

NOBLE CORP  
Form DEF 14A  
March 12, 2004

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 (Amendment No. )

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o

Check the appropriate box:

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

NOBLE CORPORATION

---

(Name of Registrant as Specified In Its Charter)

NOBLE CORPORATION

---

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

---

2) Aggregate number of securities to which transaction applies:

---

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

---

4) Proposed maximum aggregate value of transaction:

---

5) Total fee paid:

---

- o Fee paid previously with preliminary materials.
-

Edgar Filing: NOBLE CORP - Form DEF 14A

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

1) Amount Previously Paid:

---

2) Form, Schedule or Registration Statement No.:

---

3) Filing Party:

---

4) Date Filed:

---

---

**NOBLE CORPORATION**  
**13135 South Dairy Ashford, Suite 800**  
**Sugar Land, Texas 77478**

**NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS**

**To Be Held On April 22, 2004**

To the Members of  
Noble Corporation:

The annual general meeting of members of Noble Corporation, a Cayman Islands exempted company limited by shares (the Company), will be held on Thursday, April 22, 2004, at 10:00 a.m., local time, at the St. Regis Hotel, Two East 55th Street at Fifth Avenue, New York, New York, for the following purposes:

1. To elect three directors to the class of directors whose three-year term will expire in 2007;
2. To approve the appointment of independent auditors for 2004; and
3. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 4, 2004 as the record date for the determination of members entitled to notice of and to vote at the annual general meeting or any adjournment thereof. Only holders of record of ordinary shares of the Company at the close of business on the record date are entitled to notice of and to vote at the meeting. A complete list of such members will be available for examination at the offices of the Company in Sugar Land, Texas during normal business hours for a period of 10 days prior to the meeting.

A record of the Company's activities during 2003 and financial statements for the fiscal year ended December 31, 2003 are contained in the accompanying 2003 Annual Report. The Annual Report does not form any part of the material for solicitation of proxies.

Your vote is important. All members are cordially invited to attend the meeting. *We urge you, whether or not you plan to attend the meeting, to submit your proxy by telephone, via the Internet or by completing, signing, dating and mailing the enclosed proxy or voting instruction card in the postage-paid envelope provided.* If a member who has submitted a proxy attends the meeting in person, such member may revoke the proxy and vote in person on all matters submitted at the meeting.

By Order of the Board of Directors

Julie J. Robertson  
*Secretary*

Sugar Land, Texas  
March 12, 2004

---

**NOBLE CORPORATION**  
**13135 South Dairy Ashford, Suite 800**  
**Sugar Land, Texas 77478**

**PROXY STATEMENT**

**For Annual General Meeting of Members**  
**To Be Held on April 22, 2004**

**GENERAL**

This proxy statement is furnished to members of Noble Corporation (the Company) in connection with the solicitation by our board of directors of proxies for use at the annual general meeting of members to be held at the time and place and for the purposes set forth in the accompanying notice. The approximate date of mailing of this proxy statement and the accompanying proxy or voting instruction card is March 18, 2004.

**Proxies and Voting Instructions**

If you hold ordinary shares, par value \$.10 per share, of the Company ( Ordinary Shares ) in your name, you can submit your proxy in three convenient ways:

**Telephone** Call toll free 1-866-205-9019 (24 hours a day, seven days a week) and follow the instructions given. You will need to give the Control Number set forth on your proxy card accompanying this proxy statement. This method of submitting your proxy is available for residents of the United States and Canada only, and is available until 5:00 p.m., Eastern Time, on Wednesday, April 21, 2004.

**Internet** Visit <http://proxyvotenow.com/ne>. Enter the Company Number and Control Number from your proxy card and follow the instructions given. This method of submitting your proxy will be available until 5:00 p.m., Eastern Time, on Wednesday, April 21, 2004.

**Proxy Card** Complete, sign and date your proxy card and mail it in the postage paid envelope provided. Proxy cards must be received by us before voting begins at the annual general meeting.

If you hold Ordinary Shares through someone else, such as a bank, broker or other nominee, you may get material from them asking you how you want to vote your shares. You should check to see if they offer telephone or Internet voting.

You may revoke your proxy at any time prior to its exercise by:

Giving written notice of the revocation to our corporate secretary;

Appearing and voting in person at the annual general meeting; or

Properly submitting a later-dated proxy by telephone, via the Internet or by delivering a later-dated proxy card to our corporate secretary.

If you attend the annual general meeting in person without voting, this will not automatically revoke your proxy. If you revoke your proxy during the meeting, this will not affect any vote previously taken. If you hold Ordinary Shares through someone else, such as a bank, broker or other nominee, and you desire to revoke your proxy, you should follow the instructions provided by your nominee.



If you were a participant in the Noble Drilling Corporation 401(k) Savings Plan on the record date for the meeting, you should receive a voting instruction card. You can provide instructions to the plan trustee as to how to vote Ordinary Shares held in the plan by calling the telephone number or visiting the Internet site as set forth above, or by completing, signing and dating the voting instruction card and mailing it in the postage paid envelope.

### **Voting Procedures and Tabulation**

The Company will appoint one or more inspectors of election to act at the annual general meeting and to make a written report thereof. Prior to the annual general meeting, the inspectors will sign an oath to perform their duties in an impartial manner and according to the best of their ability. The inspectors will ascertain the number of Ordinary Shares outstanding and the voting power of each, determine the Ordinary Shares represented at the annual general meeting and the validity of proxies and ballots, count all votes and ballots, and perform certain other duties as required by law. The determination of the inspectors as to the validity of proxies will be final and binding.

Abstentions and broker non-votes (i.e., proxies submitted by brokers that do not indicate a vote for a proposal because they do not have discretionary voting authority and have not received instructions as to how to vote on the proposal) are counted as present in determining whether the quorum requirement for the annual general meeting is satisfied. For purposes of determining the outcome of any matter to be voted upon as to which the broker has indicated on the proxy that the broker does not have discretionary authority to vote, these shares will be treated as not present at the meeting and not entitled to vote with respect to that matter, even though those shares are considered to be present at the meeting for quorum purposes and may be entitled to vote on other matters. Abstentions, on the other hand, are considered to be present at the meeting and entitled to vote on the matter abstained from.

With regard to the election of directors, votes may be cast in favor of or withheld from each nominee. Votes that are withheld will be excluded entirely from the vote and will have no effect. Broker non-votes and other limited proxies will have no effect on the outcome of the election of directors.

With regard to the proposal to approve the appointment of independent auditors for 2004, which requires the affirmative vote of a majority of the Ordinary Shares present at the meeting and entitled to vote thereon, an abstention will have the same effect as a vote against the proposal. Broker non-votes and other limited proxies will have no effect on the outcome of the vote with respect to this proposal.

### **VOTING SECURITIES**

Our only outstanding voting securities are our Ordinary Shares. Only holders of record of Ordinary Shares at the close of business on March 4, 2004, the record date for the annual general meeting, are entitled to notice of and to vote at the annual general meeting. On the record date for the annual general meeting, there were 134,515,639 Ordinary Shares outstanding and entitled to be voted at the annual general meeting. A majority of such shares, present in person or represented by proxy, is necessary to constitute a quorum. Each Ordinary Share is entitled to one vote. Under Cayman Islands law, the holders of our Ordinary Shares do not have appraisal rights with respect to matters to be voted upon at the annual general meeting.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The following table sets forth as of December 31, 2003 information with respect to the only persons who were known to the Company to be the beneficial owners of more than five percent of our outstanding Ordinary Shares.

<b>Name and Address of Beneficial Owner</b>	<b>Ordinary Shares Beneficially Owned</b>	
	<b>Number of Shares</b>	<b>Percent of Class</b>
Massachusetts Financial Services Company 500 Boylston Street Boston, Massachusetts 02116	15,286,863(1)	11.4%
FMR Corp 82 Devonshire Street Boston, Massachusetts 02109	14,294,418(2)	10.7%
Franklin Resources, Inc One Franklin Parkway San Mateo, California 94403	8,213,124(3)	6.1%

- (1) Based on a Schedule 13G (Amendment No. 5) dated February 11, 2004 filed by Massachusetts Financial Services Company with the United States Securities and Exchange Commission (the SEC). Massachusetts Financial Services Company reports that it has sole investment power with respect to all such Ordinary Shares and sole voting power with respect to 14,125,563 Ordinary Shares.
- (2) Based on a Schedule 13G (Amendment No. 7) dated February 16, 2004 filed by FMR Corp. with the SEC. The filing is made jointly with Edward C. Johnson 3d, Abigail P. Johnson and Fidelity Management & Research Company. FMR Corp. reports that it has sole investment power with respect to all such Ordinary Shares and sole voting power with respect to 711,228 Ordinary Shares.
- (3) Based on a Schedule 13G dated February 12, 2004 filed by Franklin Resources, Inc. with the SEC. The filing is made jointly with Charles B. Johnson, Rupert H. Johnson, Jr. and Templeton Global Advisors Limited. Franklin Resources, Inc. reports that the Ordinary Shares indicated are beneficially owned by one or more open or closed-end investment companies or other managed accounts which are advised by direct and indirect investment advisory subsidiaries of Franklin Resources, Inc.

