

OCEANEERING INTERNATIONAL INC

Form DEF 14A

March 29, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

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 § 240.14a-12

OCEANEERING INTERNATIONAL, 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.

Title of each class of securities to which transaction applies:

1)

Aggregate number of securities to which transaction applies:

2)

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):

3)

Proposed maximum aggregate value of transaction:

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5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 240.0-11(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.

Amount previously paid:

1)

Form, Schedule or Registration Statement No.:

2)

3) Filing party:

Date filed:

4)

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OCEANEERING INTERNATIONAL, INC.  
11911 FM 529, Houston, Texas 77041-3000

March 29, 2018

Dear Shareholder:

You are cordially invited to attend the 2018 Annual Meeting of Shareholders of Oceaneering International, Inc. The meeting will be held on Friday, May 4, 2018, at 8:30 a.m., local time, in the Atrium of our corporate offices at 11911 FM 529, Houston, Texas 77041.

On the following pages, you will find the Notice of Annual Meeting of Shareholders and Proxy Statement giving information concerning the matters to be acted on at the meeting. Our Annual Report to Shareholders describing Oceaneering's operations during the year ended December 31, 2017 is enclosed.

We hope you will be able to attend the meeting in person. Whether or not you plan to attend, please take the time to vote. In addition to using the enclosed paper proxy card to vote, which you may sign, date and return in the enclosed postage-paid envelope, you may vote your shares via the Internet or by telephone by following the instructions included in this package.

Thank you for your interest in Oceaneering.

|                       |                                       |
|-----------------------|---------------------------------------|
| John R. Huff          | Roderick A. Larson                    |
| Chairman of the Board | President and Chief Executive Officer |

Enclosures

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Important Notice Regarding the Availability of Proxy Materials  
for the Annual Meeting of Shareholders to Be Held on May 4, 2018.

The accompanying Proxy Statement and Annual Report are available on the Internet at  
<http://investors.oceaneering.com/financial-information/annual-reports-and-proxy-materials/>.

The following information applicable to the Annual Meeting may be found in the Proxy Statement and/or the  
accompanying proxy card:

- the date, time and location of the meeting;
  - a list of the matters intended to be acted on and our recommendations regarding those matters;
  - any control/identification numbers that you need to access your proxy card; and
  - information about attending the meeting and voting in person.
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OCEANEERING INTERNATIONAL, INC.  
11911 FM 529, Houston, Texas 77041-3000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held May 4, 2018

To the Shareholders of Oceaneering International, Inc.:

The Annual Meeting of Shareholders of Oceaneering International, Inc., a Delaware corporation (“Oceaneering”), will be held on Friday, May 4, 2018, at 8:30 a.m., local time, in the Atrium of our corporate offices at 11911 FM 529, Houston, Texas 77041 for the following purposes:

elect three Class II directors as members of the Board of Directors of Oceaneering to serve until the 2021 Annual Meeting of Shareholders or until a successor has been duly elected and qualified (Proposal 1);

cast an advisory vote on a resolution to approve the compensation of Oceaneering’s named executive officers (Proposal 2);

ratify the appointment of Ernst & Young LLP as independent auditors of Oceaneering for the year ending December 31, 2018 (Proposal 3); and

transact such other business as may properly come before the Annual Meeting of Shareholders or any adjournment or postponement thereof.

The Board of Directors recommends votes in favor of Proposals 1, 2 and 3.

The close of business on March 21, 2018 is the record date for the determination of shareholders entitled to notice of, and to vote at, the meeting or any adjournment thereof.

Our Board welcomes your personal attendance at the meeting. Whether or not you expect to attend the meeting, please submit a proxy as soon as possible so that your shares can be voted at the meeting. You may submit your proxy by filling in, dating and signing the enclosed proxy card and returning it in the enclosed postage-paid envelope. Please refer to page 1 of the Proxy Statement and the proxy card for instructions for proxy voting via the Internet or by telephone.

By Order of the Board of Directors,

David K. Lawrence  
Senior Vice President, General Counsel and Secretary  
March 29, 2018

YOUR VOTE IS IMPORTANT  
WHETHER OR NOT YOU PLAN TO  
ATTEND THE MEETING, PLEASE SIGN,  
DATE AND MAIL  
YOUR PROXY PROMPTLY IN THE  
ENCLOSED POSTAGE-PAID ENVELOPE,  
OR VOTE VIA  
THE INTERNET OR BY TELEPHONE IN  
ACCORDANCE WITH INSTRUCTIONS IN  
THIS PROXY STATEMENT AND ON YOUR  
PROXY CARD.

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OCEANEERING INTERNATIONAL, INC.

PROXY STATEMENT

PROXIES AND VOTING AT THE MEETING

Only shareholders of record of Oceaneering International, Inc. (“Oceaneering”) at the close of business on March 21, 2018 will be entitled to notice of, and to vote at, the meeting. As of that date, 98,529,365 shares of our Common Stock, \$0.25 par value per share (“Common Stock”), were outstanding. Each of those outstanding shares is entitled to one vote at the meeting. We are initially sending this Proxy Statement and the accompanying proxy to our shareholders on or about March 29, 2018. The requirement for a quorum at the meeting is the presence in person or by proxy of holders of a majority of the outstanding shares of Common Stock. There is no provision for cumulative voting.

Solicitation of Proxies

The accompanying proxy is solicited on behalf of our Board of Directors (our “Board”) for use at our Annual Meeting of Shareholders to be held at the time and place set forth in the accompanying notice. We will pay all costs of soliciting proxies. We will solicit proxies primarily by mail. In addition to solicitation by mail, our officers, directors and employees may solicit proxies in person or by telephone, facsimile and electronic transmissions, for which such persons will receive no additional compensation. We have retained Georgeson Inc. to solicit proxies at a fee estimated at \$10,000, plus out-of-pocket expenses. We will reimburse brokerage firms, banks and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding proxy material to beneficial owners of our Common Stock. The persons named as proxies were designated by our Board and are officers of Oceaneering. All properly executed proxies will be voted (except to the extent that authority to vote has been withheld), and where a choice has been specified by the shareholder as provided in the proxy, the proxy will be voted in accordance with the specification so made. Proxies submitted without specified choices will be voted FOR Proposal 1 to elect the director nominees proposed by our Board, FOR Proposal 2 to cast an advisory vote on a resolution to approve the compensation of Oceaneering’s named executive officers, and FOR Proposal 3 to ratify the appointment of Ernst & Young LLP as independent auditors of Oceaneering for the year ending December 31, 2018.

Methods of Voting

Voting by Mail – You may sign, date and return your proxy card in the pre-addressed, postage-paid envelope provided. If you return your proxy card without indicating how you want to vote, the designated proxies will vote as recommended by our Board.

Voting via the Internet or by Telephone – If you are a shareholder of record, you may vote by proxy by using the toll-free number or at the Internet address listed on the proxy card.

The telephone and Internet voting procedures are designed to verify your vote through the use of a voter control number that is provided on each proxy card. The procedures also allow you to vote your shares and to confirm that your instructions have been properly recorded. Please see your proxy card for specific instructions.

If you hold shares through a brokerage firm, bank or other custodian, you may vote via the Internet or by telephone only if the custodian offers that option.



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Revocability of Proxies

If you are a shareholder of record, and you vote by proxy by mail, the Internet or telephone, you may later revoke your proxy instructions by:

• sending a written statement to that effect to our Corporate Secretary at 11911 FM 529, Houston, Texas 77041-3000, the mailing address for the executive offices of Oceaneering, provided that we receive the statement before the Annual Meeting;

• submitting a signed proxy card, prior to the Annual Meeting, with a later date;

• voting at a later time, but prior to the Annual Meeting, via the Internet or by telephone; or

• voting in person at the Annual Meeting.

If you have shares held through a brokerage firm, bank or other custodian, and you vote by proxy, you may later revoke your proxy instructions only by informing the custodian in accordance with any procedures it sets forth.

PROPOSAL 1

ELECTION OF DIRECTORS

Our Restated Certificate of Incorporation divides our Board into three classes, each consisting as nearly as possible of one-third of the members of the whole Board. There are currently three directors of each class. The members of each class serve for three years following their election, with one class being elected each year.

Three Class II directors are to be elected at the 2018 Annual Meeting. In accordance with our Bylaws, directors are elected by a plurality of the votes cast. However, our Corporate Governance Guidelines provide that, in an uncontested election of directors, any director nominee who does not receive a “for” vote by a majority of shares present in person or by proxy and entitled to vote and actually voting on the matter shall promptly tender his or her resignation to the Nominating and Corporate Governance Committee of our Board, subject to acceptance by the Board. The Nominating and Corporate Governance Committee will then make a recommendation to the Board with respect to the director’s resignation and the Board will consider the recommendation and take appropriate action within 120 days from the date of the certification of the election results. Abstentions and broker “non-votes” marked on proxy cards will not be counted in the election.

Each Class II director will serve until the 2021 Annual Meeting of Shareholders or until a successor has been duly elected and qualified. The directors of Classes I and III will continue to serve their terms of office, which will expire at the Annual Meetings of Shareholders to be held in 2020 and 2019, respectively.

Our Board of Directors unanimously recommends a vote FOR election of the nominees for Class II directors named below. The persons named in the accompanying proxy intend to vote all proxies received in favor of the election of the nominees named below, except in any case where authority to vote for the directors is withheld. Although we have no reason to believe that the nominees will be unable to serve as directors, if any nominee withdraws or otherwise becomes unavailable to serve, the persons named as proxies will vote for any substitute nominee our Board designates.

Set forth below is information (ages are as of May 4, 2018) with respect to the three nominees for election as Class II directors of Oceaneering, Deanna L. Goodwin, John R. Huff and Steven A. Webster.

