided to Helix by KPMG that KPMG concluded was an important factor considered by Helix in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K).

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (CD&A) describes Helix s 2016 executive compensation program, including how our Compensation Committee made 2016 compensation decisions, and the level and elements of 2016 compensation for our Chief Executive Officer, Chief Financial Officer and two other executive officers. In 2016, all Helix executive officers were named executive officers (NEOs); they are:

- Owen Kratz, our President and Chief Executive Officer
- Anthony Tripodo, our Executive Vice President and Chief Financial Officer
- Scotty Sparks, our Executive Vice President and Chief Operating Officer
- Alisa B. Johnson, our Executive Vice President, General Counsel and Corporate Secretary

The Compensation Committee encourages you to read this CD&A carefully and consider it when voting on whether to approve, on a non-binding advisory basis, the 2016 compensation of our NEOs. Although this is a non-binding advisory vote, the Compensation Committee considers the outcome when determining future compensation practices and levels.

For example, in response to the 80% favorable vote in 2016 on executive compensation, the Compensation Committee has made changes for 2017 in how a portion of long-term incentive compensation payout will be determined; these changes involve setting more stringent requirements for payout of Performance Share Units (PSUs), as described on page 40.

Our CD&A is divided into the following sections:

A. Executive Summary

Helix is an international offshore energy services company. Our focus is on well intervention and robotics operations. We provide services primarily for deepwater in the U.S. Gulf of Mexico, North Sea, Asia Pacific and West Africa regions. We are also expanding our operations offshore Brazil.

2016 was a challenging year for the oil and gas industry, particularly for service companies such as Helix whose recovery generally tends to lag that of oil and gas producers. A precipitous decline in oil prices, which began in 2014 and continued into 2015 and early 2016, led to reduced demand for our services and rates for our assets. Our customers significantly reduced their operational and capital spending on offshore projects. Additionally, drilling rigs became a source of competition in the well intervention market, which further depressed day rates. Although the market saw some oil price recovery in 2016, which generally benefited stock prices

within the sector, oil company spending remained at lower levels. The decreased spending can be attributed to several factors, among them, the excess of available assets with insufficient work.

Revenue continued to decline during 2016, falling below the 2015 level. Despite the reduced levels of revenue, our stock price at the end of 2016 was 67% higher than it was at the end of 2015. We believe this could be in part due to the steps Helix took in 2016 to shore up liquidity in a prolonged period of industry uncertainty.

Because of the cyclicality of our industry and fluctuating demand for our services, and our commitment to create long-term value for our shareholders, our overall compensation focus remains on longer term performance, although the paid compensation of our NEOs to a significant degree also reflects annual year-over-year financial performance and return to our shareholders.

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COMPENSATION DISCUSSION AND ANALYSIS

The following charts demonstrate our commitment to pay our executives for financial performance and encourage them to focus on longer-term value creation. The first chart shows the realized compensation of our Chief Executive Officer compared with our stock price at the end of each of 2014, 2015 and 2016.

(1) The realized compensation levels shown include base salary paid in each year, bonuses payable for each year, and payout of long-term incentive compensation that vested after each year (i.e., the value at the time of vesting of any restricted stock, PSUs and cash long-term incentive awards that vested immediately after the year in question).

(2) Value of time-vested restricted stock vesting immediately after the applicable year.

(3) Value of PSU payout (if any), which was determined by our three-year stock performance compared to that of our peer group companies (as set forth in the applicable award agreement), vesting immediately after the applicable year.

(4) Value of cash long-term incentive awards, the payout of which was determined by how our stock price at the end of a vesting period compares to a base stock price determined at grant date, paid out (if at all) immediately after the applicable year.

(5) Represents closing price at the end of the last trading day of each of 2014, 2015 and 2016.

The following chart shows Helix s three-year Total Shareholder Return (TSR), which the Compensation Committee uses as the metric in determining payout of PSU awards, compared with the 25th, 50th and 75th percentiles of its peer group.

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COMPENSATION DISCUSSION AND ANALYSIS

Our compensation philosophy is to compensate our executive officers commensurately with the financial and stock performance of Helix. The Compensation Committee believes that, as the above charts demonstrate, NEO compensation in 2016, as in 2015 and 2014, was aligned with Helix s financial and stock performance.

Because we expected industry conditions to remain challenging in 2016, the Compensation Committee decided to keep total targeted compensation (i.e., base salary, bonus target, and long-term incentive award values) at the same levels as 2015 for all NEOs other than Mr. Sparks. Mr. Sparks s 2016 compensation reflects his promotion in February of 2016 to the office of Executive Vice President and Chief Operating Officer.