**ELECTION OF DIRECTORS**

The Company's memorandum and articles of association provide for three classes of directors, with approximately one-third of the directors constituting the board of directors (the Board) being elected each year to serve a three-year term. In accordance with the articles of association, on October 24, 2003 the Board added a directorship to the class of directors whose term expires in 2005. This new directorship increased the number of directors constituting the entire Board from seven to eight with the number of directors in each class as follows: 2004 three; 2005 three, and 2006 two. The Board appointed Mary P. Ricciardello to fill the new directorship.



There are three directors comprising the class whose term expires at the 2004 annual general meeting: Michael A. Cawley, Luke R. Corbett and Jack E. Little. The nominating and corporate governance committee of the Board has approved, and the Board has nominated, Messrs. Cawley, Corbett and Little for re-election as directors of the Company to serve three-year terms expiring in 2007.

The directors nominated for election this year will be elected by a plurality of the Ordinary Shares present in person or represented by proxy at the annual general meeting and entitled to vote. All duly submitted and unrevoked proxies will be voted for the nominees selected by the board of directors, except where authorization so to vote is withheld. **The Board recommends that members vote FOR the election of its nominees for director.**

Information with respect to the directors nominated for election this year, and the directors whose terms do not expire at the 2004 annual general meeting, is presented below.

### **Nominees For Directors**

**Michael A. Cawley,**  
age 56, director since 1985

Mr. Cawley has served as President and Chief Executive Officer of The Samuel Roberts Noble Foundation, Inc. (the Noble Foundation ) since February 1992, after serving as Executive Vice President of the Noble Foundation since January 1991. Mr. Cawley has served as a trustee of the Noble Foundation since 1988. The Noble Foundation is a not-for-profit corporation, and it is engaged in agricultural research, education, demonstration and consultation; plant biology and applied biotechnology; and assistance through granting to selected nonprofit organizations. For more than five years prior to 1991, Mr. Cawley was the President of Thompson & Cawley, a professional corporation, attorneys at law; and Mr. Cawley currently serves as of counsel to the law firm of Thompson, Cawley, Veazey & Burns, a professional corporation. Mr. Cawley is also a director of Noble Energy, Inc. and Panhandle Royalty Company.

**Luke R. Corbett,**  
age 57, director since 2001

Mr. Corbett has served as Chairman of the Board and Chief Executive Officer of Kerr-McGee Corporation since May 1999, and also from February 1997 to February 1999. Between February 1999 and May 1999, he served as Chief Executive Officer of Kerr-McGee, and from 1995 to 1997, he served as President and Chief Operating Officer of Kerr-McGee. Kerr-McGee is an Oklahoma City-based energy and inorganic chemical company with worldwide operations. Mr. Corbett has served as a director of Kerr-McGee since 1995 and he is also a director of OGE Energy Corp. and BOK Financial Corporation.

**Jack E. Little,**  
age 65, director since 2000

Mr. Little served as President and Chief Executive Officer of Shell Oil Company, and a member of the Board of Directors and Chairman and Chief Executive Officer of Shell Exploration & Production Company for more than five years until his retirement in June 1999. Shell Oil Company and its subsidiaries, with extensive operations in the United States, explore, develop, produce, purchase, transport and market crude oil and natural gas; they also purchase, manufacture, transport and market oil and chemical products and provide technical and business services. Mr. Little is also a director of TXU Corp.

### **Class Whose Term Expires In 2005**

**Lawrence J. Chazen,**  
age 63, director since 1994

Mr. Chazen has served since 1977 as Chief Executive Officer of Lawrence J. Chazen, Inc., a California registered investment adviser engaged in providing financial advisory services.

**Mary P. Ricciardello,**  
age 47, director since 2003

Ms. Ricciardello served as Senior Vice President and Chief Accounting Officer of Reliant Energy, Inc. from January 2001 to August 2002, and immediately prior to that served as its Senior Vice President and Comptroller from September 1999 to January 2001 and as its Vice President and Comptroller from 1996 to September 1999. Ms. Ricciardello also served as Senior Vice President and Chief Accounting Officer of Reliant Resources, Inc. from May 2001 to August 2002. Reliant principally provides electricity and energy services to retail and wholesale customers. Ms. Ricciardello's current principal occupation is as a certified public accountant, and she has not held a principal employment since leaving her positions with Reliant Energy, Inc. and Reliant Resources, Inc. in August 2002. Ms. Ricciardello is also a director of U.S. Concrete, Inc.

**William A. Sears,**  
age 69, director since 1998

Mr. Sears retired from his position as Director of Operations for British Petroleum Exploration in 1997, after serving with them in various positions since 1983.

#### **Class Whose Term Expires In 2006**

**James C. Day,**  
age 60, director since 1983

Mr. Day has served as Chairman of the Board of the Company since October 22, 1992 and as Chief Executive Officer of the Company since January 1984 and he served as President from January 1984 to January 1999. From January 1983 until his election as President and Chief Executive Officer, Mr. Day served as Vice President of the Company. Mr. Day is also a director of Global Industries, Ltd., Noble Energy, Inc. and ONEOK, Inc., and he is a trustee of the Noble Foundation.

**Marc E. Leland,**  
age 65, director since 1994

Mr. Leland has served since 1984 as President of Marc E. Leland & Associates, Inc., a company engaged in the business of providing financial advisory services.

None of the corporations or other organizations in which our non-management directors carried on their respective principal occupations and employments during the past five years is a parent, subsidiary or other affiliate of the Company.

### **ADDITIONAL INFORMATION REGARDING THE BOARD OF DIRECTORS**

#### **Board Independence**

The board of directors has determined that each of the seven non-management directors of the Company qualifies as an independent director under the NYSE corporate governance rules and that each member of the audit committee qualifies as independent under Rule 10A-3 under the United States Securities Exchange Act of 1934 (the Exchange Act). These seven independent, non-management directors comprise in full the membership of each committee described below under Board Committees and Meetings.

In accordance with the Company's corporate governance guidelines, the non-management directors have chosen a lead director to preside at regularly scheduled executive sessions of the Board held without management present. Mr. Little currently serves in that role.

For additional information regarding the determination of independence of directors, see Certain Transactions below in this section.

## Board Committees and Meetings

The Company has standing audit, compensation, nominating and corporate governance, and finance committees of the board of directors. Each of these committees operates under a written charter that has been adopted by the respective committee and by the Board. The charters are published under the governance section of the Noble website at [www.noblecorp.com](http://www.noblecorp.com).

The current members of the committees, number of meetings held by each committee during 2003, and a description of the functions performed by each committee are set forth below:

*Audit Committee (five meetings).* The current members of the audit committee are Jack E. Little, Chairman, Lawrence J. Chazen, Mary P. Ricciardello and William A. Sears. Each of the members (except Ms. Ricciardello, who became a committee member after she joined the Board in October 2003) attended all meetings of the audit committee. The primary responsibilities of the audit committee are to select and retain the Company's auditors (including review and approval of the terms of engagement and fees), to review with the auditors the Company's financial reports (and other financial information) provided to the SEC and the investing public, to prepare and publish an annual report for inclusion in this proxy statement, and to assist the board of directors with oversight of the following: integrity of the Company's financial statements; compliance by the Company with standards of business ethics and legal and regulatory requirements; qualifications and independence of the Company's independent auditors; and performance of the Company's independent auditors and internal auditors. A copy of the charter of the audit committee is attached as Annex A to this proxy statement. The board of directors has determined that Ms. Ricciardello is an audit committee financial expert as that term is defined under the applicable SEC rules and regulations. The audit committee's report relating to 2003 begins on page 19 of this proxy statement.

*Compensation Committee (six meetings).* The current members of the compensation committee are Michael A. Cawley, Chairman, Luke R. Corbett and Marc E. Leland. Each of the members attended all meetings of the compensation committee. The primary responsibilities of the compensation committee are to discharge our board of director's responsibilities relating to compensation of directors and executive officers, to assist the board of directors in reviewing and administering compensation, benefits, incentive and share-based compensation plans, and to produce an annual report on executive compensation. The compensation committee's report relating to 2003 begins on page 11 of this proxy statement.

*Nominating and Corporate Governance Committee (four meetings).* The current members of the nominating and corporate governance committee are Lawrence J. Chazen, Chairman, Michael A. Cawley and Mary P. Ricciardello. Each of the members (except Ms. Ricciardello, who became a committee member after she joined the Board in October 2003) attended all meetings of the nominating and corporate governance committee. The primary responsibility of the nominating and corporate governance committee is to assist the board of directors in reviewing, evaluating, selecting and recommending director nominees when one or more directors are to be appointed, elected or re-elected to the Board. The nominating and corporate governance committee is also responsible for overseeing, developing and recommending to the board of directors a set of principles, policies and practices relating to corporate governance.

