

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2021

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number: 001-33225



**Great Lakes Dredge & Dock Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

9811 Katy Freeway, Suite 1200, Houston, TX  
(Address of principal executive offices)

20-5336063  
(I.R.S. Employer  
Identification No.)

77024  
(Zip Code)

(346) 359-1010

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (Par Value \$0.0001)	GLDD	Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 29, 2021, 65,642,039 shares of the Registrant's Common Stock, par value \$.0001 per share, were outstanding.

Great Lakes Dredge & Dock Corporation and Subsidiaries

Quarterly Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

For the Quarterly Period ended March 31, 2021

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PART I — Financial Information

Item 1. Financial Statements.

GREAT LAKES DREDGE & DOCK CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets  
(Unaudited)  
(in thousands, except per share amounts)

	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 177,708	\$ 216,510
Accounts receivable—net	65,732	38,990
Contract revenues in excess of billings	28,918	32,106
Inventories	33,756	34,689
Prepaid expenses and other current assets	43,563	40,398
Total current assets	349,677	362,693
PROPERTY AND EQUIPMENT—Net	400,723	383,042
OPERATING LEASE ASSETS	57,687	65,188
GOODWILL	76,576	76,576
INVENTORIES—Noncurrent	62,725	58,413
OTHER	12,594	12,112
<b>TOTAL</b>	<b>\$ 959,982</b>	<b>\$ 958,024</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 70,756	\$ 71,308
Accrued expenses	44,017	52,899
Operating lease liabilities	15,861	19,472
Billings in excess of contract revenues	38,663	32,608
Total current liabilities	169,297	176,287
LONG-TERM DEBT	323,958	323,735
OPERATING LEASE LIABILITIES—Noncurrent	42,058	45,879
DEFERRED INCOME TAXES	58,492	56,466
OTHER	9,567	8,989
Total liabilities	603,372	611,356
<b>COMMITMENTS AND CONTINGENCIES (Note 8)</b>		
<b>EQUITY:</b>		
Common stock—\$.0001 par value; 90,000 authorized, 65,620 and 65,023 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively.	6	6
Additional paid-in capital	303,999	304,757
Retained earnings	49,751	40,937
Accumulated other comprehensive income	2,854	968
Total equity	356,610	346,668
<b>TOTAL</b>	<b>\$ 959,982</b>	<b>\$ 958,024</b>

See notes to unaudited condensed consolidated financial statements.

Great Lakes Dredge & Dock Corporation and Subsidiaries

Condensed Consolidated Statements of Operations  
(Unaudited)  
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2021	2020
Contract revenues	\$ 177,633	\$ 217,695
Costs of contract revenues	144,557	149,221
Gross profit	33,076	68,474
General and administrative expenses	16,322	15,571
(Gain) loss on sale of assets—net	106	(145)
Operating income	16,648	53,048
Interest expense—net	(6,586)	(6,630)
Other income (expense)	141	(1,121)
Income before income taxes	10,203	45,297
Income tax provision	(1,389)	(11,310)
Net income	\$ 8,814	\$ 33,987
Basic earnings per share	\$ 0.14	\$ 0.53
Basic weighted average shares	65,269	64,455
Diluted earnings per share	\$ 0.13	\$ 0.52
Diluted weighted average shares	66,159	65,717

See notes to unaudited condensed consolidated financial statements.

**Great Lakes Dredge & Dock Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Income**  
**(Unaudited)**  
**(in thousands)**

	Three Months Ended	
	March 31,	
	2021	2020
Net income	\$ 8,814	\$ 33,987
Net change in cash flow derivative hedges—net of tax (1)	1,886	(7,126)
Comprehensive income	<u>\$ 10,700</u>	<u>\$ 26,861</u>

(1) Net of income tax (provision) benefit of \$637 and \$(2,417) for the three months ended March 31, 2021 and 2020 respectively.

See notes to unaudited condensed consolidated financial statements.

Great Lakes Dredge & Dock Corporation and Subsidiaries

Condensed Consolidated Statements of Equity  
(Unaudited)  
(in thousands)

	Shares of Common Stock	Common Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
BALANCE—January 1, 2021	65,023	\$ 6	\$ 304,757	\$ 40,937	\$ 968	\$ 346,668
Share-based compensation	63	—	1,766	—	—	1,766
Vesting of restricted stock units and impact of shares withheld for taxes	410	—	(3,784)	—	—	(3,784)
Exercise of options and purchases from employee stock plans	124	—	1,260	—	—	1,260
Net income	—	—	—	8,814	—	8,814
Other comprehensive loss—net of tax	—	—	—	—	1,886	1,886
BALANCE—March 31, 2021	<u>65,620</u>	<u>\$ 6</u>	<u>\$ 303,999</u>	<u>\$ 49,751</u>	<u>\$ 2,854</u>	<u>\$ 356,610</u>
BALANCE—January 1, 2020	64,283	\$ 6	\$ 302,189	\$ (23,091)	\$ 295	\$ 279,399
Share-based compensation	39	—	1,675	—	—	1,675
Vesting of restricted stock units and impact of shares withheld for taxes	388	—	(1,928)	—	—	(1,928)
Exercise of options and purchases from employee stock plans	85	—	622	—	—	622
Net income	—	—	—	33,987	—	33,987
Other comprehensive income—net of tax	—	—	—	—	(7,126)	(7,126)
BALANCE—March 31, 2020	<u>64,795</u>	<u>\$ 6</u>	<u>\$ 302,558</u>	<u>\$ 10,896</u>	<u>\$ (6,831)</u>	<u>\$ 306,629</u>

See notes to unaudited condensed consolidated financial statements.