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INFORMATION ABOUT NOMINEES FOR ELECTION AND CONTINUING DIRECTORS

Nominees for Election

Class II Directors (2018 - 2021)

Deanna L. Goodwin

Ms. Goodwin, 53, served as President, North America Region of Technip USA, Inc. from December 2013 until her retirement in January 2017, following completion of the business combination involving Technip S.A. and FMC Technologies, Inc. Previously, Ms. Goodwin held other operational and financial leadership positions with Technip USA, Inc. and its predecessors from 2007 and with Veritas DGC, Inc. from 1993 to 2007. She began her career as an auditor with Price Waterhouse, now PricewaterhouseCoopers, in 1987. Ms. Goodwin is a member of the supervisory board of Arcadis NV, a global design, engineering and management consulting company. Ms. Goodwin was appointed a director of Oceaneering in February 2018. She is a member of the Audit Committee and the Compensation Committee.

The Board has determined that Ms. Goodwin is qualified to serve on our Board based on her considerable experience as an executive officer, particularly with operational and financial experience, as well as her accounting background. Ms. Goodwin's significant operational and financial background, including over 20 years of experience in the oil and gas products and services industry, allows her to provide valuable contributions to our Board.

John R. Huff

Mr. Huff, 72, has been Chairman of Oceaneering's Board of Directors since 1990. He served as Chief Executive Officer of Oceaneering from 1986 to 2006. Mr. Huff also serves as a director of Suncor Energy Inc. and Hi-Crush GP LLC, the general partner of Hi-Crush Partners LP. Mr. Huff previously served as a director of several other publicly traded companies, including KBR, Inc., within the past five years, and several others in the oilfield services industry. He is a member of the National Academy of Engineering. Mr. Huff has been a director of Oceaneering since 1986. The Board has determined that Mr. Huff is qualified to serve on our Board based on his substantial prior experience as a member of our Board, including over 25 years as Chairman of our Board, his in-depth knowledge regarding Oceaneering and its businesses which he gained through 20 years as our Chief Executive Officer, and his considerable experience as an entrepreneur and a director of several other, large multi-national companies, including several companies engaged in oilfield-related and other energy-related businesses. Mr. Huff has extensive knowledge of the oil and gas industry as well as relationships with chief executive officers and senior management at oil and gas and oilfield service companies throughout the world. Including his service on our Board, Mr. Huff has over 50 years of experience with companies engaged in oilfield-related or other energy-related businesses.

Steven A. Webster

Mr. Webster, 66, has served as Co-Managing Partner of Avista Capital Partners LP, a private equity firm focused on investments in the energy, healthcare and other business sectors, since he co-founded that firm in 2005. From 2000 until 2005, Mr. Webster served as the Chairman of Global Energy Partners, Ltd., an affiliate of CSFB Private Equity. From 1997 to 1999, he was the Chief Executive Officer and President of R&B Falcon Corporation, and prior to that, was Chairman and Chief Executive Officer of Falcon Drilling Company, which he founded in 1988. Mr. Webster is a director and Chairman of Carrizo Oil & Gas, Inc. He also serves as a director of Era Group Inc. In addition, Mr. Webster serves as a trust manager of Camden Property Trust. Within the past five years, Mr. Webster previously served as a director of Basic Energy Services, Inc., Geokinetics, Inc., Hercules Offshore, Inc., Hi-Crush GP LLC, the general partner of Hi-Crush Partners LP, and SEACOR Holdings, Inc. Mr. Webster has been a director of Oceaneering since March 2015. He is the chairman of the Nominating and Corporate Governance Committee of Oceaneering's Board.

The Board has determined that Mr. Webster is qualified to serve on our Board based on his extensive experience in, and knowledge of, the energy industry, his business leadership skills from his tenure as chief executive officer of publicly traded companies, his over 30-year career in private equity and investment activities, and his experience as a director of various other public and private companies. Mr. Webster has over 35 years of experience in the onshore and offshore oil and gas exploration and production and oilfield services industries.



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Continuing Directors

Information below (ages are as of May 4, 2018) is for those directors whose terms will expire in 2019 and 2020.

Class I Directors (2017 - 2020)

William B. Berry

Mr. Berry, 65, has been a director of Continental Resources, Inc. since May 2014 and a director of Frank's International N.V. since January 2015. Mr. Berry previously served as Executive Vice President, Exploration and Production, of ConocoPhillips from 2003 until his retirement on January 1, 2008, after more than 30 years with ConocoPhillips and its predecessor, Phillips Petroleum Company, during which he held other executive positions in Africa, Asia, Europe and the Middle East. Within the past five years, Mr. Berry also served on the boards of directors of Teekay Corporation, Willbros Group, Inc., Access Midstream Partners, L.P. and Nexen Inc. Mr. Berry has been a director of Oceaneering since June 2016. He is the chairman of the Compensation Committee and a member of the Audit Committee.

The Board has determined that Mr. Berry is qualified to serve on our Board based on his extensive experience in, and knowledge of, the energy industry, his business acumen and leadership skills derived in part from his tenure as an executive officer of a publicly traded customer of ours, his over 30 years in exploration and production, and his experience as a director of various other public companies. Mr. Berry has significant financial and operational expertise and experience.

T. Jay Collins

Mr. Collins, 71, has been a director of Pason Systems Inc. since 2012, Murphy Oil Corporation since August 2013 and NuMat Technologies, Inc. since February 2015. He previously served as Oceaneering's Chief Executive Officer from 2006 to 2011, President from 1998 to 2011, Chief Operating Officer from 1998 until 2006, Executive Vice President – Oilfield Marine Services from 1995 to 1998, and Senior Vice President and Chief Financial Officer from 1993 to 1995. Mr. Collins has been a director of Oceaneering since 2002.

The Board has determined that Mr. Collins is qualified to serve on our Board based on his substantial prior experience as a member of our Board and his thorough knowledge regarding Oceaneering and its businesses, which he gained through his years of service as a member of our executive management team, as well as through his prior service on our Board. Mr. Collins has extensive knowledge of the oil and gas industry. Including his service on our Board, Mr. Collins has over 40 years of experience with companies engaged in oilfield-related or other energy-related businesses.

Jon Erik Reinhardtsen

Mr. Reinhardtsen, 61, became a member of the board of directors of Statoil ASA in September 2017. He serves as the chair of Statoil ASA's board. From 2008 through August 2017, he served as President and Chief Executive Officer of Petroleum Geo-Services ASA ("PGS"). Prior to joining PGS, he held executive positions in Alcoa Inc. and Aker Kvaerner ASA. Mr. Reinhardtsen has been a director of Borregaard ASA since April 2016 and Telenor ASA since May 2014. Mr. Reinhardtsen served as a director of Cameron International Corporation from 2009 until its acquisition by Schlumberger N.V. in April 2016, Hoegh Autoliners Holdings AS from 2006 to 2014, and Hoegh LNG Holdings Ltd. from 2006 to 2014. Mr. Reinhardtsen has been a director of Oceaneering since October 2016. He is a member of each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

The Board has determined that Mr. Reinhardtsen is qualified to serve on our Board based on his extensive experience in, and knowledge of, the subsea oilfield services industry, his involvement with renewable energy, his international perspective and his experience as a director of various other public companies. Mr. Reinhardtsen has significant financial and operational expertise and experience.

Class III Directors (2016 - 2019)

Roderick A. Larson

Mr. Larson, 51, joined Oceaneering in May 2012 as Senior Vice President and Chief Operating Officer. He became President in February 2015 and President and Chief Executive Officer in May 2017. Mr. Larson previously held positions with Baker Hughes Incorporated from 1990 until he joined Oceaneering, serving most recently as President, Latin America Region from January 2011. Previously, he served as Vice President of Operations, Gulf of Mexico

Region from 2009 to 2011, Gulf

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Coast Area Manager from 2007 to 2009, and Special Projects Leader Technical Training Task from 2006 to 2007. Mr. Larson also serves as a director of Newpark Resources, Inc. Mr. Larson has been a director of Oceaneering since May 2017.

The Board has determined that Mr. Larson is qualified to serve on our Board based on his in-depth knowledge regarding our business, derived from his service as a member of our executive management team, and over 25 years of experience in the oilfield services industry. Mr. Larson is a member of the National Petroleum Council.

**M. Kevin McEvoy**

Mr. McEvoy, 67, served as Chief Executive Officer of Oceaneering from 2011 to May 2017. Mr. McEvoy joined Oceaneering in 1984, when we acquired Solus Ocean Systems, Inc. Since 1984, he held various senior management positions in each of our operating groups. He was appointed Executive Vice President in 2006, with the additional position of Chief Operating Officer in 2010, and President from 2011 to February 2015. Mr. McEvoy is also a director of EMCOR Group, Inc. Mr. McEvoy has been a director of Oceaneering since 2011.

The Board has determined that Mr. McEvoy is qualified to serve on our Board based on his thorough knowledge of Oceaneering and its businesses, which he gained through his years of service in each of our five business segments and as a member of our executive management team, as well as through his prior service on our Board. Mr. McEvoy has over 40 years of experience in offshore, diving and other subsea and marine-related activities, primarily in oilfield-related areas, with significant international exposure.

**Paul B. Murphy, Jr.**

Mr. Murphy, 58, has, since 2010, been Chief Executive Officer and chairman of the board of directors of Cadence Bancorporation and Chief Executive Officer of Cadence Bancorp, LLC, which formed Cadence Bank in 2009. Cadence Bancorporation is a regional bank holding company headquartered in Houston, Texas. Mr. Murphy previously was employed by Amegy Bank of Texas from 1990 to 2009, where he served in senior leadership roles, including as Chief Executive Officer from 2000 to 2009 and as a director of that bank from 1994 to 2009. Mr. Murphy also serves as a director of GP Natural Resource Partners LLC, the general partner of Natural Resource Partners L.P., and as a director of Hines Real Estate Investment Trust, Inc. He served as a director of the Federal Reserve Bank of Dallas – Houston Branch from 2009 through 2015. Mr. Murphy has been a director of Oceaneering since August 2012. He is chairman of the Audit Committee and a member of the Nominating and Corporate Governance Committee. The Board has determined that Mr. Murphy is qualified to serve on our Board based on his considerable experience as an executive officer and director of both privately owned and publicly traded companies, particularly financial institutions. Mr. Murphy's financial background, including over 35 years of business and entrepreneurial experience in the financial services industry, allows him to provide valuable contributions to our Board. Including his service on our Board, Mr. Murphy has over 20 years of experience as a director of publicly owned companies.