Members entitled to vote for the election of directors may recommend candidates for nomination in accordance with the policy and procedures set forth in article 57 of the Company's articles of association. Recommended nominees must satisfy the age qualifications set forth in article 54 of the Company's articles of association. A copy of articles 54 and 57 is included in Annex B attached to this proxy statement. The nominating and corporate governance committee believes that directors should possess the highest personal and professional ethics, character, integrity and values; an inquisitive and objective perspective; practical wisdom; and mature judgment. Directors must be willing to devote sufficient time to discharging their duties and responsibilities effectively, and they should be committed to serving on

the Board for an extended period of time. The nominating and corporate governance committee endeavors to have a Board representing diverse experience in policy-making positions in areas that are relevant to the Company's lines of business and areas of operations worldwide.

The nominating and corporate governance committee's process for identifying candidates includes seeking recommendations from one or more of the following: current and retired directors and executive officers of the Company; a firm or firms that specialize in identifying director candidates (which firm may

earn a fee for its services paid by the Company); persons known to directors of the Company in accounting, legal and other professional service organizations or educational institutions; and, subject to compliance with applicable procedures, members of the Company. The nominating and corporate governance committee's process for evaluating candidates includes investigation of the person's specific experiences and skills, time availability in light of commitments, potential conflicts of interest, and independence from management and the Company. Candidates recommended by a member are evaluated in the same manner as are other candidates. We did not receive any recommendations from members of the Company for director nominees for the 2004 annual general meeting.

*Finance Committee (four meetings).* The current members of the finance committee are Marc E. Leland, Chairman, Luke R. Corbett and William A. Sears. Each of the members attended all meetings of the finance committee. The primary responsibility of the finance committee is to assist our board of directors in fulfilling its oversight function with respect to our financial affairs and policies, including capital requirements and structure, share repurchase programs, dividend policy, and long-range financial strategic planning.

Under the Company's policy on director attendance at annual general meetings of members, all directors are expected to attend each annual general meeting, and any director who should become unable to attend the 2004 annual general meeting is responsible for notifying the Chairman of the Board in advance of the meeting. At the date of this proxy statement, we know of no director who will not attend the 2004 annual general meeting. In 2003, all directors attended the annual general meeting of members.

In 2003, the board of directors held five meetings. All persons serving the Company as director on the meeting dates attended all of the 2003 Board meetings.

*Compensation Committee Interlocks and Insider Participation.* Messrs. Cawley, Corbett and Leland, the current members of the compensation committee, were the only persons who served on the committee during 2003. For additional information regarding Mr. Corbett, see "Certain Transactions" below in this section.

## **Member Communications with Directors**

The board of directors has approved the following process for members and other security holders of the Company to send communications to the Board. To contact all directors on the Board, all directors on a Board committee, an individual director, or the non-management directors of the Board as a group, the member or other security holder can:

mail Noble Corporation, Attention: Corporate Secretary, 13135 South Dairy Ashford, Suite 800, Sugar Land, Texas 77478;

e-mail [nobleboard@noblecorp.com](mailto:nobleboard@noblecorp.com); or

telephone the NobleLine (toll-free and anonymous, available 24 hours a day, seven days a week) at 877-285-4162.

All communications received in the mail are opened by the office of the Company's Secretary for the purpose of determining whether the contents represent a message to the Board. All communications received electronically are processed under the oversight of the Board by the Company's director of internal audit and/or general counsel. Complaints or concerns relating to the Company's accounting, internal accounting controls, or auditing matters are referred to the audit committee of the Board. Complaints or concerns relating to other corporate matters, which are not addressed to a specific director, are referred to the appropriate functional manager within the Company for review and response. A summary of the incoming contact and the manager's response is reported to the Board. Complaints or concerns relating to corporate matters other than the specific items referred to the audit committee as described above,

which are addressed to a specific director, committee of the Board, or group of directors, are promptly relayed to such persons.



## Director Education

We provide our directors with information and materials that are designed to assist them in performing their duties as directors. We provide director manuals, periodic presentations on new developments in relevant areas, such as legal and accounting matters, as well as opportunities to attend director education programs at the Company's expense. Our director manual contains important information about the Company and the responsibilities of our directors, including: our memorandum and articles of association; guidelines for assignments regarding standing committees of the Board; the charter for each of our Board committees; a summary of laws and regulations regarding compliance with insider reporting and trading; our Code of Business Conduct and Ethics; corporate directors' guidebooks published by such organizations as the American Bar Association Section of Business Law, National Association of Corporate Directors, and American Society of Corporate Secretaries; a statement of the Noble paradigms that govern how we conduct our business; and our safety policy and quality policy and objectives.

## Compensation of Directors

The compensation committee of the Board sets the compensation of our directors. In determining the appropriate level of compensation for our directors, the compensation committee considers the commitment required from our directors in performing their duties on behalf of the Company, as well as comparative information the committee obtains from the compensation consulting firm of Towers Perrin and from other sources. Set forth below is a description of the compensation of our directors.

*Annual Retainer and Other Fees and Expenses.* We pay our non-employee directors an annual retainer of \$35,000, of which \$7,000 is paid in Ordinary Shares pursuant to the Equity Compensation Plan for Non-Employee Directors. Under this plan, non-employee directors may elect to receive up to all of the balance in Ordinary Shares or cash. Non-employee directors make elections on a quarterly basis. The number of Ordinary Shares to be issued under the plan in any particular quarter is determined using the average closing sales price of Ordinary Shares for the last 15 trading days of the previous quarter.

We also pay our non-employee directors a Board meeting fee of \$2,000 and a committee meeting fee of \$1,500. The chairman of a standing Board committee receives an additional \$1,000 per committee meeting. We pay each director who is also one of our officers a fee of \$100 for each Board meeting attended. We also reimburse directors for travel, lodging and related expenses they may incur in attending Board and committee meetings.

*Non-Employee Director Stock Options.* The 1992 Nonqualified Stock Option Plan for Non-Employee Directors (the 1992 Plan) was approved and ratified by stockholders of Noble Drilling Corporation at its 1993 annual meeting of stockholders and amended with stockholder approval in 2001 and 2002. Under the 1992 Plan, non-employee directors receive a one-time grant of an option to purchase 10,000 Ordinary Shares of the Company. Thereafter, on the next business day after each annual general meeting of members of the Company, such directors receive an annual grant of an option to purchase 7,500 Ordinary Shares of the Company. The options are granted at fair market value on the grant date and are exercisable from time to time over a period commencing one year from the grant date and ending on the expiration of 10 years from the grant date, unless terminated sooner as described in the 1992 Plan.

## Employment Agreements

The Company has entered into employment agreements with each named executive officer listed in the Summary Compensation Table appearing on page 14 of this proxy statement. These employment agreements become effective upon a change of control of the Company (within the meaning set forth in the agreements) or a termination of employment in connection with or in anticipation of a change of control, and remain effective for three years thereafter.

The agreements provide that if the officer's employment is terminated within three years after a change of control or prior to but in anticipation of a change of control, either (1) by us for reasons other than death, disability or cause (as defined in the agreement) or (2) by the officer for good reason (which term includes a diminution of responsibilities or compensation, or a determination by the officer to leave during the 30-day period immediately

following the first anniversary of the change of control), the officer will receive: (a) any unpaid portion of his current salary and prorated portion of his highest bonus paid either in the last three years before the change of control or for the last completed fiscal year after the change of control (the Highest Bonus ); (b) a lump sum payment equal to three times the sum of his annual base salary (based on the highest monthly salary paid in the 12 months prior to the change of control) and his Highest Bonus; (c) benefits to him and his family at least equal to those which would have been provided had the employment not been terminated for a three-year period; (d) any compensation previously deferred by the officer (together with any accrued interest or earnings thereon) and any accrued vacation pay; and (e) a lump sum amount equal to the excess of (i) the actuarial equivalent of the benefit under the qualified defined benefit retirement plan of the Company and its affiliated companies in which the officer is eligible to participate had the officer's employment continued for three years after termination over (ii) the actuarial equivalent of the officer's actual benefit under such plans. The agreements also require the Company to make an additional payment in an amount such that after the payment of all income and excise taxes, the officer will be in the same after-tax position as if no excise tax under Section 4999 (the so-called Parachute Payment excise tax) of the U.S. Internal Revenue Code of 1986, if any, had been imposed.

### Certain Transactions

Subsidiaries of the Company received an aggregate of approximately \$62.5 million in 2003 from Kerr-McGee Corporation (or its subsidiaries) for contract drilling services performed by the Company's subsidiaries in the ordinary course of business. The drilling contracts for such services were negotiated and entered into under competitive marketplace conditions. The Company believes that these transactions during 2003 were on terms that were reasonable and in the best interests of the Company.