The overall design of the 2016 NEO compensation programs, in which short-term incentive payouts are based on annual EBITDA and long-term incentive payouts on stock performance (on both an absolute basis and compared to our peers), further demonstrates our compensation philosophy of supporting the alignment of executive management and shareholder interests, both during times of industry booms and industry stress.

While 2014 was a year of superior results for Helix in terms of both EBITDA and stock performance (and NEO compensation reflected that performance), Helix s financial performance in 2015 and 2016 reflected the lower price of oil, and lower demand and rates for our services. Despite some oil price improvement during 2016, our adjusted EBITDA[1] declined from $173 million in 2015 to $90 million in 2016, reflecting the lag in demand for our services as the oil and gas industry recovers. Accordingly, as in 2015, our NEOs received no

bonus payouts for 2016.

Since our stock performance in 2016 exceeded that of 2015, our NEOs received a higher level of long-term incentive (LTI) payout in 2016 than they did in 2015. However, the 2016 LTI payout was significantly lower than the payout at the end of 2014. It is important to note the 2014 cash incentive awards to our executive officers that vested at the end of 2016 paid out at zero, reflecting the performance decline from 2014 levels.

In summary, the level of compensation realized by our NEOs for 2016 reflects both lower EBITDA (upon which 2016 bonus payouts were determined), and shareholder return (the value of all the long-term incentive awards that vested at the end of 2016 was completely reflective of the price of our common stock). Specifically, for 2016:

- No bonuses were paid to our NEOs,
- 2014 cash long-term incentive opportunity awards paid out at zero,
- The value of restricted stock that vested at the end of the year reflected the current price of our common stock, and
- The number of PSUs paid out was at the 100% level (our stock performance was in the middle quintile of our peers), but the actual value paid out reflected a 62% reduction in value of the units compared with their

original value due to the decline in our stock price since the date of the award (January of 2014).

(1) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of these amounts to each year s respective reported net loss, see Non-GAAP Financial Measures on pages 30-31 of our Annual Report on Form 10-K for the year ended December 31, 2016, filed on February 24, 2017.

Key Features of Our Executive Compensation Program

What We Do	What We Don t Do
Substantial focus on performance-based pay	X **NO** hedging of our stock
Balance of short- and long-term incentives	X **NO** tax gross-ups in post-2008 agreements
Use formulaic annual bonus structure	X **NO** single trigger severance in post-2008 agreements
Align executive compensation with shareholder returns through long-term incentives	X **NO** perquisites
Retain an independent external compensation consultant	
Consider peer group benchmarks when establishing compensation	
Robust stock ownership guidelines for our Section 16 officers and our directors	
Allow pledging of stock only if certain stringent quantitative requirements are met (including the amount of stock being pledged) and the transaction is also approved by the Board considering a variety of factors	
Maintain a strong risk management program, which includes monitoring the effect of our compensation programs on risk taking	

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COMPENSATION DISCUSSION AND ANALYSIS

B. Executive Compensation Process

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

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

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

	Does not delegate any of its functions or authority to management regarding compensation for our executive officers Has exclusive authority to retain and terminate any independent compensation consultant Oversees aspects of our compensation arrangements affecting our executive officers as well as our non-executive employees, such as our Employees 401k Savings Plan and our Employee Stock Purchase Plan
Meridian Compensation Partners, LLC (independent compensation consultant to the Compensation Committee)	Retained by, and performs work at the direction and under the supervision of, the Compensation Committee Provides advice, research and analytical services on subjects such as trends in executive compensation, executive officer compensation program design, peer and industry data, executive officer compensation levels, and non-employee director compensation Reviews and reports on Compensation Committee materials, participates in Compensation Committee meetings, and communicates with the Compensation Committee Chair between meetings Provides no services to Helix other than those provided directly to or on behalf of the Compensation Committee
Management	CEO recommends base salary, short-term incentive targets and long-term incentive award values for executive officers other than himself CEO provides information on Helix s and the executive officers short-term and long-term business and strategic objectives for consideration by the Compensation Committee in structuring the short-term incentive plan and performance-based long-term incentive awards CEO provides the Compensation Committee a performance assessment of each executive officer

Competitive Benchmarking Process

In most years, the Compensation Committee compares the total compensation for each NEO position to the compensation paid by companies in our peer group for similar positions, as set forth in peer companies proxy statements for the prior year. An independent compensation consultant provides the Compensation Committee with market data for this purpose; however, the market data is used only as a benchmark. Generally, the

Compensation Committee seeks to ensure that executive compensation for each individual falls between the 25th and 75th percentiles of peer-company compensation for similar positions; within that range, the exact compensation level for each NEO varies based on the individual s role in Helix, his or her experience, and his or her contribution to our success.