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## SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth the number of shares of Common Stock beneficially owned as of March 21, 2018 by each director and nominee for director, each of the executive officers named in the Summary Compensation Table in this Proxy Statement and all directors and executive officers as a group. Except as otherwise indicated, each individual named has sole voting and dispositive power with respect to the shares shown.

| Name   | Number of Shares (1) | Number of Shares Underlying Restricted Stock Units (2) | Total (3) |
|--|----------------------|--|-----------|
| Stephen P. Barrett   | 13,311               | 31,816   | 45,127    |
| William B. Berry   | 18,000               | —  | 18,000    |
| T. Jay Collins   | 37,452               | —  | 37,452    |
| Alan R. Curtis   | 16,551               | 35,253   | 51,804    |
| Deanna L. Goodwin  | 8,000                | —  | 8,000     |
| Clyde W. Hewlett   | 44,790               | 58,545   | 103,335   |
| John R. Huff   | 110,196              | —  | 110,196   |
| Roderick A. Larson   | 29,555               | 132,233  | 161,788   |
| David K. Lawrence  | 13,840               | 29,298   | 43,138    |
| M. Kevin McEvoy  | 173,670              | 71,055   | 244,725   |
| Paul B. Murphy, Jr.  | 23,000               | —  | 23,000    |
| Jon Erik Reinhardsen   | 18,000               | —  | 18,000    |
| Steven A. Webster  | 22,000               | —  | 22,000    |
| All directors and executive officers as a group (18 persons) | 611,511              | 442,267  | 1,053,778 |

There are no outstanding stock options held by any of our directors or executive officers. Includes the following shares granted in 2018 pursuant to restricted stock award agreements, as to which the recipient has sole voting power and no dispositive power: Mr. Berry – 8,000; Mr. Collins – 8,000; Ms. Goodwin – 8,000; Mr. Huff – 13,000; Mr. McEvoy – 8,000; Mr. Murphy – 8,000; Mr. Reinhardsen – 8,000; Mr. Webster – 8,000; and all directors and executive officers as a group – 69,000. Also includes the following share equivalents, which are fully vested but are held in trust pursuant to the Oceaneering Retirement Investment Plan (the “401(k) Plan”), as to which the indicated (1) persons have the right to direct the plan trustee on how to vote: Mr. Barrett – 1,635; Mr. Curtis – 10,865; Mr. Hewlett – 286; Mr. Lawrence – 2,039; Mr. McEvoy – 31,739; and all directors and executive officers as a group – 59,556. At withdrawal, the share equivalents in the 401(k) Plan are to be settled in shares of Common Stock. Also includes 1,620 shares as to which one of our executive officers has shared voting and dispositive powers; however, there are no shares over which any of our directors or the Named Executive Officers has such powers. The beneficial ownership of (a) each director and executive officer represents 0.2% or less of the outstanding Common Stock and (b) all directors and executive officers as a group represents 0.6% of the outstanding Common Stock.

Includes shares of Common Stock that are represented by restricted stock units of Oceaneering that are credited to (2) the accounts of certain individuals and are subject to vesting. The individuals have no voting or investment power over these restricted stock units.

The indicated shares of Common Stock and Common Stock underlying restricted stock units of (a) each director (3) and executive officer represent 0.2% or less of the outstanding Common Stock and (b) all directors and executive officers as a group represent 1.1% of the outstanding Common Stock.

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Listed below are the only persons who, to our knowledge, may be deemed to be beneficial owners as of March 21, 2018 of more than 5% of the outstanding shares of Common Stock. This information is based on beneficial ownership reports filed with the Securities and Exchange Commission (the "SEC").

| Name and Address of Beneficial Owner   | Amount and Nature of Beneficial Ownership | Percent of Class (1) |
|--|---|----------------------|
| FMR LLC<br>245 Summer Street<br>Boston, MA 02210                                       | 14,741,834                                | (2) 15.0 %           |
| The Vanguard Group<br>100 Vanguard Blvd.<br>Malvern, PA 19355                          | 8,701,142                                 | (3) 8.8 %            |
| BlackRock, Inc.<br>55 East 52nd Street<br>New York, NY 10055                           | 8,401,374                                 | (4) 8.5 %            |
| Dimensional Fund Advisors LP<br>Building One<br>6300 Bee Cave Road<br>Austin, TX 78746 | 5,941,287                                 | (5) 6.0 %            |

(1) All percentages are based on the total number of issued and outstanding shares of Common Stock as of March 21, 2018.

(2) The amount beneficially owned of 14,741,834 shares of Common Stock, as shown, is as reported by FMR LLC in a Schedule 13G/A filed with the SEC on February 13, 2018. The Schedule 13G/A reports that FMR LLC has sole voting power with respect to 991,486 shares and sole dispositive power with respect to all 14,741,834 shares. The Schedule 13G/A identifies FMR LLC as a parent holding company and identifies the relevant subsidiaries of FMR LLC collectively and beneficially owning the shares being reported in the Schedule 13G/A as: FIAM LLC; Fidelity Institutional Asset Management Trust Company; FMR Co., Inc.; and Strategic Advisers, Inc. The Schedule 13G/A further reports: (i) FMR Co., Inc. is the beneficial owner of 5% or greater of the Common Stock outstanding; (ii) Abigail P. Johnson is a Director, the Chairman and the Chief Executive Officer of FMR LLC; (iii) members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of the voting equity of FMR LLC; (iv) the Johnson family group and other equity owners of FMR LLC have entered into a voting agreement; (v) through their ownership of voting equity and the execution of the voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, as amended (the "Investment Company Act"), to form a controlling group with respect to FMR LLC; (vi) neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act ("Fidelity Funds") advised by Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' boards of trustees; and (vii) Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds' boards of trustees. The Schedule 13G/A disclaims reporting on shares, if any, beneficially owned by certain subsidiaries, affiliates or other companies whose beneficial ownership of shares is disaggregated from that of FMR LLC in accordance with SEC Release No. 34-39538 (January 12, 1998).

(3) The amount beneficially owned of 8,701,142 shares of Common Stock, as shown, is as reported by The Vanguard Group in a Schedule 13G/A filed with the SEC on February 9, 2018. The Schedule 13G/A reports that The Vanguard Group has sole voting power with respect to 51,913 shares, sole dispositive power with respect to 8,645,103 shares, shared voting power with respect to 11,371 shares and shared dispositive power with respect to 56,039 shares. The Schedule 13G/A further reports that: (i) Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 44,668 shares, or 0.05% of the Common Stock outstanding, as a result of its serving as investment manager of collective trust accounts; and (ii) Vanguard Investments Australia, Ltd., a wholly owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of



18,616 shares, or 0.02% of the Common Stock outstanding, as a result of its serving as investment manager of Australian investment offerings.

(4) The amount beneficially owned of 8,401,374 shares of Common Stock, as shown, is as reported by BlackRock, Inc. in a Schedule 13G/A filed with the SEC on January 29, 2018. The Schedule 13G/A reports that BlackRock, Inc. has sole voting power with respect to 7,990,019 shares and sole dispositive power with respect to 8,401,374 shares.

(5) The amount beneficially owned of 5,941,287 shares of Common Stock, as shown, is reported by Dimensional Fund Advisors LP in a Schedule 13G filed with the SEC on February 9, 2018. The Schedule 13G reports that Dimensional Fund Advisors LP has sole voting power with respect to 5,766,285 shares and sole dispositive power with respect to

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5,941,287 shares. The Schedule 13G further reports that: (i) Dimensional Fund Advisors LP, an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager or sub-adviser to certain other commingled funds, group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the “Funds”); (ii) in certain cases, subsidiaries of Dimensional Fund Advisors LP may act as an adviser or sub-adviser to certain Funds; (iii) in its role as investment adviser, sub-adviser and/or manager, Dimensional Fund Advisors LP or its subsidiaries (collectively, “Dimensional”) may possess voting and/or investment power over the shares that are owned by the Funds, and may be deemed to be the beneficial owner of such shares, however, all of the shares reported in the Schedule 13G are owned by the Funds; and (iv) Dimensional disclaims beneficial ownership of such shares.

**CORPORATE GOVERNANCE**

During 2017, our Board of Directors held eight meetings of the full Board and 17 meetings of committees of the Board. Each of our continuing directors attended at least 75% of the aggregate number of meetings of the Board and meetings of committees of the Board on which he served (during the period of his service). In addition, we have a policy that directors are encouraged to attend the Annual Meeting. Last year, all of our directors except Messrs. Berry and Reinhardtsen attended our Annual Meeting. In 2017, the nonemployee directors met in regularly scheduled executive sessions without management present, and similar sessions are scheduled for 2018. The chairmen of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee chair these executive sessions on a rotating basis. Interested parties may communicate directly with the nonemployee directors by sending a letter to the “Board of Directors (Independent Members),” c/o Corporate Secretary, Oceaneering International, Inc., 11911 FM 529, Houston, Texas 77041-3000.

Under rules adopted by the New York Stock Exchange (the “NYSE”), our Board of Directors must have a majority of independent directors. The director independence standards of the NYSE require a board determination that our director has no material relationship with us and has no specific relationships that preclude independence. Our Board considers relevant facts and circumstances in assessing whether a director is independent. Our Board has determined that, with the exception of Mr. Larson, all of our directors currently meet the NYSE independence requirements. We have three standing committees of our Board of Directors: the Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee. Our Board has determined that each member of these committees is independent in accordance with the requirements of the NYSE. Our Board has also determined that each member of the Audit Committee meets the independence requirements that the SEC has established for service on an audit committee.

**COMMITTEES OF THE BOARD****Audit Committee**

The Audit Committee, comprised of Messrs. Murphy (Chairman), Berry and Reinhardtsen, held eight meetings during 2017. Effective February 2018, Ms. Goodwin replaced Mr. Reinhardtsen as a member of the Audit Committee. Our Board of Directors has determined that all current members of the Audit Committee are audit committee financial experts as defined in the applicable rules of the SEC. For information relating to the background of each member of the Audit Committee, see the biographical information under “Information about Nominees for Election and Continuing Directors.”