In making its determination that Mr. Corbett qualifies as an independent director, the Board considered these transactions and determined that they did not disqualify Mr. Corbett for reasons including the competitive marketplace conditions and the arm's-length nature under which the drilling contracts were entered.

### SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth as of March 4, 2004 the beneficial ownership of Ordinary Shares by each of our directors, each named executive officer of the Company listed in the Summary Compensation Table appearing on page 14 of this proxy statement, and all of our directors and executive officers as a group.

Name	Ordinary Shares Beneficially Owned(1)	
	Number of Shares	Percent of Class(2)
<i>Directors</i>		
Michael A. Cawley	923,469(3)(4)	0.7%
Lawrence J. Chazen	30,029(3)	
Luke R. Corbett	18,028(3)	
James C. Day	1,629,595(3)(4)	1.2%
Marc E. Leland	47,888(3)	
Jack E. Little	33,525(3)	
Mary P. Ricciardello	386	

Edgar Filing: NOBLE CORP - Form DEF 14A

William A. Sears 51,801(3)

*Named Executive Officers (excluding any  
Director above) and Group*

Mark A. Jackson	160,524(3)	0.1%
Danny W. Adkins	322,616(3)	0.2%
Julie J. Robertson	387,089(3)	0.3%
<i>All directors and executive officers as a group (11 persons)</i>	2,730,311(5)	2.0%

- 
- (1) Unless otherwise indicated, the beneficial owner has sole voting and investment power with respect to all shares listed.
  - (2) The percent of class shown is less than one-tenth of one percent unless otherwise indicated.
  - (3) Includes shares attributable to Ordinary Shares not outstanding but subject to currently exercisable options, as follows: Mr. Cawley 44,500 shares; Mr. Chazen 23,500 shares; Mr. Corbett 17,500 shares; Mr. Day 509,167 shares; Mr. Leland 47,500 shares; Mr. Little 30,000 shares; Mr. Sears 37,000 shares; Mr. Jackson 123,333 shares; Mr. Adkins 244,333 shares; and Ms. Robertson 300,333 shares.
  - (4) Includes 874,639 Ordinary Shares beneficially owned by the Noble Foundation. Mr. Cawley, as President and Chief Executive Officer and a trustee, and Mr. Day as a trustee, of the Noble Foundation may be deemed to beneficially own, and have voting and investment power with respect to, the 874,639 Ordinary Shares held by the Noble Foundation. As one of the 12 members of the board of trustees of the Noble Foundation, neither Mr. Cawley nor Mr. Day represents sufficient voting power on the Noble Foundation's board of trustees to determine voting or investment decisions with respect to the 874,639 Ordinary Shares. Mr. Cawley and Mr. Day each disclaim any pecuniary interest in the 874,639 Ordinary Shares.
  - (5) Includes 1,377,166 Ordinary Shares not outstanding but subject to currently exercisable options and 874,639 Ordinary Shares beneficially owned by the Noble Foundation. See footnotes (3) and (4) above.

**Share Ownership by Executives**

We encourage all of our executives to align their interests with our members by making a personal investment in our Ordinary Shares. In 2000, we adopted the minimum ownership guidelines set forth below for our executives. We expect that each of our executives will meet these minimum guidelines within five years of when the guidelines first apply to him or her.

<b>Pay Grade Level</b>	<b>Ownership Guidelines (Multiple of Base Salary)</b>
Pay Grade 37	5.0 times
Pay Grades 34 through 36	4.0 times
Pay Grades 31 through 33	3.5 times
Pay Grades 28 through 30	2.5 times
Pay Grades 27 through 28	2.0 times

**EXECUTIVE COMPENSATION**

The following report of the compensation committee on executive compensation and the information herein under Executive Compensation Performance Graph shall not be deemed to be soliciting material or to be filed with the SEC or subject to the SEC's proxy rules, except for the required disclosure herein, or to the liabilities of Section 18 of the Exchange Act, and such information shall not be deemed to be incorporated by reference into any filing made by the Company under the Securities Act of 1933 or the Exchange Act.

## **Report of the Compensation Committee On Executive Compensation**

To the Members of  
Noble Corporation:

The Compensation Committee is responsible for determining the compensation of executive officers, including the compensation of the Chief Executive Officer, and for assisting the board of directors in reviewing and administering the compensation programs, benefits, incentive and equity-based compensation plans that make it possible for Noble to remain a leader in the drilling industry.

Comprised of all independent, non-management directors of the Company, the Committee met six times in 2003. Additionally, the Chairman of the Committee met on several occasions with members of senior management and independent compensation consultants.

The Committee has retained the services of an independent management and compensation consulting firm in making its determinations and recommendations in regard to executive compensation. In that the Committee has used the consulting services of one firm for a number of years, the Committee determined it was appropriate to retain the services of an additional independent compensation consultant to perform a review of the Company's compensation program and policies and in February 2003, the Committee did so and their report was presented to the Committee in April 2003.

### **Compensation Philosophy and Objectives**

Noble's executive compensation program reflects the Company's philosophy that executives' compensation should be structured to closely align their interests with the interests of our members (shareholders). The program is designed around stock-based incentive and performance-based pay and, in order to promote an atmosphere of teamwork, fairness and motivation, these concepts extend beyond the executive officers to other employees throughout the Company. The primary objectives of the Company's total compensation package are to emphasize operating performance criteria that enhance member (shareholder) value and to establish and maintain a competitive executive compensation program that enables the Company to attract, retain and motivate high caliber executives who will assure the long-term success of the Company.

Compensation surveys of external competitiveness are used in assessing reasonableness of compensation. Company and individual performance are also considered in determining individual pay levels. The primary comparative data utilized reflects the markets in which Noble competes for business and talent, including companies within the drilling and energy services industries and selected companies from general industry having similar revenue size, number of employees and market capitalization and which, in our opinion, provide comparable references.

### *Compensation Program Overview*

The elements of the Company's executive compensation program consist of (a) base salaries, (b) cash incentive payments under the Short Term Incentive Plan, (c) stock options, (d) performance-based restricted stock awards and (e) employee benefits. In 2003, the Company did not make grants of stock options or awards of restricted stock to any employee.

### *Base Salaries*

The base salaries for executive officers are reviewed annually by the Committee against competitive company information provided by outside compensation consultants and, based on the competitive market and the executive's

experience, leadership, achievement of specified business objectives and contribution to the Company's success, may be periodically adjusted. In January 2004, the Company conducted a review of the base salaries of executive officers and approved merit increases, based on various factors including scope of responsibility, overall performance and competitive market data. The most recent previous adjustment of executive compensation by the Committee was in October 2001.

### *Annual Incentives*

Noble's Short Term Incentive Plan ( STIP ) is a goal-driven plan that gives participants, including executive officers, the opportunity to earn annual cash bonuses in relation to specified target award levels defined as a percentage of the participants' base salaries. The target award levels range from 10 percent of base salary for the lowest eligible participant to 75 percent for the Chief Executive Officer. Depending on actual performance, STIP awards can range from zero to 150 percent of base salary for the CEO or up to 110 percent of base salary for other executive officers.

The Committee sets performance goals annually for the STIP. Bonus awards are calculated by multiplying the target bonus by a multiplier, which is calculated by measuring actual performance against the performance goals. Corporate and division personnel have different performance goals. The Noble corporate employees (including the CEO) performance goals for 2003 were total member/shareholder return and actual net income as measured against budget. Division goal for 2003 were weighted with respect to five criteria: safety results, net income, cash flow from operations, optimizing operating performance and claims management.

Fifty percent of the bonus calculation for all employees is based on achievement of the corporate performance. For each corporate employee, the balance of the bonus calculation depends on the overall performance of all of the divisions against the division goal. For each division employee, the balance of the calculation depends on the performance of the employee's division against its division goals.

The Company has paid a bonus under the terms of the STIP in eight of the 27 years that the STIP has been in effect.

### *Long-Term Incentive Compensation*

The Company awarded no equity-based compensation to executive officers or employees during 2003. It has been a longstanding objective of the Company to reward executive officers and key employees with equity compensation, in keeping with the overall compensation philosophy to further instill member (shareholder) perspective and values in the actions of employees and executive officers. Historically, stock option grants and, from time to time, awards of restricted stock have been awarded to employees who demonstrate superior performance in their current position, as well as the likelihood of high-level performance in the future.

### **Chief Executive Officer Compensation**

The CEO's salary is reviewed annually, consistent with the Company's salary administration policy for all shore-based employees. The CEO participates in the same compensation plans that are provided to other executives, management and employees within the Company. Adjustments are considered by the Committee based upon the Company's financial and stock performance and the achievement of certain business objectives. In regard to the CEO, the Committee also considers the overall achievements made during his tenure, as well as his experience, leadership and guidance provided to the Company. Effective February 1, 2004, the CEO's annual salary was increased to \$900,000. The CEO's salary was last increased in October 2001. The CEO currently receives 14 percent of his base salary in the form of Ordinary Shares as a result of the CEO's request to have certain previous base salary increases paid in the form of the Company's equity.