Great Lakes Dredge & Dock Corporation and Subsidiaries

Condensed Consolidated Statements of Cash Flows  
(Unaudited)  
(in thousands)

	Three Months Ended March 31,	
	2021	2020
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 8,814	\$ 33,987
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	10,053	9,451
Deferred income taxes	1,389	11,310
(Gain) loss on sale of assets	106	(145)
Amortization of deferred financing fees	403	403
Share-based compensation expense	1,766	1,675
Changes in assets and liabilities:		
Accounts receivable	(26,742)	(24,229)
Contract revenues in excess of billings	3,188	(14,520)
Inventories	(3,379)	(2,215)
Prepaid expenses and other current assets	(832)	8,036
Accounts payable and accrued expenses	(10,303)	(523)
Billings in excess of contract revenues	6,055	6,062
Other noncurrent assets and liabilities	242	779
Cash (used in) provided by operating activities	(9,240)	30,071
<b>INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(27,038)	(8,733)
Proceeds from dispositions of property and equipment	—	447
Cash used in investing activities	(27,038)	(8,286)
<b>FINANCING ACTIVITIES:</b>		
Taxes paid on settlement of vested share awards	(3,784)	(1,928)
Exercise of options and purchases from employee stock plans	1,260	622
Cash used in financing activities	(2,524)	(1,306)
Net (decrease) increase in cash, cash equivalents and restricted cash	(38,802)	20,479
Cash, cash equivalents and restricted cash at beginning of period	216,510	186,995
Cash, cash equivalents and restricted cash at end of period	\$ 177,708	\$ 207,474
<b>Supplemental Cash Flow Information</b>		
Cash paid for interest	\$ 106	\$ (277)
Cash paid for income taxes	\$ 58	\$ 137
<b>Non-cash Investing and Financing Activities</b>		
Property and equipment purchased but not yet paid	\$ 5,855	\$ 4,801

See notes to unaudited condensed consolidated financial statements.

**GREAT LAKES DREDGE & DOCK CORPORATION AND SUBSIDIARIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)**

**(dollar amounts in thousands, except per share amounts or as otherwise noted)**

**1. Basis of presentation**

The unaudited condensed consolidated financial statements and notes herein should be read in conjunction with the audited consolidated financial statements of Great Lakes Dredge & Dock Corporation and Subsidiaries (the “Company” or “Great Lakes”) and the notes thereto, included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020. The condensed consolidated financial statements included herein have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) have been condensed or omitted pursuant to the SEC’s rules and regulations, although management believes that the disclosures are adequate and make the information presented not misleading. In the opinion of management, all adjustments, which are of a normal and recurring nature (except as otherwise noted), that are necessary to present fairly the Company’s financial position as of March 31, 2021 and December 31, 2020, and its results of operations for the three months ended March 31, 2021 and 2020 and cash flows for the three months ended March 31, 2021 and 2020 have been included.

In 2020, the Company announced the relocation of its headquarters from Illinois to Houston, Texas, the new Houston office lease began in January 2021.

The components of costs of contract revenues include labor, equipment (including depreciation, maintenance, insurance and long-term rentals), subcontracts, fuel, supplies, short-term rentals and project overhead. Hourly labor is generally hired on a project-by-project basis. Costs of contract revenues vary significantly depending on the type and location of work performed and assets utilized.

The Company has one operating segment which is also the Company’s reportable segment and reporting unit of which the Company tests goodwill for impairment. The Company performed its most recent annual test of impairment as of July 1, 2020 with no indication of impairment as of the test date. The Company will perform its next scheduled annual test of goodwill in the third quarter of 2021.

On August 4, 2020, the Company announced that its board of directors approved a share repurchase program, authorizing, but not obligating, the repurchase of up to an aggregate amount of \$75.0 million of its common stock from time to time through July 31, 2021.

The condensed consolidated results of operations and comprehensive income for the interim periods presented herein are not necessarily indicative of the results to be expected for the full year.

**2. Earnings per share**

Basic earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share except that it reflects the potential dilution that could occur if dilutive securities or other obligations to issue common stock were exercised or converted into common stock.