The Audit Committee is appointed by our Board of Directors, on the recommendation of the Nominating and Corporate Governance Committee, to assist the Board in its oversight of:

- the integrity of our financial statements;
- our compliance with applicable legal and regulatory requirements;
- the independence, qualifications and performance of our independent auditors;
- the performance of our internal audit functions; and
- the adequacy of our internal control over financial reporting.

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Our management is responsible for our internal controls and preparation of our consolidated financial statements. Our independent auditors are responsible for performing an independent audit of the consolidated financial statements and internal controls over financial reporting and issuing reports thereon. The Audit Committee is responsible for overseeing the conduct of these activities and appointing our independent auditors. The Audit Committee operates under a written charter adopted by our Board of Directors. As stated above and in the Audit Committee Charter, the Audit Committee's responsibility is one of oversight. The Audit Committee is not providing any expert or special assurance as to Oceaneering's financial statements or any professional certification as to the independent auditors' work.

In discharging its duties, the Audit Committee reviews and approves the scope of the annual audit, non-audit services to be performed by the independent auditors and the independent auditors' audit and non-audit fees; reviews and discusses with management (including the senior internal auditor) and the independent auditors' annual audit of our internal control over financial reporting; recommends to our Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K for filing with the SEC; meets independently with our internal auditors, independent auditors and management; reviews the general scope of our accounting, financial reporting, annual audit and our internal audit programs and matters relating to internal control systems, as well as the results of the annual audit and interim financial statements, auditor independence issues and the adequacy of the Audit Committee charter; and reviews with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding our financial statements or accounting policies. A copy of the Audit Committee charter is available in the Governance section under Investor Relations on our Web site ([www.oceaneering.com](http://www.oceaneering.com)). Any shareholder may obtain a written copy of the charter from us upon request. The report of the Audit Committee is included in this Proxy Statement under the heading "Report of the Audit Committee."

### Compensation Committee

The Compensation Committee, comprised of Messrs. Berry (Chairman), Reinhardsen and Webster, held four meetings during 2017. Effective February 2018, Ms. Goodwin replaced Mr. Webster as a member of the Compensation Committee.

The Compensation Committee is appointed by our Board of Directors to:

assist the Board in discharging its responsibilities relating to: (i) compensation of our executive officers and nonemployee directors; and (ii) employee benefit plans and practices; and produce or assist management with the preparation of any reports that may be required from time to time by the rules of the NYSE or the SEC to be included in our proxy statements for our annual meetings of shareholders or annual reports on Form 10-K.

Specific duties and responsibilities of the Compensation Committee include: overseeing our executive and key employee compensation plans and benefit programs; reviewing and approving objectives relevant to the compensation of executives and key employees, including administration of annual bonus plans, long-term incentive plans, supplemental executive retirement plan and severance, termination and change-of-control arrangements; approving employment agreements for key executives; reviewing and making recommendations to the Board regarding the directors' and officers' indemnification and insurance matters; evaluating the performance of executives and key employees, including our Chief Executive Officer; recommending to the Board the compensation for the Board and committees of the Board; and annually evaluating its own performance and its charter.

On an annual basis, the Compensation Committee engages a recognized human resource consulting firm (the "Compensation Consultant") to assist the Compensation Committee in its administration of compensation for our directors and executive officers. The Compensation Consultant provides to the Compensation Committee a market analysis including: (i) total direct compensation (salary, annual incentive bonus and long-term incentive compensation), retirement benefits and perquisites for each of our executive officers and certain other key employees; and (ii) compensation for nonemployee directors among peer group companies, and other survey data (see "Compensation Discussion and Analysis – The Role of the Compensation Consultant" in this Proxy Statement). The Compensation Consultant engaged in 2017, as in 2016 and 2015, was Meridian Compensation Partners, LLC ("Meridian").

The Compensation Committee approves the forms and amounts of annual and long-term incentive program compensation for our executive officers and other key employees, and recommends to the Board the forms and amounts of compensation for nonemployee directors.

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The Compensation Committee operates under a written charter adopted by our Board of Directors. A copy of the Compensation Committee charter is available in the Governance section under Investor Relations on our Web site ([www.oceaneering.com](http://www.oceaneering.com)). Any shareholder may obtain a written copy of the charter from us upon request. The report of the Compensation Committee is included in this Proxy Statement under the heading “Report of the Compensation Committee.”

### Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, comprised of Messrs. Webster (Chairman), Murphy and Reinhardtsen, held five meetings during 2017.

The Nominating and Corporate Governance Committee is appointed by our Board of Directors to, among other things:

- identify individuals qualified to become directors of Oceaneering;
- recommend to our Board candidates to fill vacancies on our Board or to stand for election to the Board by our shareholders;
- recommend to our Board a director to serve as Chairman of the Board;
- recommend to our Board committee assignments for directors;
- periodically assess the performance of our Board and its committees;
- periodically review with our Board succession planning with respect to our Chief Executive Officer and other executive officers;
- evaluate related-person transactions in accordance with our policy regarding such transactions; and
- periodically review and assess the adequacy of our corporate governance policies and procedures.

The Nominating and Corporate Governance Committee operates under a written charter adopted by our Board of Directors. A copy of this charter and a copy of our Corporate Governance Guidelines are available in the Governance section under Investor Relations on our Web site ([www.oceaneering.com](http://www.oceaneering.com)). Any shareholder may obtain a written copy of each of these documents from us upon request.

The Nominating and Corporate Governance Committee solicits ideas for potential Board candidates from a number of sources, including members of our Board of Directors and our executive officers. The Committee also has authority to select and compensate a third-party search firm to help identify candidates, if it deems it advisable to do so.

### Shareholder Nominations for Board Candidates

The Nominating and Corporate Governance Committee will also consider nominees recommended by shareholders in accordance with our Bylaws. In assessing the qualifications of all prospective nominees to the Board, the Nominating and Corporate Governance Committee will consider, in addition to criteria set forth in our Bylaws, each nominee’s personal and professional integrity, experience, skills, ability and willingness to devote the time and effort necessary to be an effective board member, and commitment to acting in the best interests of Oceaneering and its shareholders. Consideration also will be given to the Board’s diversity and having an appropriate mix of backgrounds and skills. In that regard, our Corporate Governance Guidelines provide that any search for potential director candidates should consider diversity as to gender, ethnic background and personal and professional experiences and that any initial list of new director candidates developed by the Nominating and Corporate Governance Committee, or by a third-party consultant engaged by or on behalf of the Nominating and Corporate Governance Committee, to fill any vacancy in Board membership should include one or more qualified women and minority candidates.

A shareholder who wishes to recommend a nominee for director should comply with the procedures specified in our Bylaws, as well as applicable securities laws and regulations of the NYSE. The Nominating and Corporate Governance Committee will consider all candidates identified through the processes described above, whether identified by the Nominating and Corporate Governance Committee or by a shareholder, and will evaluate each of them on the same basis.

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As to each person a shareholder proposes to nominate for election as a director, our Bylaws provide that the nomination notice must:

include the name, age, business address, residence address (if known) and principal occupation or employment of that person, the number of shares of Common Stock beneficially owned or owned of record by that person and any other information relating to that person that is required to be disclosed under Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the related SEC rules and regulations; and

be accompanied by the written consent of the person to be named in the proxy statement as a nominee and to serve as a director if elected.

The nomination notice must also include, as to that shareholder and any of that shareholder's "associates" (defined to include (i) any person acting in concert with that shareholder, (ii) any person who beneficially owns shares of Common Stock owned of record or beneficially by that shareholder and (iii) any person controlling, controlled by or under common control with, directly or indirectly, that shareholder or any person described in the foregoing clause (i) or (ii)) on whose behalf the nomination or nominations are being made:

the name and address of that shareholder, as they appear on our stock records and the name and address of that associate;

the number of shares of Common Stock which that shareholder and that associate own beneficially or of record;

a description of any agreement, arrangement or understanding relating to any hedging or other transaction or series of transactions (including any derivative or short position, profit interest, option, hedging transaction or borrowing or lending of shares) that has been entered into or made by that shareholder or that associate, the effect or intent of which is to mitigate loss, manage risk or benefit from share price changes or to increase or decrease the voting power of that shareholder or that associate, in any case with respect to any share of Common Stock;

a description of all arrangements and understandings between that shareholder or that associate and each proposed nominee of that shareholder and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by that shareholder;

a representation by that shareholder that he or she intends to appear in person or by proxy at that meeting to nominate the person(s) named in that nomination notice;

a representation as to whether that shareholder or that associate, if any, intends, or is part of a group, as Rule 13d-5(b) under the Exchange Act uses that term, which intends, (i) to deliver a proxy statement and/or form of proxy to the holders of shares of Common Stock having at least the percentage of the total votes of the holders of all outstanding shares of Common Stock entitled to vote in the election of each proposed nominee of that shareholder which is required to elect that proposed nominee and/or (ii) otherwise to solicit proxies in support of the nomination; and any other information relating to that shareholder and that associate that is required to be disclosed under Section 14 of the Exchange Act and the related SEC rules and regulations, in connection with solicitations of proxies for an election of a director.

In addition, the nomination notice must include a representation that the shareholder will notify us in writing of any change in any of the information referenced above as of the record date for the meeting of shareholders to which the nomination relates promptly following the later of that record date or the date notice of that record date is first publicly disclosed. We may require any person a shareholder proposes to nominate for election as a director under the provisions described above to furnish additional written information to determine the eligibility of that person to serve as a director.

To be timely for consideration at our 2019 Annual Meeting, a shareholder's nomination notice must be received at our principal executive offices, 11911 FM 529, Houston, Texas 77041-3000, addressed to our Corporate Secretary, not earlier than November 5, 2018 and not later than the close of business on January 4, 2019.