In accordance with the terms of the STIP, the CEO was awarded a bonus of \$550,000 in 2004, relative to 2003 performance. The total amount reflected \$436,000, determined solely by reference to the pre-established formula under the STIP, and a supplemental amount of \$114,000 based on the Committee's assessment of the CEO's contribution in connection with the Company's financial and operational achievements in 2003.



**As evidenced in the performance graph appearing on page 17 of the proxy statement, Noble significantly outperformed its competitor group.**

### **Tax Deductibility of Executive Compensation**

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally limits the tax deductibility to public companies for compensation in excess of \$1 million per person per year, unless such compensation meets certain specific requirements. The Committee's intent is to structure compensation awards that will be deductible without limitation where doing so will further the purposes of Noble's executive compensation programs. The Committee also considers it important to retain flexibility to design compensation programs, even where compensation payable under such programs may not be fully deductible, if such programs effectively recognize a full range of criteria important to Noble's success and result in a gain to Noble that would outweigh the limited negative tax effect.

March 9, 2004

COMPENSATION COMMITTEE

Michael A. Cawley, Chairman  
Luke R. Corbett  
Marc E. Leland

The following table shows the compensation of our Chief Executive Officer and each of our other executive officers (collectively, the named executive officers). See the Report of the Compensation Committee on Executive Compensation beginning on page 11 of this proxy statement for an explanation of our compensation policies and programs.

### Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards			
		Salary	Bonus	Other Annual Compensation	Restricted Stock Awards	Securities Underlying Options (number of shares)(1)	Value of Long Term Incentive Plan Pay-Outs	All Other Compensation
James C. Day Chairman and CEO	2003	\$775,000	\$550,000	\$7,818	\$ 0	0	\$2,036,520	\$19,448(2)
	2002	\$775,000	\$913,750	\$7,855	\$ 0	180,000	\$2,274,211	\$15,374
	2001	\$733,334	\$435,938	\$7,855	\$2,425,200	125,000	\$2,512,290	\$14,682
Mark A. Jackson Senior Vice President- Finance, Chief Financial Officer	2003	\$310,000	\$200,000	\$ 0	\$ 0	0	\$ 281,090	\$ 8,400(3)
	2002	\$310,000	\$280,000	\$ 0	\$ 0	75,000	\$ 253,840	\$ 8,400
	2001	\$301,667	\$125,000	\$ 0	\$ 454,725	35,000	\$ 134,900	\$ 7,140
Danny W. Adkins Senior Vice President Operations, Noble Drilling Corporation	2003	\$255,000	\$125,000	\$ 0	\$ 0	0	\$ 736,368	\$ 8,459(3)(4)
	2002	\$255,000	\$280,000	\$ 0	\$ 0	75,000	\$ 752,985	\$ 8,400
	2001	\$242,500	\$135,000	\$ 0	\$ 606,300	55,000	\$ 755,010	\$ 7,536
Julie J. Robertson Senior Vice President Administration and Corporate Secretary	2003	\$250,000	\$125,000	\$ 0	\$ 0	0	\$ 662,400	\$12,000(3)
	2002	\$250,000	\$280,000	\$ 0	\$ 0	75,000	\$ 682,933	\$11,000
	2001	\$224,167	\$135,000	\$ 0	\$ 606,300	50,000	\$ 681,570	\$10,203

- (1) Options represent the right to purchase Ordinary Shares at a fixed price per share.
- (2) Consists of company contributions to defined contribution plan (and unfunded, nonqualified excess benefit plan), term life insurance premiums and directors' fees, respectively, of \$12,000, \$6,948 and \$500.
- (3) Consists of company contributions to defined contribution plan (and unfunded, nonqualified excess benefit plan) and term life insurance premiums, respectively, as follows: Mr. Jackson \$8,400 and \$0; Mr. Adkins \$8,400 and \$59; and Ms. Robertson \$12,000 and \$0.

(4) Mr. Adkins was designated an executive officer in February 2001.

14

---

The following table sets forth certain information with respect to options to purchase Ordinary Shares granted during the year ended December 31, 2003 to each of the named executive officers.

### Option/SAR Grants in 2003

#### Individual Grants

Name	Number of Securities Underlying Options Granted (number of shares)	Percent of Total Options Granted to Employees In 2003	Exercise Price Per Share	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
					5%	10%
James C. Day	0	NA				
Mark A. Jackson	0	NA				
Danny W. Adkins	0	NA				
Julie J. Robertson	0	NA				

The following table sets forth certain information with respect to the exercise of options to purchase Ordinary Shares and stock appreciation rights (SARs) during the year ended December 31, 2003, and the unexercised options held at December 31, 2003 and the value thereof, by each of the named executive officers.

### Aggregated Option/SAR Exercises in 2003 and 12/31/03 Option/SAR Values

Name	Shares Acquired on Exercise (number of shares)	Value Realized	Number of Securities Underlying Options/SARs at 12/31/03 (shares)		Value of Unexercised In-the-Money Options/SARs at 12/31/03	
			Exercisable	Unexercisable	Exercisable	Unexercisable
James C. Day	0		509,167	161,667	\$2,984,229	\$723,585
Mark A. Jackson	0		123,333	61,667	217,415	275,585
Danny W. Adkins	0		244,333	68,334	2,176,952	305,920
Julie J. Robertson	0		300,333	66,667	2,885,035	298,335

#### Defined Benefit Plans

Our defined benefit plans that cover our executive officers provide the benefits shown below. The estimates assume that benefits are received in the form of 10-year certain and life annuity.

**Pension Plan Table**

**Estimated Annual Benefits Upon Retirement at Age 65  
After Completion of the Following Years of Service(2)**

<b>Five-Year Average Annual Compensation(1)</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>
\$ 125,000	\$ 30,000	\$ 40,000	\$ 50,000	\$ 60,000
200,000	48,000	64,000	80,000	96,000
300,000	72,000	96,000	120,000	144,000
400,000	96,000	128,000	160,000	192,000
600,000	144,000	192,000	240,000	288,000
800,000	192,000	256,000	320,000	384,000
1,000,000	240,000	320,000	400,000	480,000
1,400,000	336,000	448,000	560,000	672,000
1,800,000	432,000	576,000	720,000	864,000

(1) Benefit amounts under the Noble Drilling Salaried Employees Retirement Plan (and unfunded, nonqualified excess benefit plan) are based on an employee's vested percentage, average monthly compensation and number of years of benefit service (maximum 30 years). The average monthly compensation is defined in the plan

generally to mean the participant's average monthly rate of compensation from the Company for the five successive calendar years that give the highest average monthly rate of compensation for the participant. Plan compensation is defined (with certain exceptions) to mean basic compensation, bonuses, commissions and overtime pay, exclusive of extraordinary compensation but prior to reduction for any compensation deferred under a cash or deferred arrangement qualifying under Sections 401(k) or 125 of the Internal Revenue Code of 1986, as amended. Accordingly, the amounts reported in the Summary Compensation Table included elsewhere herein under the table caption "Annual Compensation" approximate plan compensation for 2003.

- (2) Retirement benefits shown above are calculated using 1.6 percent of final average pay multiplied by years of service. This slightly overstates the benefit since that part of the final average pay that is below the Social Security covered compensation level should be multiplied by 1.0 percent instead of 1.6 percent. Covered compensation is the average of the Social Security Wage Bases during the 35-year period ending with the year the employee reaches Social Security Retirement Age. The amount of benefit shown is not subject to deductions for Social Security.

As of December 31, 2003, the named executive officers had the following approximate credited years of service for retirement purposes: Mr. Day 26; Mr. Jackson 3; Mr. Adkins 9; and Ms. Robertson 15.

The following table sets forth information regarding securities authorized for issuance under our equity compensation plans as of December 31, 2003.

#### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	8,630,114	\$ 29.86	4,671,453
Equity compensation plans not approved by security holders	N/A	N/A	482,297(1)
Total	8,630,114	\$ 29.86	5,153,750

- (1) Consists of shares issuable under the Noble Drilling Corporation 401(k) Savings Restoration Plan and the Noble Corporation Equity Compensation Plan for Non-Employee Directors.

Set forth below is a brief description of the material features of the equity compensation plans of the Company that have not been approved by members and for which information is included in the above table.