The computations for basic and diluted earnings per share are as follows:

(shares in thousands)	Three Months Ended	
	March 31,	
	2021	2020
Net income	\$ 8,814	\$ 33,987
Weighted-average common shares outstanding — basic	65,269	64,455
Effect of stock options and restricted stock units	890	1,262
Weighted-average common shares outstanding — diluted	66,159	65,717
Earnings per share — basic	\$ 0.14	\$ 0.53
Earnings per share — diluted	\$ 0.13	\$ 0.52



### 3. Accrued expenses

Accrued expenses at March 31, 2021 and December 31, 2020 were as follows:

	March 31, 2021	December 31, 2020
Insurance	\$ 14,854	\$ 14,754
Interest	9,785	3,285
Payroll and employee benefits	6,603	21,675
Income and other taxes	2,361	2,164
Contract reserves	1,037	2,491
Other	9,377	8,530
Total accrued expenses	<u>\$ 44,017</u>	<u>\$ 52,899</u>

### 4. Long-term debt

#### *Credit agreement*

As of March 31, 2021 and December 31, 2020, the Company had no borrowings outstanding under our \$200,000 amended and restated revolving credit and security agreement (as amended, the "Amended Credit Agreement"). There were \$35,907 and \$36,407 of letters of credit outstanding and \$163,731 and \$163,231 of availability under the Amended Credit Agreement as of March 31, 2021 and December 31, 2020, respectively. The availability under the Amended Credit Agreement is suppressed by \$362 as of March 31, 2021 and December 31, 2020, as a result of certain limitations set forth in the Amended Credit Agreement.

#### *Senior Notes and subsidiary guarantors*

In May 2017, the Company issued \$325,000 of 8.000% senior notes ("8% Senior Notes") due May 15, 2022 with interest paid semi-annually. The 8% Senior Notes can be refinanced at par in May 2021 and the Company's management is monitoring and assessing the debt markets to determine if the current market is favorable to refinance the 8% Senior Notes in May 2021.

The Company's obligations under these 8% Senior Notes are guaranteed by certain of the Company's 100% owned domestic subsidiaries. Such guarantees are full, unconditional and joint and several. The parent company issuer has no independent assets or operations and all non-guarantor subsidiaries have been determined to be minor.

### 5. Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy has been established by GAAP that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The accounting guidance describes three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. At times, the Company holds certain derivative contracts that it uses to manage commodity price risk. The Company does not hold or issue derivatives for speculative or trading purposes. The fair values of these financial instruments are summarized as follows:

Description	At March 31, 2021	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fuel hedge contracts	\$ 4,262	\$ —	\$ 4,262	\$ —

Description	At December 31, 2020	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fuel hedge contracts	\$ 1,739	\$ —	\$ 1,739	\$ —

### Fuel hedge contracts

The Company is exposed to certain market risks, primarily commodity price risk as it relates to diesel fuel purchase requirements, which occur in the normal course of business. The Company enters into heating oil commodity swap contracts to hedge the risk that fluctuations in diesel fuel prices could have an adverse impact on cash flows associated with its domestic dredging contracts. The Company's typical goal is to hedge approximately 80% of the fuel requirements for work in domestic backlog.

As of March 31, 2021, the Company was party to various swap arrangements to hedge the price of its diesel fuel purchase requirements for work in its backlog to be performed through March 2022. As of March 31, 2021, there were 10.0 million gallons remaining on these contracts which represent approximately 80% of the Company's forecasted domestic fuel purchases through March 2022. Under these swap agreements, the Company will pay fixed prices ranging from \$1.12 to \$1.90 per gallon.

At March 31, 2021 and December 31, 2020 the fair value asset of the fuel hedge contracts were estimated to be \$4,262 and \$1,739, respectively, and are recorded in prepaid expenses and other current assets. For fuel hedge contracts considered to be highly effective, the losses reclassified to earnings from changes in fair value of derivatives, net of cash settlements and taxes, for the three months ended March 31, 2021 were \$1,526. The remaining gains and losses included in accumulated other comprehensive loss at March 31, 2021 will be reclassified into earnings over the next twelve months, corresponding to the period during which the hedged fuel is expected to be utilized. Changes in the fair value of fuel hedge contracts not considered highly effective are recorded as cost of contract revenues in the Statement of Operations. The fair values of fuel hedges are corroborated using inputs that are readily observable in public markets; therefore, the Company determines fair value of these fuel hedges using Level 2 inputs.

The Company is exposed to counterparty credit risk associated with non-performance of its various derivative instruments. The Company's risk would be limited to any unrealized gains on current positions. To help mitigate this risk, the Company transacts only with counterparties that are rated as investment grade or higher. In addition, all counterparties are monitored on a continuous basis.

The fair value of the fuel hedge contracts outstanding as of March 31, 2021 and December 31, 2020 is as follows:

Balance Sheet Location	Fair Value at	
	March 31, 2021	December 31, 2020
Asset derivatives:		
Derivatives designated as hedging instruments		
Fuel hedge contracts	\$ 4,262	\$ 1,739

### Accumulated other comprehensive income (loss)

Changes in the components of the accumulated balances of other comprehensive income (loss) are as follows:

	Three Months Ended	
	March 31,	
	2021	2020
Derivatives:		
Reclassification of derivative (gains) losses to earnings—net of tax	(1,526)	1,338
Change in fair value of derivatives—net of tax	3,412	(8,464)
Net change in cash flow derivative hedges—net of tax	<u>\$ 1,886</u>	<u>\$ (7,126)</u>