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**LEADERSHIP STRUCTURE AND BOARD RISK OVERSIGHT**

We currently have a leadership structure that includes separate individuals serving as our Chief Executive Officer and Chairman of our Board. Our Board believes this structure is appropriate in the existing circumstances, as Mr. Larson, our Chief Executive Officer, and Mr. Huff, Chairman of our Board, currently serve our company in separate and distinct roles. Our Board believes it is appropriate to retain the flexibility to combine those two positions in the future, should future circumstances result in a situation in which our Board determines that such a combination is appropriate. The members of each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee include only persons whom the Board has affirmatively determined are independent. None of the Chairmen of our Board committees serves as chairman of more than one of those committees. As discussed above, our Board of Directors has determined that all members of the Audit Committee are audit committee financial experts as defined in the applicable rules of the SEC. Although our Board believes the current membership and leadership structure for our Board committees are appropriate in the existing circumstances, our Board also believes it is appropriate to retain the flexibility to change Board committee memberships and leadership structure in the future, should future circumstances warrant such a change in the view of our Board.

The risk oversight role of our Board and its committees is set forth in our Corporate Governance Guidelines and respective committee charters. Our Board and its committees are actively involved in the oversight of risks applicable to Oceaneering through oversight of our enterprise risk management program. Our Board oversees our:

- financial- and compliance-related risks with the assistance of the Audit Committee;
- risks associated with our Board and executive officer leadership and succession, conflicts of interest, and more generally with the adequacy of our governance policies and procedures, with the assistance of the Nominating and Corporate Governance Committee; and
- risks associated with compensation policies and practices for executive officers and key employees with the assistance of the Compensation Committee.

Our Compensation Committee considers, in establishing and reviewing compensation programs, whether the programs encourage unnecessary or excessive risk-taking. Based on analyses conducted by management and discussed with the Compensation Committee, we do not believe that our compensation programs for our executives and other employees are reasonably likely to have a material adverse effect on us. Our Board believes that the current structure of our Audit Committee, with all members being independent and audit committee financial experts, and our Nominating and Corporate Governance Committee and Compensation Committee, with all members being independent, provides for an efficient and effective means of overseeing these risks. Our Board also oversees our strategic and operations-related risks. Our Board believes that the relative levels of experience and independence of our Board members, collectively, support the Board's ability to effectively oversee these risks.

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

No member of the Compensation Committee has served as one of our officers or employees at any time. None of our executive officers serves as a member of the compensation committee of any other company that has an executive officer serving as a member of our Board. None of our executive officers serves as a member of the board of directors of any other company that has an executive officer serving as a member of our Compensation Committee. None of our directors or executive officers are members of the same family.

**CODE OF ETHICS**

Our Board of Directors adopted a code of ethics that applies to our Chief Executive Officer and senior financial officers, including our Chief Financial Officer, Chief Accounting Officer, Treasurer or Controller, and a code of business conduct and ethics that applies to all our officers, directors and employees. Each is available on the Governance page in the Investor Relations section of our Web site ([www.oceaneering.com](http://www.oceaneering.com)). Any shareholder may obtain a printed copy of these codes from us upon request. Any change in or waiver of these codes of ethics will be disclosed on our Web site.





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**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who own more than 10% of our Common Stock to file with the SEC and the NYSE initial reports of ownership and reports of changes in ownership of Common Stock. Based solely on a review of the copies of such reports furnished to us and representations that no other reports were required, we believe that all our directors and executive officers complied on a timely basis with all applicable filing requirements under Section 16(a) of the Exchange Act during 2017, except that Mr. Eric A. Silva, our Senior Vice President, Operations Support filed a Form 4 that reported, after the time prescribed, a purchase of Common Stock by him and Mr. Robert P. Moschetta, our Senior Vice President, Health Safety Environment/Training/Quality, filed a Form 4 that reported, after the time prescribed, a sale of Common Stock by him.

**REPORT OF THE AUDIT COMMITTEE**

During the year ended December 31, 2017, the Audit Committee of Oceaneering International, Inc.'s Board of Directors was comprised of the directors named below. Each member of the Audit Committee is an independent director as defined by applicable Securities and Exchange Commission rules and New York Stock Exchange listing standards. The Committee met eight times during the year ended December 31, 2017. The Committee reviewed and discussed with management and Ernst & Young LLP, Oceaneering's independent registered public accounting firm, all of Oceaneering's earnings releases in 2017 prior to the public release of those earnings releases. In addition, the Chairman of the Committee reviewed and discussed with management the interim financial information included in Oceaneering's quarterly reports on Form 10-Q for the periods ended March 31, 2017, June 30, 2017 and September 30, 2017, prior to their being filed with the Securities and Exchange Commission.

The Committee reviewed and discussed with management and Ernst & Young Oceaneering's consolidated financial statements for the year ended December 31, 2017. Members of management represented to the Committee that Oceaneering's consolidated financial statements were prepared in accordance with generally accepted accounting principles. The Committee discussed with Ernst & Young matters required to be discussed under the standards of the Public Company Accounting Oversight Board. The Committee also reviewed and discussed, with management and Ernst & Young, our management's report and Ernst & Young's report on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act.

Ernst & Young provided to the Committee the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young's independence, and the Committee discussed with Ernst & Young their independence from Oceaneering. The Committee concluded that Ernst & Young's provision of non-audit services to Oceaneering and its affiliates is compatible with Ernst & Young's independence.

Based on the Committee's discussions with management and Ernst & Young and the Committee's review of the items referred to above, the Committee recommended to Oceaneering's Board of Directors that Oceaneering's audited consolidated financial statements as of and for the year ended December 31, 2017 be included in the Form 10-K for the year ended December 31, 2017 filed with the SEC.

Audit Committee

Paul B. Murphy, Jr., Chairman

William B. Berry

Jon Erik Reinhardsen

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PROPOSAL 2

ADVISORY VOTE ON A RESOLUTION TO APPROVE  
THE COMPENSATION OF OCEANEERING'S NAMED EXECUTIVE OFFICERS

As required by Section 14A(a)(1) of the Exchange Act, we are providing our shareholders the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our Named Executive Officers (including, for purposes of this proposal, our Former Chief Executive Officer) as disclosed in this Proxy Statement.

In making compensation decisions, the Compensation Committee of our Board of Directors considers all elements of compensation when setting each element of compensation. The Compensation Committee assesses each element of base salary, annual incentive bonus, long-term incentive compensation and retirement plan value against a combination of available information from the most recent proxy statements of a peer group of publicly traded companies and survey data from the energy and general industries.

As described in detail under the "Compensation Discussion and Analysis" section of this Proxy Statement below, our compensation program for Named Executive Officers is designed to attract, retain and motivate key executives and to deliver a competitive package that is aligned with our shareholders' interests, while at the same time avoiding the encouragement of unnecessary or excessive risk taking.

A significant portion of our compensation program is delivered through variable compensation elements that are tied to key performance objectives. Generally, at least one-half of the 2017 target total direct compensation (annual salary, annual incentives and long-term incentives) of our Named Executive Officers is performance-based and approximately 60% of the estimated grant date value of their long-term incentive awards is performance-based. Achievement of specific financial goals below threshold for the period of 2015-2017 resulted in there being no long-term incentive performance unit cash payouts for any participating employees. Compared to 2016, our operating income for 2017 declined 85%. Accordingly, we have continued a series of initiatives we started in 2015 to align our operations with current and anticipated activity and pricing levels, which have necessarily included workforce reductions, incurring unusual expenses and making certain accounting adjustments. Despite these challenges, notable achievements in 2017 included:

- each of our operating segments was profitable, achieving operating income of \$11 million;
- declaring cash dividends aggregating to \$44 million, or \$0.45 per share;
- continuing substantial investments in opportunities to expand our business, with 2017 capital expenditures of approximately \$105 million (including \$11 million on acquisitions/investments);
- ending the year with a subsea products backlog of \$276 million; and
- maintaining an appropriately capitalized balance sheet with \$752 million of working capital, including \$430 million of cash and cash equivalents, \$800 million of debt and \$1.7 billion of equity at December 31, 2017.

The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the compensation of the Named Executive Officers as described in this Proxy Statement in accordance with the rules of the SEC. As an advisory vote, it is not binding. However, our Board of Directors and our Compensation Committee, which is responsible for designing and overseeing the administration of our executive compensation program, will consider the outcome of the vote when making future compensation decisions for our executive officers. Accordingly, we ask our shareholders to vote on the following resolution:

RESOLVED, that Oceaneering's shareholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in Oceaneering's Proxy Statement for its 2018 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2017 Summary Compensation Table and the other compensation-related tables and accompanying narrative disclosures.

In accordance with our Bylaws, the adoption of this proposal requires the affirmative vote of a majority of the shares of Common Stock present in person or by proxy and entitled to vote on the proposal at the 2018 Annual Meeting of Shareholders.

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Because abstentions are counted as present for purposes of the vote on this proposal, but are not votes “FOR” this proposal, they have the same effect as votes “AGAINST” this proposal. Broker non-votes will have no effect on this vote.

Our Board of Directors unanimously recommends a vote FOR the approval of the compensation of our Named Executive Officers as disclosed in this Proxy Statement. The persons named in the accompanying proxy intend to vote such proxy FOR approval of the compensation of our Named Executive Officers unless a choice is set forth therein or unless an abstention or broker “non-vote” is indicated therein.

## COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis contains statements regarding future individual and company performance goals and measures. These goals and measures are disclosed in the limited context of Oceaneering’s compensation programs and should not be understood to be statements of management’s expectations or estimates of results or other guidance. Oceaneering cautions investors not to apply these statements to other contexts.

The following Compensation Discussion and Analysis, or “CD&A,” provides information regarding the compensation programs in place for our current Chief Executive Officer, Chief Financial Officer, and three other most highly compensated executive officers during 2017. We refer to these individuals in this Proxy Statement as the “Named Executive Officers.” In addition, this CD&A provides some compensation-related information for our former Chief Executive Officer, Mr. Kevin McEvoy, who retired in May 2017 (our “Former Chief Executive Officer”). This CD&A also includes information regarding, among other things, the objectives of our compensation program, the achievements that the compensation program is designed to reward, the elements of the compensation program (including the reasons why we employ each element and how we determine amounts paid) and how each element fits into our overall compensation objectives. As used in this CD&A, references to the “Committee” mean the Compensation Committee of our Board of Directors.