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The Compensation Committee s independent compensation consultant:

- Proposes companies to be included in our peer group;
- May consult with management to ensure the most appropriate companies are included; and
- Provides information to the Compensation Committee on potential peer group companies.

In 2016, given the persistence of depressed industry conditions and the Compensation Committee s decision to keep compensation levels consistent with those of 2015, the Compensation Committee commissioned its consultant to perform only a survey of key trends and actions taken by peer companies during this downturn

period; it did not seek more specific data on peer-company compensation by position. The consultant s survey included a summary of disclosed actions by peer companies for 2015 compensation, and the consultant s expectations regarding peer company compensation decisions for 2016.

The peer group companies used for 2016 compensation decisions were the same as the 2015 peer group with one exception: McDermott International, Inc. replaced Hercules Offshore, Inc., which filed for bankruptcy in 2015. The peer group was used for the 2016 PSU awards, the payout of which is based on our TSR compared to a group of peer companies over the three-year performance period.

Peer-group data used in determining 2016 PSU awards is shown below.

Fiscal Year-End 2015 Peer Group Data [1]

Company	Ticker Symbol	Revenue[2] ($ in millions)	Market Cap[2] ($ in millions)	Enterprise Value[2] ($ in millions)	Stock Price Correlation[3]	Stock Price Volatility[3]
Atwood Oceanics, Inc.	ATW	$1,352	$661	$2,233	0.54	40%
Diamond Offshore Drilling, Inc.	DO	$2,419	$2,894	$5,227	0.45	37%
FMC Technologies, Inc.	FTI	$6,363	$6,614	$7,197	0.55	30%

Forum Energy Technologies, Inc.	FET	$1,074	$1,127	$1,453	0.56	41%
GulfMark Offshore, Inc.	GLF	$275	$120	$613	0.51	53%
McDermott International, Inc.	MDR	$3,070	$801	$885	0.46	58%
Hornbeck Offshore Services, Inc.	HOS	$476	$356	$1,135	0.58	48%
Oceaneering International, Inc.	OII	$3,063	$3,671	$4,197	0.60	30%
Oil States International, Inc.	OIS	$1,100	$1,384	$1,459	0.57	34%
Rowan Companies plc	RDC	$2,137	$2,116	$4,632	0.51	35%
TETRA Technologies, Inc.	TTI	$1,130	$603	$1,486	0.51	51%
Tidewater, Inc.	TDW	$1,120	$327	$1,737	0.62	45%
25th Percentile		**$1,093**	**$542**	**$1,374**	**0.51**	**34%**
Median		**$1,241**	**$964**	**$1,611**	**0.55**	**40%**
75th Percentile		**$2,580**	**$2,310**	**$4,306**	**0.57**	**49%**
Helix Energy Solutions Group, Inc.	**HLX**	**$696**	**$558**	**$866**	**N/A**	**48%**
HLX Percentile Rank		**12%**	**26%**	**8%**		

(1) Data Source: S&P Compustat
(2) Revenue, Market Cap and Enterprise Value as of FYE 2015
(3) 3-year period as of FYE 2015

We believe these companies were appropriate for measuring our relative TSR performance in the 2016 PSU awards because each company:

Had comparable business models similarly affected by macroeconomic factors;

Was of generally comparable size and volatility; and

Was within our general industry.

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COMPENSATION DISCUSSION AND ANALYSIS

Tax Considerations

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

Section 162(m) of the Internal Revenue Code of 1986, as amended, places a limit of $1 million on the amount of non-performance-based compensation, as described in Section 162(m) and related regulations, that may be deducted by Helix in any year with respect to the NEOs

compensation other than that of the Chief Financial Officer.

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

C. Compensation Philosophy and Objectives

Helix s compensation program is based on the philosophy that the interests of our executive management team should be aligned with those of shareholders and that executives should be incentivized and rewarded for performance that advances business goals and the creation of sustainable value. The program is designed to achieve four key objectives: attract and retain qualified executives, support business strategy and the creation of long-term value, align management s and shareholders interests, and discourage excessive risk-taking.