*Noble Drilling Corporation 401(k) Savings Restoration Plan.* The Noble Drilling Corporation 401(k) Savings Restoration Plan is a nonqualified, unfunded employee benefit plan under which certain highly compensated employees of the Company may elect to defer compensation in excess of amounts deferrable under the Company's 401(k) Plan, and receive employer matching contributions (which are made in Ordinary Shares). The employer matching amount is limited in the same manner as are employer matching contributions under the Noble Drilling Corporation 401(k) Savings Plan. At the discretion of the Company, eligible participants may also receive direct payment of compensation through Ordinary Shares as additional awards under this plan. Mr. Day's salary increases awarded in 2000 and 2001 are currently paid in Ordinary Shares pursuant to this feature of the plan. The plan limits the total number of Ordinary Shares issuable under the plan to 200,000. No options are issuable under the plan, and there is no exercise price applicable to shares delivered under the plan.

*Noble Corporation Equity Compensation Plan for Non-Employee Directors.* For a description of this plan, see Additional Information Regarding the Board of Directors' Compensation of Directors' Annual Retainer and Other Fees and Expenses. No options are issuable under the plan, and there is no exercise price applicable to shares delivered under the plan.



## Performance Graph

The following graph sets forth the cumulative total member (shareholder) return for the Ordinary Shares of the Company, the Standard & Poor's 500 Stock Index, and the Dow Jones Oil Drilling, Equipment & Services Index for the years indicated as prescribed by the SEC's rules. We have changed our disclosure in this year's graph to compare performance against the Dow Jones Oil Drilling, Equipment & Services Index, which is a published industry index and the one we plan to use in the future. We made this change in order to compare the Company's total member (shareholder) return performance against this broader-based index of approximately 111 companies rather than the Company-selected peer group of seven industry participants (the Competitor Group) we used in last year's proxy statement and prior years.

In accordance with the SEC's rules, the graph also sets forth a comparison of performance against the Competitor Group. The companies in the Competitor Group are: Atwood Oceanics, Inc., Diamond Offshore Drilling, Inc., ENSCO International Incorporated, GlobalSantaFe Corporation, Pride International, Inc., Rowan Companies, Inc. and Transocean Inc.

### **Comparison of Five-Year Cumulative Total Returns among Noble Corporation, S&P 500 Index, Dow Jones Oil Drilling, Equipment & Services Index and Former Competitor Group**

#### **Note:**

A. The index level for all indexes was set to \$100 on December 31, 1998.

**Supplemental Performance Graph**

The Company has elected to include in this proxy statement the following supplemental performance graph, which compares the cumulative total member (shareholder) return for the Ordinary Shares and the three indexes in the above graph over the period indicated below.

**Comparison of Eighteen-Year Cumulative Total Returns  
among Noble Corporation, S&P 500 Index,  
Dow Jones Oil Drilling, Equipment & Services Index and Former Competitor Group**

**Note:**

A. The index level for all indexes was set to \$100 on December 31, 1985. The Company became a publicly held corporation in October 1985.

## SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and officers, and persons who own more than 10 percent of our Ordinary Shares, to file with the SEC initial reports of ownership and reports of changes in ownership of such shares. Directors, officers and beneficial owners of more than 10 percent of our Ordinary Shares are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the year ended December 31, 2003, our directors, officers and beneficial owners of more than 10 percent of our Ordinary Shares complied with all applicable Section 16(a) filing requirements.

## AUDITORS

The audit committee of the Board has appointed PricewaterhouseCoopers LLP to audit our financial statements for the year ending December 31, 2004, subject to the approval of members. PricewaterhouseCoopers LLP has audited our financial statements since 1994. Representatives of PricewaterhouseCoopers LLP are expected to be present at the annual general meeting to respond to appropriate questions from members, and they will be given the opportunity to make a statement should they desire to do so. **The Board recommends that members vote FOR the appointment of independent auditors for 2004.**

### Report of the Audit Committee

To the Members of  
Noble Corporation:

The board of directors (the Board) of Noble Corporation (Noble) maintains an audit committee composed of four non-management directors. The Board has determined that the audit committee's current membership satisfies the rules of the United States Securities and Exchange Commission (SEC) and New York Stock Exchange (NYSE) that govern audit committees, including the requirements for audit committee member independence set out in Section 303A.02 of the NYSE's corporate governance rules and Rule 10A-3 under the Securities Exchange Act of 1934.

The audit committee oversees Noble's financial process on behalf of the entire Board. Management has the primary responsibility for Noble's financial statements and the reporting process, including the systems of internal controls. The primary responsibilities of the audit committee are to select and retain Noble's auditors (including review and approval of the terms of engagement and fees), to review with the auditors the company's financial reports (and other financial information) provided to the SEC and the investing public, to prepare and publish this report, and to assist the board of directors with oversight of the following:

integrity of the company's financial statements,

compliance by the company with standards of business ethics and legal and regulatory requirements,

qualifications and independence of the company's independent auditors and

performance of the company's independent auditors and internal auditors.

In fulfilling its oversight responsibilities, the audit committee reviewed and discussed the audited financial statements with management of Noble.

The audit committee reviewed and discussed with the independent auditors all communications required by generally accepted auditing standards, including those described in Statement on Auditing Standards No. 61. In addition, the audit committee has discussed with Noble's independent auditors the auditors' independence from management and Noble, including the matters in the written disclosures below and the letter from the independent auditors required by the Independence Standards Board, Standard No. 1.

The audit committee discussed with the independent auditors the overall scope and plans for their audit. The audit committee meets with the independent auditors, with and without management present, to discuss the results of their examination, their evaluation of Noble's internal controls and the overall quality of Noble's financial reporting. The audit committee held five meetings during 2003 and met again on January 29, 2004.

### Fees Paid to Independent Auditors

The following table sets forth the fees paid to PricewaterhouseCoopers LLP for services rendered during each of the two years in the period ended December 31, 2003:

	<u>2003</u>	<u>2002</u>
Audit Fees (1)	\$ 917,300	\$ 821,300
Audit-Related Fees (2)	189,904	467,627
Tax Fees (3)	1,328,157	1,142,199
All Other Fees (4)	0	309,762
	<u>                    </u>	<u>                    </u>
Total	<u>\$2,435,361</u>	<u>\$2,740,888</u>

- 
- (1) Represents fees for professional services rendered for the audit of Noble's annual financial statements for 2003 and 2002 and the reviews of the financial statements included in Noble's quarterly reports on Form 10-Q for each of those years.
- (2) Represents fees for professional services rendered for benefit plan audits, certain international projects, accounting consultations, and enterprise-wide risk management project and forensic services for 2003 and 2002.
- (3) Represents fees for professional services rendered for tax compliance and advisory services, Noble's internal corporate restructuring in 2002, and statutory tax reports for Mexico for 2003 and 2002.
- (4) Represents fees for professional services rendered for 2003 and 2002 for all services to Noble and its subsidiaries other than audit, audit-related and tax services.

### Pre-Approval Policies and Procedures

Effective January 2003, the audit committee established a policy to pre-approve all audit, audit-related, tax and other fees for services proposed to be rendered by the Company's independent auditor prior to engagement of the auditor for that service. Consideration and approval of such services for 2003 generally occurred in the regularly scheduled quarterly meetings of the audit committee.

On January 29, 2004, the audit committee adopted a pre-approval policy framework for audit and non-audit services for 2004. In connection with the adoption of this policy framework, the audit committee also identified specific types of non-audit services (within the categories of audit-related services and tax services) that do not require further pre-approval. Requests or applications to provide services that do require further, separate approval by the audit committee are required to be submitted to the audit committee by both the independent auditor and the chief

accounting officer, chief financial officer or controller of the Company, and must include a joint statement that, in their view, the nature or type of service is not a prohibited non-audit service under the SEC's rules on auditor independence.

**Summary**

In reliance on the reviews and discussions referred to above, the audit committee recommended to the board of directors (and the Board has approved) that the audited financial statements be included in Noble's annual report on Form 10-K for the year ended December 31, 2003 for filing with the SEC. The audit committee also determined that the provision of services other than audit services rendered by PricewaterhouseCoopers LLP was compatible with maintaining PricewaterhouseCoopers LLP's independence.

March 2, 2004

AUDIT COMMITTEE

Jack E. Little, Chairman  
Lawrence J. Chazen  
Mary P. Ricciardello  
William A. Sears

## **MEMBER PROPOSALS AND OTHER MATTERS**

### **Member Proposals**

Any proposal by a member intended to be presented at the 2005 annual general meeting of members must be received by the Company at our principal executive offices at 13135 South Dairy Ashford, Suite 800, Sugar Land, Texas 77478, Attention: Julie J. Robertson, Senior Vice President Administration and Secretary, no later than November 16, 2004, for inclusion in the proxy materials relating to that meeting.

In order for a member to bring other business before an annual general meeting of members, timely notice must be received by our corporate secretary not less than 60 nor more than 120 days in advance of the meeting. The notice must include a description of the proposed item, the reasons the member believes support its position concerning the item, and other information specified in article 34 of the Company's articles of association. A copy of article 34 is included in Annex B attached to this proxy statement. These requirements are separate from and in addition to the requirements a member must meet to have a proposal included in our proxy statement. The foregoing time limits also apply in determining whether notice is timely for purposes of rules adopted by the SEC relating to the exercise of discretionary voting authority.