### Executive Summary

Our executive compensation program is designed to attract, retain and motivate key executives and to deliver a competitive package to our executive officers that is aligned with our shareholders’ interests. When considering our program, we believe it is important to note:

the primary components of our compensation program consist of annual base salary, annual incentives, long-term incentives and retirement plans that are designed in the aggregate to provide opportunity that is competitive with the 50th percentile of a peer group and survey data identified by the Compensation Consultant retained by the Committee; a significant portion of the program is delivered through variable compensation elements that are tied to key performance objectives of Oceaneering. Generally, at least one-half of the target total direct compensation (annual salary and annual and long-term incentives at target levels) is performance-based and approximately 60% of the estimated grant date value of long-term incentive awards is performance-based;

the worldwide slump in oil prices from 2014 levels and resulting slowdown in deepwater activity continued to impact our business and financial results and, accordingly, negatively affected the annual and long-term incentive compensation of the Named Executive Officers;

annual incentive payouts for the Named Executive Officers for 2017 were approximately 26% of target amounts, reflecting achievement of positive cash flow between threshold and target levels and attainment of health, safety, environmental protection and quality goals at target; and

there were no payouts to the Named Executive Officers under our 2015 long-term incentive performance unit program, as the threshold level of performance for the period of January 1, 2015 through December 31, 2017 was not attained for either average return on invested capital or cumulative cash flow.

Meridian Compensation Partners, LLC, the compensation consultant retained by the Committee (the “Compensation Consultant”), performed, among other things, an assessment of:

the continued validity of the peer group of companies used for comparison purposes in the preceding year;

the competitiveness of cash compensation, equity awards, retirement benefits and perquisites provided to our executive officers and other key employees relative to our peer group and energy industry survey data;



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Oceaneering's performance relative to our peer group in terms of our Chief Executive Officer's annual cash bonus payout; and

Oceaneering's incentive structure for executive officers.

The Compensation Consultant assessed that:

the peer group selected by the Committee was appropriate;

the target total direct compensation of most Oceaneering executives was at or below the relevant 50th percentile of the peer group;

executive compensation and Oceaneering's performance were generally aligned in favor of our shareholders' interests; and

Oceaneering's incentive structure for its executive officers was generally aligned with Oceaneering's compensation philosophy and objectives and market practices, although Oceaneering's executive compensation has placed more emphasis than its peers on annual incentives, meeting absolute performance goals, limiting upside leverage, and denominating long-term performance awards in cash.

### Compensation Philosophy and Objectives

Our executive compensation program is designed to attract and retain key executives, motivate them to achieve our short-term and long-term objectives without exposing us to excessive or unnecessary risk, and reward them for superior performance. We use several different compensation elements in the executive compensation program that are geared to both our short-term and long-term performance. The following principles influence the design and administration of our executive compensation program.

#### Compensation Should Be Related to Performance

The Committee and our Board of Directors believe that a significant portion of an executive officer's direct compensation should be tied to overall company performance and measured against financial goals and other performance-based objectives.

Under the performance-based portions of our compensation arrangements, our basic philosophy is that, in years when performance is better than the objectives established for the relevant performance period, Named Executive Officers should be paid more than the target awards and, when our performance does not meet planned objectives, incentive award payments should be less than such targets, in the absence of special circumstances.

#### Compensation Programs Should Motivate Executives to Remain With Us

We believe that there is significant value to our shareholders for our executive officers to remain with our company over time. Our business success and growth depend on leadership by executives with a keen understanding of our services and products and the markets we serve and who can develop and maintain strong customer relationships over time. Also, value is built by executives who understand the unique business and technical aspects of our industry. For these reasons, a significant part of our executive compensation arrangements historically has been a combination of long-term incentive compensation arrangements, with awards that have provided for vesting over several years. In addition, to promote long-term retention, we provide our executive officers with incentives to remain focused on their duties in the event of any change of control, including some financial security in the event of a change of control. We also provide for long-term benefits through retirement plans (see "— Post-Employment Compensation Programs" below).

#### Incentive Compensation Should Represent a Significant Part of an Executive's Total Direct Compensation

We believe that the portion of an executive officer's total compensation that varies with our overall performance objectives should increase as the scope and level of the individual's business responsibilities and role in the organization increase. We believe that, generally, at least one-half of the target total direct compensation (the sum of annual base salary and annual incentive bonus and long-term incentive compensation at target levels) of our executive officers should be at risk against short- and long-term performance goals, and our Chief Executive Officer should be subject to a greater amount of such risk than other executive officers.

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### Incentive Compensation Should Balance Short-Term and Long-Term Performance

We strive to maintain an executive compensation program that balances short-term, or annual, results and long-term results. To reinforce the importance of this balance, we regularly provide our executive officers both annual and long-term incentives. We believe we should avoid disproportionately large short-term or annual incentives that could encourage our executive officers to take excessive and unnecessary risks. The value for participants in our long-term incentive programs generally increases at higher levels of responsibility, as executives in these leadership roles have the greatest influence on our strategic direction and results over time.

The Committee's approach to long-term incentives is to make both service- and performance-based awards to our executive officers and other key employees. The service-based awards have consisted of restricted stock units, and the performance-based awards have consisted of performance units. The long-term incentive awards are scheduled to vest in full on the third anniversary of the award date, subject to earlier vesting as described below under "— Long-Term Incentive Compensation." The Committee believes that performance-based awards, valued at target level, should account for approximately 60% of the total annual long-term incentive compensation of the Named Executive Officers and service-based awards should account for the balance. For this purpose, the Committee assumes a value for restricted stock units based on the grant date value computed in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 718 – Stock Compensation ("FASB ASC Topic 718") and performance units based on the value at target of \$100 per unit. The Committee believes that this approach promotes our philosophy of rewarding executives for growing shareholder value over time. Upon vesting, settlement of the restricted stock units will be made in shares of our Common Stock, with some shares withheld to satisfy tax withholding requirements. Upon vesting, the value of the performance units will be paid in cash.

### Compensation Levels Should Be Competitive

The Committee reviews competitive compensation information as part of its process in establishing target total direct compensation and retirement plan values that are competitive. In making compensation decisions, the Committee considers all elements of compensation when setting each element of compensation. The Committee assesses each element of base salary, annual incentive bonus, long-term incentive compensation and retirement plan values against a combination of available information from the most recent proxy statements of a peer group of publicly traded companies and industry survey data.

### The Role of the Compensation Committee

The Committee has the primary authority to establish compensation for the Named Executive Officers and other key employees and administers all our executive compensation programs and agreements. The Committee annually reviews corporate goals and objectives, and sets the compensation levels for our executive officers based on the Committee's evaluation. Our Chief Executive Officer assists the Committee by providing annual recommendations regarding the compensation of our executive officers and other key employees, excluding himself. The Committee can exercise its discretion in modifying or accepting these recommendations. The Chief Executive Officer attends Committee meetings. However, the Committee also meets in executive session without the Chief Executive Officer or other members of management present.

The Committee reviews comparative compensation information compiled by a compensation consultant as described in "— The Role of the Compensation Consultant" below; however, the Committee does not base its decisions on targeting compensation to specific benchmarks. Comparative compensation is one factor used by the Committee in making its compensation decisions. Overall, however, our compensation program for the Named Executive Officers is intended to create a total compensation opportunity that, on average, is competitive with the 50th percentile in the aggregate of appropriate competitive comparative compensation for a Named Executive Officer, as discussed in "— The Role of the Compensation Consultant" below. For additional information regarding the role and responsibility of the Committee, see "Committees of the Board — Compensation Committee" above.

### Impact of 2017 Say-on-Pay Vote on Executive Compensation

In approving the 2018 compensation of the Named Executive Officers, the Committee reviewed the vote on the say-on-pay proposal at the 2017 Annual Meeting of Shareholders. Approximately 92% of the votes cast on the say-on-pay proposal at that meeting were voted in favor of the proposal. The Committee believes this affirms shareholders' support of Oceaneering's approach to executive compensation. Accordingly, the Committee did not adopt

any specific changes based on the vote. The Committee will continue to consider the outcome of Oceaneering's say-on-pay votes when making future compensation decisions for named executive officers. The Committee expects to continue to hold say-on-pay votes every year, which is consistent with the votes cast by shareholders at the 2017 Annual Meeting regarding the frequency of such votes.

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## The Role of the Compensation Consultant

In 2017, the Committee continued to retain Meridian as the Compensation Consultant to: (i) review the peer group of companies used for comparison purposes in the preceding year and assess the peer group's continued validity; (ii) conduct a review of the competitiveness of our total direct compensation, retirement benefits and perquisites of the Named Executive Officers and other key employees, relative to data disclosed in proxy statements and other filings with the SEC by the peer group of companies and survey data; (iii) conduct a pay-for-performance analysis to assess the alignment of Chief Executive Officer pay and company performance for Oceaneering and the peer group of companies identified; (iv) assess Oceaneering's incentive structure for executive officers; (v) assess Oceaneering's compensation for nonemployee directors relative to compensation programs of a peer group of companies; (vi) assist in assessment of potential excise taxes pursuant to Section 4999 of the Code, assuming a change of control occurred on December 31, 2017; and (vii) assist the Committee in its duties with respect to the compensation of our executives, other key employees and nonemployee directors for 2018. The Committee engaged Meridian in August 2016 to provide similar assistance to the Committee with respect to the compensation of our executive officers, our other key employees and nonemployee directors for 2017. The decision to engage the Compensation Consultant and approval of its compensation and other terms of engagement were made by the Committee without reliance on any recommendation of management. The Compensation Consultant's only work for Oceaneering in 2017, as in 2016, was at the direction of the Committee. The Committee considered this and other factors in its recent assessment of the independence of the Compensation Consultant and concluded that the Compensation Consultant's work for the Committee does not raise any conflict of interest.