Adjustments reclassified from accumulated balances of other comprehensive income (loss) to earnings are as follows:

	Statement of Operations Location	Three Months Ended	
		March 31,	
		2021	2020
Derivatives:			
Fuel hedge contracts	Costs of contract revenues	\$ (2,041)	\$ 1,792
	Income tax (provision) benefit	(515)	454
		<u>\$ (1,526)</u>	<u>\$ 1,338</u>

### Other financial instruments

The carrying value of financial instruments included in current assets and current liabilities approximates fair value due to the short-term maturities of these instruments. Based on timing of the cash flows and comparison to current market interest rates, the carrying value of our revolving credit agreement approximates fair value. In May 2017, the Company issued a total of \$325,000 of 8% Senior Notes, which were outstanding at March 31, 2021 (see Note 4, Long-term debt). The 8% Senior Notes are senior unsecured obligations of the Company and its subsidiaries that guarantee the 8% Senior Notes. The fair value of the senior notes was \$327,844 at March 31, 2021, which is a Level 1 fair value measurement as the senior notes' value was obtained using quoted prices in active markets. The 8% Senior Notes can be refinanced at par in May 2021 and the Company's management is monitoring and assessing the debt markets to determine if the current market is favorable to refinance the 8% Senior Notes in May 2021. It is impracticable to determine the fair value of outstanding letters of credit or performance, bid and payment bonds due to uncertainties as to the amount and timing of future obligations, if any.

### 6. Share-based compensation

On May 11, 2017, the Company's stockholders approved the Great Lakes Dredge & Dock Corporation 2017 Long-Term Incentive Plan (the "Incentive Plan"), which previously had been approved by the Company's board of directors subject to stockholder approval. The Incentive Plan permits the granting of stock options, stock appreciation rights, restricted stock and restricted stock units to the Company's employees and directors for up to 3.3 million shares of common stock, plus an additional 1.7 million shares underlying equity awards issued under the 2007 Long-Term Incentive Plan.

During the three months ended March 31, 2021, the Company granted 307 thousand restricted stock units to certain employees. In addition, all non-employee directors on the Company's board of directors are paid a portion of their board-related compensation in stock grants or restricted stock units. Compensation cost charged to expense related to share-based compensation arrangements was \$1,766 and \$1,675 for the three months ended March 31, 2021 and 2020, respectively.

### 7. Revenue

At March 31, 2021, the Company had \$485,983 of remaining performance obligations, which the Company refers to as total backlog. Approximately 93% of the Company's backlog will be completed in 2021 with the remaining balance expected to be completed in 2022.

**Revenue by category**

The following series of tables presents our revenue disaggregated by several categories.

Domestically, our work generally is performed in coastal waterways and deep water ports. The U.S. dredging market consists of four primary types of work: capital, coastal protection, maintenance and rivers & lakes. Foreign projects typically involve capital work.

The Company's contract revenues by type of work, for the periods indicated, were as follows:

Revenues	Three Months Ended	
	March 31,	
	2021	2020
Dredging:		
Capital—U.S.	\$ 77,606	\$ 83,549
Capital—foreign	4,709	6,862
Coastal protection	46,631	79,850
Maintenance	45,301	42,385
Rivers & lakes	3,386	5,049
Total revenues	<u>\$ 177,633</u>	<u>\$ 217,695</u>

The Company's contract revenues by type of customer, for the periods indicated, were as follows:

Revenues	Three Months Ended	
	March 31,	
	2021	2020
Dredging:		
Federal government	\$ 130,732	\$ 165,767
State and local government	34,775	42,332
Private	7,417	2,734
Foreign	4,709	6,862
Total revenues	<u>\$ 177,633</u>	<u>\$ 217,695</u>

Accounts receivable at March 31, 2021 and December 31, 2020 are as follows:

	March 31, 2021	December 31, 2020
Completed contracts	\$ 6,371	\$ 12,347
Contracts in progress	52,226	21,239
Retainage	7,699	5,968
	66,296	39,554
Allowance for doubtful accounts	(564)	(564)
Total accounts receivable—net	<u>\$ 65,732</u>	<u>\$ 38,990</u>

The components of contracts in progress at March 31, 2021 and December 31, 2020 are as follows:

	March 31, 2021	December 31, 2020
<b>Costs and earnings in excess of billings:</b>		
Costs and earnings for contracts in progress	\$ 193,330	\$ 199,964
Amounts billed	(170,201)	(168,569)
Costs and earnings in excess of billings for contracts in progress	23,129	31,395
Costs and earnings in excess of billings for completed contracts	7,901	2,823
Total contract revenues in excess of billings	\$ 31,030	\$ 34,218
<b>Current portion of contract revenues in excess of billings</b>		
Current portion of contract revenues in excess of billings	\$ 28,918	\$ 32,106
Long-term contract revenues in excess of billings	2,112	2,112
Total contract revenues in excess of billings	<u>\$ 31,030</u>	<u>\$ 34,218</u>
<b>Billings in excess of costs and earnings:</b>		
Amounts billed	\$ (439,987)	\$ (550,468)
Costs and earnings for contracts in progress	401,324	517,860
Total billings in excess of contract revenues	<u>\$ (38,663)</u>	<u>\$ (32,608)</u>

At March 31, 2021 and December 31, 2020, costs to fulfill a contract with a customer recognized as an asset were \$10,413 and \$10,501, respectively, and are recorded in other current assets and other noncurrent assets. These costs relate to pre-contract and pre-construction activities. During the three months ended March 31, 2021 and 2020, the Company amortized \$5,847 and \$5,191, respectively, of pre-construction costs.