Our compensation program reflects the realities of the competitive market in which we operate, as well as the characteristics of the business environment. As an international offshore energy services company providing specialty services to the offshore energy industry, Helix operates in cyclical business climates. Demand for our services is affected by the volatility in the price of oil and gas. Implementing our business model and strategy requires input from highly qualified, experienced and technically proficient executive officers. We rely on our executive officers to operate effectively in both negative and positive industry environments. They are charged with being able to develop and execute Helix s business strategy to achieve maximum value for shareholders

through all fluctuations of the business. The Compensation Committee believes the executive compensation program helps us attract, retain and motivate qualified, experienced and technically proficient executive officers throughout a range of business cycles.

Our executive compensation program is principally designed to reward our NEOs for the achievement of the longer-term goal of increasing total shareholder return. The Committee also ensures that the compensation program encourages executives to achieve short-term financial objectives and discourages them from taking unnecessary or excessive risks.

The Compensation Committee believes that both the structure and results of our 2016 executive compensation reflect our financial results and shareholder return during the current cycle for our industry. Our NEOs total compensation comprises base salary, an annual short-term cash incentive (bonus) opportunity and long-term incentive awards. For 2016, LTI awards included PSUs and time-vested restricted stock.

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COMPENSATION DISCUSSION AND ANALYSIS

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

Objective	Practice
Attract, retain and motivate executives through range of cycles	Retain independent consultant for advice on competitive landscape Target compensation at competitive market levels: between 25th and 75th percentiles of competitors Consider each executive s roles and responsibilities
Advance business strategy and long-term value creation	Balance short- and long-term performance incentives with heavier emphasis on the longer term Reward based on overall Helix performance, implementation by NEOs of business plans, and achievement of annual financial objectives and stock price performance
Align management and shareholder interests	Establish and enforce stock ownership guidelines Pay out long-term incentive compensation based on sustained stock performance Consider shareholder views in establishing pay policies and levels
Discourage excessive risk-taking	Substantial portion of total compensation is at-risk Significant portion of at-risk compensation is cliff-vesting Maintain stock-ownership guidelines Maintain prohibition of hedging and limitations on pledging of stock

Consideration of Risk

Our compensation program is balanced and primarily focused on the long term, which is consistent with our strategy and business model. The greatest amount of compensation can be achieved through consistent, superior performance over sustained periods of time. In addition, significant amounts of compensation are usually paid out over time, specifically the long-term incentive awards. These currently vest over a three-year

period and 50% of 2016 awards are cliff-vesting (i.e., vest 100% at the end of the applicable performance period). These practices, along with stock ownership guidelines and a policy limiting NEOs hedging and pledging Helix stock, incentivize executives to manage Helix for the longer term, while discouraging them from taking excessive risk in the short term.

Stock Ownership Guidelines

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

- Non-Employee Members of the Board   five times annual cash retainer
- President and Chief Executive Officer   six times current base salary
- Executive Vice Presidents   three times current base salary
- Senior Vice Presidents, Vice Presidents and other Section 16 officers not listed above   two times current base salary

The value of an individual s holdings is based on the average of the closing price of a share of our common stock for the previous calendar year. There are penalties for non-compliance, which may include the retention of a portion of a participant s vested shares or the participant receiving grants of equity in lieu of cash compensation until compliance is achieved; waivers may be granted for certain hardship issues. Currently, all directors and Section 16 officers are in compliance with the ownership guidelines.

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COMPENSATION DISCUSSION AND ANALYSIS

Hedging and Pledging Policy

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

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

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

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

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

D. 2016 Executive Compensation Components

During fiscal 2016, the primary components of compensation for our NEOs included:

- Base annual salary
- An annual short-term cash incentive (bonus) opportunity for 2016
- A long-term incentive compensation grant in the form of a cliff-vesting PSU award

A long-term incentive compensation grant in the form of a restricted stock award

The following charts show the breakdown of the elements of 2016 compensation as awarded at the beginning of 2016, including bonus at target level and long-term incentives at grant date value.

CEO Compensation Components for 2016

Other Executive Officers Compensation Components for 2016

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We use each element of compensation to satisfy one or more of our stated compensation objectives. The Compensation Committee s goal is to achieve the appropriate balance between short-term cash rewards for

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

The following table sets forth the total target 2016 compensation for each NEO, broken out by base salary, bonus target and value of long-term incentive awards at grant date. Other than for Mr. Sparks, who was promoted in February of 2016, there were no changes from 2015 levels.

Named Executive Officer 2016 Compensation Summary

Named Executive Officer	2016 Base Salary	2016 Bonus Target	2016 Long-Term Incentive Award	Total Target Direct Compensation
Owen Kratz	$700,000	$1,050,000	$3,200,000	$4,950,000