### **Solicitation of Proxies**

The cost of the solicitation of proxies, including the cost of preparing, printing and mailing the materials used in the solicitation, will be borne by the Company. The Company has retained The Altman Group to aid in the solicitation of proxies for a fee of \$7,000 and the reimbursement of out-of-pocket expenses. Proxies may also be solicited by personal interview, telephone and telegram and via the Internet by directors, officers and employees of the Company, who will not receive additional compensation for those services. Arrangements also may be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of Ordinary Shares held by those persons, and the Company will reimburse them for reasonable expenses incurred by them in connection with the forwarding of solicitation materials.

### **Additional Information about the Company**

You can learn more about the Company and our operations by visiting our website at [www.noblecorp.com](http://www.noblecorp.com). Among other information we have provided there, you will find:

Our corporate governance guidelines

The charters of each of our standing committees of the Board

Our code of business conduct and ethics

Our memorandum and articles of association

Information concerning our business and recent press releases and filings with the SEC

Information concerning our board of directors and member relations.

For additional information about the Company, please refer to our 2003 Annual Report, which is being mailed with this proxy statement.



NOBLE CORPORATION

James C. Day  
*Chairman and  
Chief Executive Officer*

Sugar Land, Texas  
March 12, 2004

**AMENDED AND RESTATED  
CHARTER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

This Amended and Restated Charter (this Charter) of the Audit Committee (the Audit Committee or the Committee) of the Board of Directors (the Board) of Noble Corporation (the Corporation) shall, effective as of July 24, 2003, amend and restate the Amended and Restated Charter of the Audit Committee, which was effective January 31, 2002.

**I. PURPOSE**

The primary purpose of the Audit Committee is to:

Assist with Board oversight of

the integrity of the Corporation's financial statements,

the Corporation's compliance with standards of business ethics and legal and regulatory requirements,

the qualifications and independence of the Corporation's independent auditors and

the performance of the Corporation's independent auditors and internal auditors; and  
Prepare reports of the Committee that are required by the rules of the Securities and Exchange Commission (SEC) to be included in the proxy statement for the Corporation's annual general meeting of members.

Consistent with this purpose, the Committee should encourage continuous improvements in the Corporation's policies, procedures and practices and compliance at all levels.

The Committee assists the Board and Management in assuring appropriate corporate governance, functioning in an oversight role, recognizing that the Corporation's management is responsible for preparing the Corporation's financial statements, and the independent auditors are responsible for auditing those statements. The Committee is not providing any expert or special assurance as to the Corporation's financial statements or any professional certification as to the independent auditor's work.

**II. COMPOSITION**

The Audit Committee shall consist of a minimum of three directors, each of whom shall be appointed by the Board at each annual meeting of the Board following the annual general meeting of the members of the Corporation. Each member of the Audit Committee shall serve until the next such annual meeting of the Board, or until his or her successor shall be duly appointed. Unless a Chairperson of the Committee is selected by the full Board, the members of the Committee may designate a Chairperson by majority vote of the entire Committee. The Committee and each of the Committee members shall satisfy the independence and financial and accounting expertise requirements applicable to the Committee and its members that are established from time to time by the SEC or the New York Stock Exchange, or in accordance with the Sarbanes-Oxley Act of 2002 or other applicable laws.

**III. RESPONSIBILITIES**

The following shall be recurring responsibilities of the Audit Committee in fulfilling its purposes. These responsibilities are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate.

1. The Committee has the sole authority and responsibility to select, retain and terminate the Corporation's independent auditors. In carrying out this responsibility, the Committee should obtain and review a report from the Corporation's independent auditors at least annually regarding

the auditors' internal quality control procedures;

A-1

---

any material issues raised by the most recent internal quality-control review or peer review of the independent auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditors; and

any steps taken to deal with any such issues.

2. Evaluate the independence of the independent auditors, taking into account the opinions of the Corporation's management and internal auditors. In this regard, the Committee shall obtain periodically from the independent auditors a formal written statement delineating all relationships between the independent auditors and the Corporation. In addition, the Committee shall engage in active dialogue with the independent auditors on all matters that could affect the independence of the auditors. The Committee shall have the sole authority and responsibility to approve non-audit engagements and the fees for such engagements.

3. Confer with the Corporation's independent auditors concerning the scope of their audit of the financial statements of the Corporation; review and approve the terms of engagement and fees of the independent auditors; provide sufficient opportunity for the independent auditors to meet with the members of the Committee without members of management present; direct the attention of the independent auditors to specific matters or areas deemed by the Committee to be of special significance to the Corporation; and authorize such auditors to perform such supplemental reviews or audits as the Committee may deem necessary or appropriate.

4. Review the adequacy of the Corporation's system of internal controls including the reliability of its financial reporting systems; confer with the Corporation's independent auditors with respect to their assessment of the adequacy of such controls and systems; and review management's response to any material weakness in the Corporation's internal controls which may be identified.

5. Review the Corporation's significant accounting principles and policies and significant changes thereto; review proposed and implemented changes in accounting standards and principles which have or may have a material impact on the Corporation's financial statements; review significant management judgments and accounting estimates used in financial statement preparation, including alternative accounting treatments; and review the accounting for significant corporate transactions.

6. Review with the independent auditors any disagreements with management or difficulties they may have encountered in performing their audits of the financial statements of the Corporation.

7. Review with management and the independent auditors the audited financial statements to be included in the Corporation's Annual Report on Form 10-K, including the Corporation's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operation, and review and consider with the independent auditors the matters required to be discussed by Statement of Auditing Standards (SAS) No. 61 (as updated by SAS No. 89 and SAS No. 90), including deficiencies in internal controls, fraud, illegal acts, management judgments and estimates, audit adjustments, audit difficulties, and the independent auditors' judgments about the quality of the Corporation's accounting practices, prior to the Corporation's filing of the Form 10-K with the SEC.

8. Review with the independent auditors and management the Corporation's interim financial results to be included in each quarterly report on Form 10-Q, including the Corporation's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operation, and any matters required to be discussed by SAS No. 100, prior to the Corporation's filing of the related Form 10-Q with the SEC.

9. Discuss with management the Corporation's earnings press releases, as well as financial information and earnings guidance provided to the investing public, analysts and rating agencies. This may be done generally (i.e., discussion of

the types of information to be disclosed and the type of presentation to be made); the Audit Committee need not discuss in advance each earnings release or each instance in which the Corporation may provide earnings guidance.

A-2

---

**ANNEX A**

10. Confer separately, periodically, with the director of internal audit, management and the independent auditors as requested by any of them or by the Committee, and at least annually, and review reports they may present with respect to the functioning, quality and adequacy of programs for compliance with the Corporation's policies and procedures regarding business ethics, compliance with applicable laws and regulations (such as environmental laws and regulations), financial controls and internal auditing, including information regarding violations or probable violations of such policies; and if appropriate conduct further investigations of such violations or probable violations and/or report the foregoing to the Board with such recommendations as the Committee may deem appropriate.

11. Review with the director of internal audit, at least annually, the activities, budget, staffing and structure of the internal auditing function of the Corporation, and any recommendations of the Committee with respect to improving the performance or strengthening of that function.

12. Prepare reports of the Committee that are required by the rules of the SEC to be included in the proxy statement for the Corporation's annual general meeting of members, as well as any other reports required by the SEC or the New York Stock Exchange.

13. Discuss with management the Corporation's policies with respect to risk assessment and risk management.

14. Set clear policies regarding the hiring by the Corporation of employees or former employees of the independent auditors.

15. Review and reassess the adequacy of this Charter annually.

16. Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

17. Review annually the performance of the Committee.

#### IV. MEETINGS

The Audit Committee shall meet at a minimum of three times annually.

#### V. REPORTING

The proceedings of all meetings of the Audit Committee will be documented in the minutes, which will be approved by the Committee and presented at meetings of the full Board.

#### VI. RETENTION OF ADVISORS

The Committee shall have the authority to engage independent legal counsel and other advisors as it deems necessary to carry out its duties. The Corporation shall provide appropriate funding to engage any such advisors as well as to engage the Corporation's independent auditors.

**ARTICLES 34, 54 AND 57  
EXCERPTED FROM  
THE COMPANY'S ARTICLES OF ASSOCIATION**

**34** In order for business to be properly brought before a general meeting by a Member, the business must be legally proper and written notice thereof must have been filed with the Secretary of the Company not less than 60 nor more than 120 days prior to the meeting. Each such notice shall set forth: (a) the name and address of the Member who intends to make the proposal as the same appear in the Company's records; (b) the class and number of shares of the Company that are owned by such Member; and (c) a clear and concise statement of the proposal and the Member's reasons for supporting it. The filing of a Member notice as required above shall not, in and of itself, constitute the making of the proposal described therein. If the chairman of the meeting determines that any proposed business has not been properly brought before the meeting, he shall declare such business out of order; and such business shall not be conducted at the meeting.