## 8. Commitments and contingencies

### *Commercial commitments*

Performance and bid bonds are customarily required for dredging and marine construction projects. The Company has bonding agreements with Argonaut Insurance Company, Berkley Insurance Company, Chubb Surety and Liberty Mutual Insurance Company, under which the Company can obtain performance, bid and payment bonds. The Company also has outstanding bonds with Travelers Casualty, Surety Company of America and Zurich American Insurance Company (“Zurich”). Bid bonds are generally obtained for a percentage of bid value and amounts outstanding typically range from \$1,000 to \$10,000. At March 31, 2021, the Company had outstanding performance bonds with a notional amount of approximately \$1,171,567. The revenue value remaining in backlog totaled approximately \$485,983.

Certain foreign projects performed by the Company have warranty periods, typically spanning no more than one to three years beyond project completion, whereby the Company retains responsibility to maintain the project site to certain specifications during the warranty period. Generally, any potential liability of the Company is mitigated by insurance, shared responsibilities with consortium partners, and/or recourse to owner-provided specifications.

### *Legal proceedings and other contingencies*

As is customary with negotiated contracts and modifications or claims to competitively bid contracts with the federal government, the government has the right to audit the books and records of the Company to ensure compliance with such contracts, modifications, or claims, and the applicable federal laws. The government has the ability to seek a price adjustment based on the results of such audit. Any such audits have not had, and are not expected to have, a material impact on the financial position, operations, or cash flows of the Company.

Various legal actions, claims, assessments and other contingencies arising in the ordinary course of business are pending against the Company and certain of its subsidiaries. The Company will defend itself vigorously on all matters. These matters are subject to many uncertainties, and it is possible that some of these matters could ultimately be decided, resolved, or settled adversely to the Company. Although the Company is subject to various claims and legal actions that arise in the ordinary course of business, except as described below, the Company is not currently a party to any material legal proceedings or environmental claims. The Company records an accrual when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe any of these proceedings, individually or in the aggregate, would be expected to have a material effect on results of operations, cash flows or financial condition.

On April 23, 2014, the Company completed the sale of NASDI, LLC (“NASDI”) and Yankee Environmental Services, LLC (“Yankee”), which together comprised the Company’s historical demolition business, to a privately owned demolition company. On

January 14, 2015, the Company and its subsidiary, NASDI Holdings, LLC, brought an action in the Delaware Court of Chancery to enforce the terms of the Company's agreement to sell NASDI and Yankee. Under the terms of the agreement, the Company received cash of \$5,309 and retained the right to receive additional proceeds based upon future collections of outstanding accounts receivable and work in process existing at the date of close. The Company seeks specific performance of the buyer's obligation to collect and to remit the additional proceeds, and other related relief. Defendants have filed counterclaims alleging that the Company misrepresented the quality of its contracts and receivables prior to the sale. The Company denies defendants' allegations. In addition, the Company has been granted a judgment in the amount of \$21,934 based upon the buyer's default of its obligations to indemnify the Company for losses resulting from failure to perform in accordance with terms of surety performance bond. The defendants filed a notice of appeal from that judgement. The Company continues to aggressively pursue collection from the buyer on outstanding amounts owed under the sale and the indemnification. An estimate of a range of potential gains or losses relating to these matters cannot reasonably be made.

On April 22, 2021, the U.S. Attorney's Office for the Eastern District of Louisiana filed a bill of information against the Company charging the Company with a negligent discharge violation of the Clean Water Act arising from a September 2016 oil spill. The spill occurred during the Company's Cheniere Ronquille project and resulted in the discharge of around one hundred sixty barrels of crude oil in Bay Long, Louisiana. The Company has cooperated with the U.S. Attorney's Office and other relevant agencies in their investigation of the oil spill and has agreed to plead guilty to the misdemeanor violation alleged in the bill of information and pay a fine of \$1,000. As a result, the government may initiate suspension or debarment proceedings against us, which might prohibit us from bidding for, entering into or completing certain government projects. The Company also remains subject to potential liability for restitution in connection with this criminal matter and potential liability in a pending civil suit arising from the same matter. Although the Company does not know whether proceedings will be initiated or result in prohibitions, or the impact of any such resulting prohibitions, the Company does not expect any such proceedings or prohibitions to cause a material disruption to its business, financial condition or results of operations.

On September 27, 2019, the EPA Region 4 filed an administrative complaint against the Company relating to a project the Company performed at PortMiami from 2013-2015 alleging violations of Section 103 of the Marine Protection, Research, and Sanctuaries Act ("MPRSA") and failure to report violations of the MPRSA. In April 2021, the EPA Region 4 agreed in principle to the Company's settlement offer of \$500, and the parties are now entering into final settlement negotiations.