In February 2017, the Compensation Consultant assessed the continuing validity of the peer group of companies used for comparison purposes in the review conducted for the Committee in 2016 and recommended a list of 16 publicly traded companies as the peer group for comparison purposes in its 2017 review (collectively, the "Compensation Peer Group"). The Compensation Peer Group was comprised of 14 of the 17 companies utilized as the peer group in 2016, reflecting the removal of Exterran Corporation, FMC Technologies, Inc. (now TechnipFMC plc) and Tidewater, Inc., due to comparability issues, and the addition of Forum Energy Technologies, Inc. and Frank's International N.V. In August 2017, the Compensation Peer Group was reduced to 15 companies with the removal of Atwood Oceanics, Inc., due to its announced acquisition by Ensco plc, which was completed in October 2017.

The companies included in the Compensation Peer Group were approved for inclusion by the Committee, primarily due to their operational focus broadly within the oilfield services industry and the belief that we compete with these companies for talent and for shareholder investment. The companies (besides Oceaneering) comprising the Compensation Peer Group were:

|                                 |                                    |                                   |
|---------------------------------|------------------------------------|-----------------------------------|
| Bristow Group Inc.              | Frank's International N.V.         | Oil States<br>International, Inc. |
| Diamond Offshore Drilling, Inc. | Helix Energy Solutions Group, Inc. | Rowan Companies<br>plc            |
| Dril-Quip, Inc.                 | Helmerich & Payne, Inc.            | Superior Energy<br>Services, Inc. |
| Ensco plc                       | McDermott International, Inc.      | Transocean Ltd.                   |
| Forum Energy Technologies, Inc. | Noble Corporation plc              | Weatherford<br>International plc  |

The survey data used by the Compensation Consultant were obtained from the 2017 Total Compensation Survey for the Energy Sector conducted by Mercer, which reports pay for all segments of the energy business for a variety of executive-level positions in which 200 organizations participated on average over the past three years (the "Compensation Survey Data"), representing a broad sample of the energy industry. The Compensation Consultant identified the 25th, 50th and 75th percentiles for base salary and annual bonus and long-term incentive compensation at target values and, individually and in the aggregate, for the comparable position and pay of each of the Named Executive Officers and other key employees from (i) information disclosed in relevant filings with the SEC by the companies comprising the Compensation Peer Group and (ii) the Compensation Survey Data. The Compensation Consultant provided this and other information to the Committee at the Committee's regularly scheduled meetings in



2017 and 2018.

**Compensation Benchmarking**

The Compensation Consultant conducted a market analysis of Oceaneering's executive compensation levels and the components of such compensation for 2016 relative to the Compensation Survey Data and Compensation Peer Group disclosure data (discussed in "— The Role of the Compensation Consultant" above). The Compensation Consultant determined that, in the aggregate, the target total direct compensation of most Oceaneering executives was at or below the relevant 50th percentile of the Compensation Peer Group. The target total direct compensation of the Named Executive Officers was at or below the 25th percentile of the peer group, reflecting executive transitions. For the Named Executive Officers in the aggregate,

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base salaries and long-term incentives at target levels were below the 25th percentile of the Compensation Peer Group, while annual cash incentives at target levels were above the median. Retirement plan values and perquisites did not significantly affect the market position of the Named Executive Officers' target total annual compensation value.

### Pay for Performance

The Compensation Consultant assessed the alignment of executive pay to Oceaneering's performance in 2016 relative to the Compensation Peer Group in terms of our Former Chief Executive Officer's actual annual bonus with our net income growth, return on average capital and total shareholder return compared to the Compensation Peer Group. Based on that assessment, the Compensation Consultant concluded that our Chief Executive Officer's compensation and Oceaneering's performance were aligned in favor of shareholder interests, noting that Oceaneering was one of five companies in the Compensation Peer Group that did not pay bonuses to their chief executive officers for 2016 and that Oceaneering's performance in terms of net income growth and total shareholder return was in the bottom half of the Compensation Peer Group, although Oceaneering's return on average capital was in the top half of the group.

### 2017 Executive Compensation Components

For 2017, the primary components of our compensation program for Named Executive Officers were:

- annual base salary;
- annual incentive awards paid in cash;
- long-term incentive programs comprised of restricted stock units and performance units; and
- retirement plans.

### Annual Base Salary

The Committee considers base salary levels annually, generally in late February or early March, as well as upon a promotion or significant change in job responsibility. Each year, our Chief Executive Officer recommends base salaries for the other executive officers based on historical levels of base salaries and general market movement, with adjustments he deems appropriate based on the overall performance of the executive officer, including a review of relevant individual and operational or functional group contributions and performance, over the past year. In reviewing the Chief Executive Officer's recommendations and in deciding base salaries for all executive officers, the Committee considers each officer's level of responsibility, experience, tenure, performance and the comparative compensation information provided by the Compensation Consultant. The Committee's evaluation of each executive officer also takes into account an evaluation of Oceaneering's overall performance. In February 2017, the Committee approved salary increases for Messrs. Curtis and Lawrence, effective as of January 1, 2017, of 15% and 10%, respectively; the base salaries approved for the other Named Executive Officers and our Former Chief Executive Officer were unchanged from 2016 levels. In May 2017, the Committee approved an increase of approximately 27% in Mr. Larson's salary, which took into account his appointment as President and Chief Executive Officer following Mr. McEvoy's retirement as Chief Executive Officer.

### Annual Incentive Awards Paid in Cash

In late February or early March of each year, the Committee approves a performance-based annual cash bonus award program under our shareholder-approved incentive plan for executive officers and certain other employees, currently our Second Amended and Restated 2010 Incentive Plan (our "Incentive Plan"). At that time, the Committee also approves the final bonus amounts payable under the cash bonus award program for the previous year.

The cash bonus award opportunities under this program have generally been determined by comparing actual to threshold, target and maximum results with respect to one or more selected financial metrics for our executive officers or a combination of financial and non-financial metrics for other employees, including attainment of health, safety, environmental and quality ("HSEQ") goals, as approved by the Committee. The financial metric(s) have included our consolidated net income for the year, relevant product- or service-line operating income for the year, or a combination of both. For each participant, the maximum bonus achievable was an approved percentage of the participant's annual salary determined by the Committee.

In February 2017, the Committee approved a cash bonus award program for 2017. For the Named Executive Officers, bonus opportunities were determined by comparing actual results to the performance levels set by the Committee for our consolidated earnings before interest, taxes, depreciation and amortization for calendar year 2017 ("2017

EBITDA”), subject to

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reduction by up to 10% if certain HSEQ goals were not fully satisfied. The cash payout opportunity under the program for each Named Executive Officer was a specified percentage of his 2017 base salary (prorated for any changes in salary during the year).

As recommended by our Former Chief Executive Officer and approved by the Committee in February 2017, the target amount for our 2017 EBITDA was \$310 million, reflecting our forecast assumptions that demand and pricing for many of the services and products we offered would decline from 2016 levels and our projection that all our oilfield business segments would have lower operating income in 2017 than 2016. The executive officers in the program for 2017 and their respective target awards, as a percentage of base salary, included: Mr. Larson – 125%; Mr. Hewlett – 100%; Mr. Curtis – 75% (increased from 70% for 2016, reflecting his increased responsibilities); Mr. Lawrence – 70%; and Mr. Barrett – 70%. Mr. McEvoy, due to his retirement as Chief Executive Officer in May 2017, did not participate in the 2017 cash bonus award program. The bonus participation levels for our continuing Named Executive Officers, in each case as a percentage of base salary, were generally consistent with 2016.

The table below notes the percentage of a Named Executive Officer’s target award payable under the program for the percentage of target 2017 EBITDA achieved, with interpolation between the performance levels shown. The Committee had the discretion to award an amount less than that calculated.

| Performance Level | 2017 EBITDA   | % of 2017 EBITDA Target | % of Target Payout |
|-------------------|---------------|-------------------------|--------------------|
| Threshold         | \$200,000,000 | 65%                     | 24%                |
| Plan              | \$255,000,000 | 82%                     | 50%                |
| Target            | \$310,000,000 | 100%                    | 100%               |
| Maximum           | \$440,000,000 | 142%                    | 200%               |

In March 2018, the Committee approved final bonus amounts payable under the annual cash bonus award program for 2017. Oceaneering achieved approximately 69% of the 2017 EBITDA target and 100% of the HSEQ target established by the Committee in February 2017, resulting in an approved payout to the Named Executive Officers equal to approximately 26% of target amounts (see the “Non-Equity Incentive Plan Compensation” column of the “Summary Compensation Table” below).

#### Long-Term Incentive Compensation

Each year since 2006, the Committee has used annual service-based awards of restricted stock units, which are settled in shares of our Common Stock, and performance-based awards of performance units, which are paid (if paid) in cash, as employee compensation elements for our executive officers and other employees. These long-term incentive awards are subject to award agreement terms approved annually by the Committee and vest in the normal course on the third anniversary of the grant date. Further, since 2006 and for the foreseeable future, the Committee has decided to refrain from using annual awards of stock options as an employee compensation element for our executive officers and other employees. Accordingly, no stock options or stock appreciation rights were awarded in 2017. In April 2009, the Committee adopted a policy that Oceaneering would not provide U.S. federal income tax gross-up payments to any of its directors or executive officers in connection with future awards. There are no outstanding incentive awards that provide for tax gross-up payments.

In deciding upon a methodology for determining the elements of our long-term incentive program, the Committee established the following objectives:

- deliver competitive economic value;
- manage annual share utilization;
- preserve the alignment of the executive’s financial and shareholding interest with those of our shareholders, generally;
- attract and retain executives and other key employees;
- focus management attention on specific performance measures that have a strong correlation with the creation of shareholder value; and
- provide that generally at least one-half of an executive’s target total direct compensation is performance-based.