**54** Each Director shall be at least 21 years of age. A person shall be eligible to be elected a Director of the Company until the annual general meeting of the Company next succeeding such person's 70th birthday, and any person serving as a Director on such Director's 70th birthday shall be eligible to complete such Director's term as such. Directors need not be Members of the Company.

**57** Subject to the rights of the holders of any class or series of shares having a preference over the Ordinary Shares as to Dividends or upon liquidation, nominations for the election of Directors may be made by the Board of Directors or by any Member entitled to vote for the election of Directors. Any Member entitled to vote for the election of Directors at a meeting may nominate persons for election as Directors only if written notice of such Member's intent to make such nomination is given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Company not later than (a) with respect to an election to be held at an annual general meeting of Members, 90 days in advance of such meeting, and (b) with respect to an election to be held at an extraordinary general meeting of Members for the election of Directors, the close of business on the seventh day following the date on which notice of such meeting is first given to Members. Each such notice shall set forth: (i) the name and address of the Member who intends to make the nomination of the person or persons to be nominated; (ii) a representation that the Member is a holder of record of shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (iii) a description of all arrangements or understandings between the Member and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the Member; (iv) such other information regarding each nominee proposed by such Member as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the United States Securities and Exchange Commission had each nominee been nominated, or intended to be nominated, by the Board of Directors; and (v) the consent of each nominee to serve as a Director of the Company if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

PLEASE DETACH PROXY CARD HERE

---

**NOBLE CORPORATION  
13135 SOUTH DAIRY ASHFORD, SUITE 800  
SUGAR LAND, TEXAS 77478**

**PROXY**

**Proxy Solicited on Behalf of the Board of Directors.**

The undersigned, revoking any proxy heretofore given for the Meeting of Members described below, hereby appoints James C. Day and Mark A. Jackson, and each of them, proxies, with full powers of substitution, to represent the undersigned at the Annual General Meeting of Members of Noble Corporation to be held on April 22, 2004, and at any adjournment thereof, and to vote all shares that the undersigned would be entitled to vote if personally present as follows:

The shares represented by this proxy will be voted as directed herein. **IF THIS PROXY IS DULY EXECUTED AND RETURNED, AND NO VOTING DIRECTIONS ARE GIVEN HEREIN, SUCH SHARES WILL BE VOTED FOR APPROVAL OF ITEMS 1 AND 2.** The undersigned hereby acknowledges receipt of notice of, and the proxy statement for, the aforesaid Annual General Meeting.

(Continued and to be signed and dated on the reverse side)

SEE REVERSE SIDE

---



**THERE ARE THREE WAYS TO DELIVER YOUR PROXY**

**TELEPHONE**

This method is available for residents of the U.S. and Canada. On a touch tone telephone, call **TOLL FREE 1-866-205-9019**, 24 hours a day, 7 days a week. You will be asked to enter **ONLY** the CONTROL NUMBER shown below. Have your Proxy Card ready, then follow the prerecorded instructions. Available until 5 p.m. Eastern Time on Wednesday, April 21, 2004.

**INTERNET**

Visit the Internet website at **http://proxyvotenow.com/ne**. Enter the COMPANY NUMBER and CONTROL NUMBER shown below and follow the instructions on your screen. You will incur only your usual internet charges. Available until 5 p.m. Eastern Time on Wednesday, April 21, 2004.

**MAIL**

Simply complete, sign and date your Proxy Card and return it in the postage-paid envelope. If you are voting by telephone or the Internet, please do not mail your Proxy Card.

COMPANY NUMBER

CONTROL NUMBER

TO DELIVER YOUR PROXY BY MAIL, PLEASE DETACH PROXY CARD HERE

---

x Please Mark  
votes as in  
this example

**FOR** all  
nominees  
listed below  
(except as  
marked to  
the contrary  
below)

**WITHHOLD  
AUTHORITY**  
to vote for all  
nominees as  
listed below

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Item 1. Election of Directors. <b>THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES LISTED BELOW.</b>	o		
Item 2. Approval of the appointment of independent auditors for 2004. <b>THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL.</b>	o	o	o

MICHAEL A.  
CAWLEY  
LUKE R. CORBETT  
JACK E. LITTLE

Edgar Filing: NOBLE CORP - Form DEF 14A

(INSTRUCTION: To withhold authority to vote for any individual nominee, write the nominee's name in the space provided below.)

---

IN THEIR DISCRETION, THE PROXIES ARE AUTHORIZED TO VOTE UPON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING.

Change of address and/or comments?   
Mark here.

Date: \_\_\_\_\_, 2004

---

Signature

---

Signature

Sign exactly as your name appears hereon. (If shares are held by joint tenants, both should sign. If signing as Attorney, Executor, Administrator, Trustee or Guardian, please give your title as such. If the signer is a corporation, please sign in the full corporate name by duly authorized officer.) Votes must be indicated [x] in black or blue ink.

(Please sign, date and return this proxy promptly in the enclosed postage prepaid envelope.)

---

PLEASE DETACH VOTING INSTRUCTION CARD HERE

---

**NOBLE CORPORATION  
13135 SOUTH DAIRY ASHFORD, SUITE 800  
SUGAR LAND, TEXAS 77478**

**VOTING INSTRUCTION CARD FOR ORDINARY SHARES**

**Voting Instructions Solicited on Behalf of the Board of Directors.**

The undersigned hereby instructs the trustee to vote, as designated below, all Ordinary Shares of Noble Corporation that are credited to the account(s) of the undersigned (whether or not vested) in the Noble Drilling Corporation 401(k) Savings Plan at the Annual General Meeting of Members of Noble Corporation to be held on April 22, 2004, and at any adjournment thereof, as more fully described in the notice of the meeting and the proxy statement accompanying the same, receipt of which is hereby acknowledged.

**THIS VOTING INSTRUCTION CARD, WHEN DULY EXECUTED AND RETURNED, WILL BE VOTED BY THE TRUSTEE OF THE NOBLE DRILLING CORPORATION 401(k) SAVINGS PLAN ( 401(k) PLAN ) IN THE MANNER DESIGNATED HEREIN BY THE UNDERSIGNED 401(k) PLAN PARTICIPANT. IF THIS VOTING INSTRUCTION CARD IS DULY EXECUTED AND RETURNED, BUT WITHOUT A CLEAR VOTING DESIGNATION, IT WILL BE VOTED FOR APPROVAL OF ITEMS 1 AND 2.**

(Continued and to be signed and dated on the reverse side)

**SEE REVERSE SIDE**

---

**THERE ARE THREE WAYS TO DELIVER YOUR VOTING INSTRUCTIONS**

**TELEPHONE**

This method is available for residents of the U.S. and Canada. On a touch tone telephone, call **TOLL FREE 1-866-205-9019**, 24 hours a day, 7 days a week. You will be asked to enter **ONLY** the CONTROL NUMBER shown below. Have your Voting Instruction Card ready, then follow the prerecorded instructions. Available until 5 p.m. Eastern Time on Wednesday, April 21, 2004.

**INTERNET**

Visit the Internet website at **http://proxyvotenow.com/ne**. Enter the COMPANY NUMBER and CONTROL NUMBER shown below and follow the instructions on your screen. You will incur only your usual internet charges. Available until 5 p.m. Eastern Time on Wednesday, April 21, 2004.

**MAIL**

Simply complete, sign and date your Voting Instruction Card and return it in the postage-paid envelope. If you are providing instructions by telephone or the Internet, please do not mail your Voting Instruction Card.

COMPANY NUMBER

CONTROL NUMBER

TO DELIVER YOUR INSTRUCTIONS BY MAIL, PLEASE DETACH VOTING INSTRUCTION CARD HERE

---

x Please Mark votes as in this example

**FOR** all nominees listed below (except as marked to the contrary below)  
**WITHHOLD AUTHORITY** to vote for all nominees as listed below

				FOR	AGAINST	ABSTAIN
Item 1. Election of Directors.	<input checked="" type="radio"/>	<input type="radio"/>	Item 2. Approval of the appointment of independent auditors for 2004.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES LISTED BELOW.</b>			<b>THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL.</b>			

MICHAEL A. CAWLEY  
 LUKE R. CORBETT  
 JACK E. LITTLE

(INSTRUCTION: To withhold authority to vote for any individual nominee, write the nominee's name in the space provided below.)

---

Change of address and/or comments? Mark  here.

Date: \_\_\_\_\_, 2004

---

Signature(s) of 401(k) Plan Participant

---

Signature(s) of 401(k) Plan Participant

This voting instruction card should be signed exactly as your name appears hereon.

Voting instructions must be indicated x in black or blue ink.

Please complete, date and sign this voting instruction card and return it promptly in the enclosed postage prepaid envelope.