### ***Lease obligations***

The Company leases certain operating equipment and office facilities under long-term operating leases expiring at various dates through 2030. The equipment leases contain renewal or purchase options that specify prices at the then fair value upon the expiration of the lease terms. The leases also contain default provisions that are triggered by an acceleration of debt maturity under the terms of the Company's Amended Credit Agreement, or, in certain instances, cross default to other equipment leases and certain lease arrangements require that the Company maintain certain financial ratios comparable to those required by its Amended Credit Agreement. Additionally, the leases typically contain provisions whereby the Company indemnifies the lessors for the tax treatment attributable to such leases based on the tax rules in place at lease inception. The tax indemnifications do not have a contractual dollar limit. To date, no lessors have asserted any claims against the Company under these tax indemnification provisions.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

### ***Cautionary note regarding forward-looking statements***

Certain statements in this Quarterly Report on Form 10-Q may constitute "forward-looking" statements as defined in Section 27A of the Securities Act of 1933 (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), the Private Securities Litigation Reform Act of 1995 (the "PSLRA") or in releases made by the Securities and Exchange Commission ("SEC"), all as may be amended from time to time. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Great Lakes Dredge & Dock Corporation and its subsidiaries ("Great Lakes" or the "Company"), or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements that are not historical fact are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as the words "plan," "believe," "expect," "anticipate," "intend," "estimate," "project," "may," "would," "could," "should," "seeks," or "scheduled to," or other similar words, or the negative of these terms or other variations of these terms or comparable language, or by discussion of strategy or intentions.

These cautionary statements are being made pursuant to the Securities Act, the Exchange Act and the PSLRA with the intention of obtaining the benefits of the "safe harbor" provisions of such laws. Great Lakes cautions investors that any forward-looking statements made by Great Lakes are not guarantees or indicative of future performance. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements with respect to Great Lakes, include, but are not limited to, risks and uncertainties that are described in Item 1A. "Risk Factors" of Great Lakes' Annual Report on Form

10-K for the year ended December 31, 2020, in Item 1A. “Risk Factors” of this Quarterly Report on Form 10-Q, and in other securities filings by Great Lakes with the SEC.

Although Great Lakes believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, actual results could differ materially from a projection or assumption in any forward-looking statements. Great Lakes’ future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The forward-looking statements contained in this Quarterly Report on Form 10-Q are made only as of the date hereof and Great Lakes does not have or undertake any obligation to update or revise any forward-looking statements whether as a result of new information, subsequent events or otherwise, unless otherwise required by law.

### **General**

The Company is the largest provider of dredging services in the United States. In addition, the Company has a long history of performing significant international projects. The mobility of the Company’s fleet enables the Company to move equipment in response to changes in demand for dredging services.

In the fourth quarter of 2020, the Company announced the upcoming relocation of its headquarters from Oak Brook, Illinois to Houston, Texas. The Company’s new corporate office in Houston opened in the first quarter of 2021. This relocation will place the Company closer to key regional customers and new markets, especially along the Gulf Coast and the Mississippi River.

Dredging generally involves the enhancement or preservation of navigability of waterways or the protection of shorelines through the removal or replenishment of soil, sand or rock. Domestically, our work generally is performed in coastal waterways and deep water ports. The U.S. dredging market consists of four primary types of work: capital, coastal protection, maintenance and rivers & lakes. The Company’s bid market is defined as the aggregate dollar value of domestic dredging projects on which the Company bid or could have bid if not for capacity constraints (“bid market”). The Company experienced an average combined bid market share in the U.S. of 37% over the prior three years, including 49%, 55%, 19% and 34% of the domestic capital, coastal protection, maintenance and rivers & lakes sectors, respectively.

The Company’s largest domestic dredging customer is the U.S. Army Corps of Engineers (the “Corps”), which has responsibility for federally funded projects related to navigation and flood control of U.S. waterways. In the first three months of 2021, the Company’s dredging revenues earned from contracts with federal government agencies, including the Corps as well as other federal entities such as the U.S. Coast Guard and the U.S. Navy were approximately 74% of dredging revenues, below the Company’s prior three year average of 79%.

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in Wuhan, China. COVID-19 has since spread worldwide and to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic and on March 13, 2020 the United States declared a national emergency in response to the coronavirus outbreak. This outbreak has severely impacted global economic activity and many countries and states in the United States have reacted by instituting quarantines, mandating school and business closures and limiting travel.

On March 28, 2020, dredging was specifically listed in the U.S. Department of Homeland Security’s “Advisory Memorandum on Identification of Essential Critical Infrastructure Workers During COVID-19 Response” which federally designates the Company as an essential business or “critical infrastructure” company that can maintain operations during the ongoing pandemic. As mentioned above, the Company’s largest domestic dredging customer is the Corps; the Corps oversees the majority of these critical infrastructure projects and, in this capacity, has continued to follow their bid schedule and prioritize all types of dredging including port maintenance and expansion and coastal protection projects that are necessary to avoid potential storm damage during hurricane season. Despite the uncertainty surrounding COVID-19, to date, the Corps is continuing to advertise new projects and the Company’s project work has only experienced minor delays.