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In order to achieve these objectives in 2017, the Committee decided to continue to utilize our long-term incentive program, which delivers value through two vehicles, restricted stock unit awards and performance unit awards payable in cash. The Committee expects to continue its practice of considering a balance of service-based and performance-based, long-term incentive awards in late February or early March of each year, taking into account the Compensation Consultant's assessment of the alignment of Oceaneering's incentive structure for executive officers with our compensation philosophy and objectives and the market generally. Long-term incentive awards to new employees or in connection with other events, such as promotions, generally are considered at the next scheduled Committee meeting after the hire date or other event occasioning the consideration of the award.

In February 2017, performance unit awards payable in cash and service-based restricted stock unit awards settled in shares of our Common Stock were granted to the Named Executive Officers. At the notional value of \$100 per performance unit for achievement of performance goals at target level, the performance unit awards comprised 59% of the estimated grant date total value of the long-term incentive awards to the Named Executive Officers. The restricted stock units are scheduled to vest in full on the third anniversary of the award date, subject to earlier vesting if the employee meets a specified age, or age and years-of-service, requirement or in the event of the termination or constructive termination of an employee's employment in connection with a change of control of Oceaneering or due to death or disability. One-third of the 2017 restricted stock unit award to Mr. Hewlett vested in December 2017, as he met the applicable age and years-of-service requirements. Each restricted stock unit represents the equivalent of one share of our Common Stock but carries no voting or dividend rights. Settlement of vested restricted stock units will be made in shares of our Common Stock, with some shares withheld to satisfy tax withholding requirements, upon the third anniversary of the award date or upon termination of employment for those units vested before the third anniversary of the award date. The aggregate grant date fair value of restricted stock units awarded to Named Executive Officers is reflected in the "Stock Awards" column of the "Summary Compensation Table" and "Grant Date Fair Value of Stock and Stock Option Awards" column of the "Grants of Plan-Based Awards" table below.

The performance units awarded in February 2017 are scheduled to vest in full on the third anniversary of the award date, subject to early vesting terms similar to those applicable to the restricted stock unit awards. The Committee approved specific financial goals and measures based 80% on Cumulative Three-Year Cash Flow (as defined) and 20% on total shareholder return (as defined, "TSR") relative to a peer group that is selected by the Committee for the three-year period of January 1, 2017 through December 31, 2019 to be used as the basis for determining the final value of the performance units. Those measures were selected because of the Committee's belief that they have a strong correlation to the creation of shareholder value. The target amount of Cumulative Three-Year Cash Flow during this three-year performance period was selected because it was three times the 2017 EBITDA then expected to be achieved. The amount of Cumulative Three-Year Cash Flow and relative TSR over the three-year performance period necessary to achieve the threshold, target and maximum level goals for these performance measures were as follows:

| Performance Measures            | Threshold       | Target          | Maximum                  |
|---------------------------------|-----------------|-----------------|--------------------------|
| Cumulative Three-Year Cash Flow | \$612 million   | \$767 million   | \$1.075 billion          |
| Relative TSR                    | 30th Percentile | 50th Percentile | 90th Percentile or Above |

The final value of each performance unit may range from \$0 to \$200, with the threshold, target and maximum levels of achievement of goals valued at \$50, \$100 and \$200, respectively. The value of vested performance units will be determined by the Committee and payable in cash.

The determination of the final value of each performance unit is based on the application of the following grid (with interpolation between the specified threshold, target and maximum levels). Regardless of the actual final value determined in accordance with the following grid, if Oceaneering's TSR for the Performance Period is negative, then the amount attributable to relative TSR may not exceed the target level.

| Cumulative Three-Year Cash Flow | Unit Values |          |          |          |
|---------------------------------|-------------|----------|----------|----------|
| Maximum                         | \$160.00    | \$170.00 | \$180.00 | \$200.00 |
| Target                          | \$80.00     | \$90.00  | \$100.00 | \$120.00 |
| Threshold                       | \$40.00     | \$50.00  | \$60.00  | \$80.00  |

|                 |                 |           |         |         |
|-----------------|-----------------|-----------|---------|---------|
| Below Threshold | \$0.00          | \$10.00   | \$20.00 | \$40.00 |
|                 | Below Threshold | Threshold | Target  | Maximum |
|                 | Relative TSR    |           |         |         |

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The estimated future payout of the performance unit awards to Named Executive Officers if each of the performance measures is achieved at the threshold, target or maximum level is reflected in the “Estimated Future Payouts Under Non-Equity Incentive Plan Awards” column of the “Grants of Plan-Based Awards” table below.

For 2017, none of Mr. McEvoy’s compensation as Chief Executive Officer was at risk against short- or long-term performance goals, as Mr. McEvoy did not participate in our 2017 annual or long-term incentive compensation programs for employees. Approximately 58% of the target total direct compensation of Mr. Larson, our Chief Executive Officer since May 2017, was at risk against short- and long-term performance goals, and between approximately 50% and 55% was at risk for each of the other Named Executive Officers.

#### Post-Employment Compensation Programs

##### Retirement Plans

We maintain a 401(k) plan and a Supplemental Executive Retirement Plan (“SERP”). All of our employees who meet the eligibility requirements may participate in our 401(k) plan. Each of the Named Executive Officers participated in our 401(k) plan in 2017. Participation in our SERP includes Named Executive Officers and other key employees selected for participation by the Committee. Our SERP was established to provide a benefit to our executives and other key employees in excess of Code limits for our 401(k) plan, in order to attract and motivate participants to remain with us and provide retirement plan values that are competitive with those provided by companies within the Compensation Peer Group. Under our SERP, we credit each participant’s notional account with a percentage (determined by the Committee) of the participant’s base salary, subject to vesting. A participant may elect to defer a portion of base salary and annual bonus for accrual pursuant to our SERP. Amounts accrued under our SERP are adjusted for earnings and losses as if they were invested in one or more deemed investments selected by the participant from those designated as alternatives by our SERP administrative committee. A participant’s vested interest in the plan is generally distributable upon termination. The percentages of base salary credited for our Former Chief Executive Officer and the Named Executive Officers in 2017 were: Mr. McEvoy – 50%; Mr. Larson – 50% (beginning in May 2017); Mr. Hewlett – 30%; Mr. Curtis – 25%; Mr. Lawrence – 20%; and Mr. Barrett – 20%. These percentages are consistent with the respective percentages of base salary credited from year-end 2016 (except as noted). Please see the “Non-Qualified Deferred Compensation” table and accompanying narrative for further information about our SERP and contributions to the Named Executive Officers’ accounts.

##### Change-of-Control Agreements

We have entered into change-of-control agreements with each of the Named Executive Officers and certain other officers, which we refer to as “Change-of-Control Agreements.” We also previously had a change-of-control agreement in place with our Former Chief Executive Officer, which effectively terminated upon his retirement in May 2017. The provisions of the Change-of-Control Agreements did not influence and were not influenced by the other elements of compensation, as the change-of-control payments and benefits serve different objectives and due to the fact that a change-of-control triggering event may never occur.

We generally limit eligibility for Change-of-Control Agreement participation to senior officers whose full support and sustained contribution would be important to the successful completion of a change of control. We believe the benefits provided by the Change-of-Control Agreements help promote long-term retention by providing some financial security to these officers against the risk of loss of employment that could result following a change of control of our company. Each Change-of-Control Agreement entitles the individual to receive a severance package, described below, in the event of the occurrence of both a change of control and a termination of the individual’s employment by us without cause (as defined below) or by the individual for good reason (as defined below) during a period of time beginning a year prior to the occurrence or, in some cases, the contemplation by the Board of a change of control (the “Effective Date”) and ending two years following the Effective Date. For purposes of the Change-of-Control Agreements, a change of control is defined as occurring if:

- any person is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of our securities representing 20% or more of the combined voting power of our outstanding voting securities, other than through the purchase of voting securities directly from a private placement by us;
- the current members of our Board, or subsequent members approved by at least two-thirds of the current members, no longer comprise a majority of our Board;





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our company is merged or consolidated with another corporation or entity, and our shareholders own less than 60% of the outstanding voting securities of the surviving or resulting corporation or entity;  
there has been a consummation of either a tender offer or exchange offer by a person other than us for the ownership of 20% or more of our voting securities; or  
there has been a disposition of all or substantially all of our assets.

As defined in each Change-of-Control Agreement, cause for termination by Oceaneering means conviction by a court of competent jurisdiction, from which conviction no further appeal can be taken, of a felony-grade crime involving moral turpitude related to service with us.

As defined in each Change-of-Control Agreement, good reason for termination by the executive includes:

- any adverse change in status, title, duties or responsibilities;
- any reduction in annual base salary, SERP contribution level by us, annual bonus opportunity or aggregate long-term compensation, all as may be increased subsequent to date of the Change-of-Control Agreement;
- any relocation;
- the failure of a successor to assume the Change-of-Control Agreement;
- any prohibition by us against the individual engaging in outside activities permitted by the Change-of-Control Agreement;
- any purported termination by us that does not comply with the terms of the Change-of-Control Agreement; or
- any default by us in the performance of our obligations under the Change-of-Control Agreement.

The severance package provided for in each Change-of-Control Agreement consists of an amount equal to a multiple (three, in the case of Mr. Larson, and two, in the case of each of our other Named Executive Officers) times the sum of:

- his highest annual rate of base salary during the then-current year or any of the three years preceding the year of termination;
- an amount equal to the target award the Named Executive Officer is eligible to receive under the then-current annual bonus program; and
- in the case of Mr. Larson, an amount equal to the maximum percentage of his annual base salary contributed by us for him in our SERP for the then-current year multiplied by his highest annual rate of base salary.

The severance provisions also provide that, for each Named Executive Officer:

- the benefits under all compensation plans and programs, including restricted stock agreements, restricted stock unit agreements and performance unit agreements, would be paid as if all contingencies for payment and maximum levels of performance had been met; and
- he would receive benefits under all other plans and programs he then participates in for three years (in the case of Mr. Larson) or two years (in the case of each of our other Named Executive Officers).

The Change-of-Control Agreements provide that, if any payments made thereunder would cause the recipient to be liable for an excise tax because the payment is a parachute payment, and the amount of the parachute payment, reduced by all federal, state and local taxes applicable thereto, including excise tax imposed pursuant to Section 4999 of the Code, were less than the amount the i