Our Executive Management team has established a COVID-19 Command Team that meets twice each week to update contingency plans, as necessary, and address the challenges related to maintaining operations in this evolving economic environment. The Company’s primary focus has been the health and safety of its employees. The Company has implemented new paid leave policies and additional sanitary and safety measures to mitigate the risk of infection to employees.

On vessels and job sites, the Company has instituted fewer employee shift changes and increased sanitary and social distancing measures. Beginning in the current quarter, the Company began to experience more significant operational interruptions and direct costs related to the third wave of the COVID-19 pandemic. Several vessel crews were infected despite extensive testing and isolation protocols. Vessels were required to go to shore for crew changes and the vessels had to be disinfected before returning to work. This impacted the vessels scheduling and availability which led to project delays. Currently, those projects and vessels that were impacted are back in operation. The Company has initiated an extensive vaccination effort of our crews and staff and the Company currently has 25% of its staff either fully vaccinated or partially vaccinated.

Since March 2020, the Company's corporate employees have effectively transitioned to a remote working environment and have discontinued non-essential travel to follow recommended physical and social distancing guidelines in order to reduce the risk of infection. The Company is following the protocols published by the U.S. Centers for Disease Control and Prevention, the World Health Organization and state and local governments. As the Company's employees, customers and communities are facing significant challenges, the Company cannot predict how COVID-19 will evolve or the impact it, or actions taken to contain it, will have on future results. Due to the uncertainty that surrounds this virus, the Company will be continually evaluating safety and operational contingency plans and the potential future impact that this evolving environment has on the Company's business, financial condition and results of operations.

The Company plans to participate in the offshore wind market and in March 2021 the Company awarded a contract for the design and development of the first U.S. flagged Jones Act compliant, inclined fall-pipe vessel for subsea rock installation for wind turbine foundations. This vessel would represent a significant critical advancement in building the U.S. logistics infrastructure to support the future of the new U.S. offshore wind industry. Delivery of the vessel is expected in late 2023.

The Water Resource Development Act bill (the "WRDA"), which authorizes new projects and makes policy changes that will make natural infrastructure and beneficial use of dredged material more common, was included in the Consolidated Appropriations Act 2021 signed into law on December 27, 2020. This continues the trend of WRDA legislation in each session of Congress since 2014. The legislation provides access to the \$9.3 billion in unspent Harbor Maintenance Trust Fund ("HMTF") tax collections, establishes a funds distribution process for HMTF funding and approves projects to proceed to construction.

The Company has one operating segment which is also the Company's one reportable segment and reporting unit.

The Company's vessels are subject to periodic dry dock inspections to verify that the vessels have been maintained in accordance with the rules of the U.S. Coast Guard and the American Bureau of Shipping ("ABS") and that recommended repairs have been satisfactorily completed. Dry dock frequency is a statutory requirement mandated by the U.S. Coast Guard and the ABS. The Company's vessels dry-dock every two to three years or every five years, depending on the vessel type and also on an as-needed basis for occasional unscheduled repairs. The Company experienced several dry dock inspections in the first quarter of 2021. Additionally, some vessels remained in dry dock at quarter end with the expectation of returning to work in the second quarter.

### Results of operations

The following tables set forth the components of net income and Adjusted EBITDA, as defined below, as a percentage of contract revenues for the three months ended March 31, 2021 and 2020:

	Three Months Ended	
	March 31,	
	2021	2020
Contract revenues	100.0 %	100.0 %
Costs of contract revenues	(81.4)	(68.5)
Gross profit	18.6	31.5
General and administrative expenses	9.2	7.2
(Gain) loss on sale of assets—net	0.1	(0.1)
Operating income	9.3	24.4
Interest expense—net	(3.7)	(3.0)
Other income (expense)	0.1	(0.5)
Income before income taxes	5.7	20.9
Income tax provision	(0.8)	(5.2)
Net income	4.9 %	15.7 %
Adjusted EBITDA	15.1 %	28.2 %



Adjusted EBITDA, as provided herein, represents net income (loss) from continuing operations, adjusted for net interest expense, income taxes, depreciation and amortization expense, debt extinguishment, accelerated maintenance expense for new international deployments, goodwill or asset impairments and gains on bargain purchase acquisitions. Adjusted EBITDA is not a measure derived in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Company presents Adjusted EBITDA as an additional measure by which to evaluate the Company’s operating trends. The Company believes that Adjusted EBITDA is a measure frequently used to evaluate performance of companies with substantial leverage and that the Company’s primary stakeholders (i.e., its stockholders, bondholders and banks) use Adjusted EBITDA to evaluate the Company’s period to period performance. Additionally, management believes that Adjusted EBITDA provides a transparent measure of the Company’s recurring operating performance and allows management and investors to readily view operating trends, perform analytical comparisons and identify strategies to improve operating performance. For this reason, the Company uses a measure based upon Adjusted EBITDA to assess performance for purposes of determining compensation under the Company’s incentive plan. Adjusted EBITDA should not be considered an alternative to, or more meaningful than, amounts determined in accordance with GAAP including: (a) operating income as an indicator of operating performance; or (b) cash flows from operations as a measure of liquidity. As such, the Company’s use of Adjusted EBITDA, instead of a GAAP measure, has limitations as an analytical tool, including the inability to determine profitability or liquidity due to the exclusion of accelerated maintenance expense for new international deployments, goodwill or asset impairments, gains on bargain purchase acquisitions, interest and income tax expense and the associated significant cash requirements and the exclusion of depreciation and amortization, which represent significant and unavoidable operating costs given the level of indebtedness and capital expenditures needed to maintain the Company’s business. For these reasons, the Company uses operating income to measure the Company’s operating performance and uses Adjusted EBITDA only as a supplement. The following is a reconciliation of Adjusted EBITDA to net income:

	Three Months Ended	
	March 31,	
	2021	2020
(in thousands)		
Net income	\$ 8,814	\$ 33,987
Adjusted for:		
Interest expense—net	6,586	6,630
Income tax provision	1,389	11,310
Depreciation and amortization	10,053	9,451
Adjusted EBITDA	<u>\$ 26,842</u>	<u>\$ 61,378</u>

The Company’s contract revenues by type of work, for the periods indicated, were as follows:

Revenues (in thousands)	Three Months Ended		
	March 31,		
	2021	2020	Change
Dredging:			
Capital—U.S.	\$ 77,606	\$ 83,549	(7.1)%
Capital—foreign	4,709	6,862	(31.4)%
Coastal protection	46,631	79,850	(41.6)%
Maintenance	45,301	42,385	6.9%
Rivers & lakes	3,386	5,049	(32.9)%
Total revenues	<u>\$ 177,633</u>	<u>\$ 217,695</u>	<u>(18.4)%</u>

Total revenue was \$177.6 million for the three months ended March 31, 2021, down \$40.1 million, or 18.4%, from \$217.7 million for the same period in the prior year. For the three months ended March 31, 2021, the Company experienced a decrease in domestic capital, costal protection, rivers & lakes and foreign capital revenue as compared to the same period in the prior year. This decrease was slightly offset by an increase in maintenance revenues during the current period as compared to the same period in the prior year.

Capital dredging consists primarily of port expansion projects, which involve the deepening of channels and berthing basins to allow access by larger, deeper draft ships and the provision of land fill used to expand port facilities. In addition to port work, capital projects also include coastal restoration and land reclamations, trench digging for pipelines, tunnels and cables, and other dredging related to the construction of breakwaters, jetties, canals and other marine structures. For the three months ended March 31, 2021, domestic capital dredging revenue was \$77.6 million, down \$5.9 million, or 7.1%, compared to \$83.5 million for the same period in 2020. The decrease in capital dredging revenues for the three months ended March 31, 2021 was mostly due to a greater amount of revenue earned on projects in Texas, Florida and Delaware in the prior year period when compared to the current year. This decrease was partially offset by revenue earned on projects in South Carolina and Louisiana in the current year.

Foreign capital projects typically involve land reclamations, channel deepening and port infrastructure development. In the first quarter of 2021, foreign capital revenue was \$4.7 million, down \$2.2 million, or 31.5%, as compared to \$6.9 million in the same quarter in the prior year. The Company continues to earn revenue from a project in Bahrain that commenced during the first quarter of 2019.

Coastal protection projects involve moving sand from the ocean floor to shoreline locations where erosion threatens shoreline assets. Coastal protection revenue for the quarter ended March 31, 2021 was \$46.6 million, a decrease of \$33.3 million, or 41.6%, compared to \$79.9 million in the prior year period. The decrease in coastal protection revenues for the three months ended March 31, 2021 was mostly attributable to a greater amount of revenue earned on projects in South Carolina, Florida and New Jersey in the prior year period when compared to the current year. This decrease was slightly offset by revenue earned on a project in Louisiana in the current year.

Maintenance dredging consists of the re-dredging of previously deepened waterways and harbors to remove silt, sand and other accumulated sediments. Due to natural sedimentation, most channels generally require maintenance dredging every one to three years, thus creating a recurring source of dredging work that is typically non-deferrable if optimal navigability is to be maintained. In addition, severe weather such as hurricanes, flooding and droughts can also cause the accumulation of sediments and drive the need for maintenance dredging. Maintenance revenue for the first quarter of 2021 was \$45.3 million, up \$2.9 million, or 6.9%, from \$42.4 million in the first quarter of 2020. The increase in maintenance revenues for the three months ended March 31, 2021 was mostly attributable to a greater amount of revenue earned on projects in North Carolina, Louisiana, and Texas. This increase was partially offset by revenue earned on projects in Maryland in the prior year.

Rivers & lakes dredging and related operations typically consist of lake and river dredging, inland levee and construction dredging, environmental restoration and habitat improvement and other marine construction projects. During the first quarter of 2021, rivers & lakes revenue was \$3.4 million, a decrease of \$1.6 million, or 32.0%, from \$5.0 million during the same period of 2020. The decrease in river and lakes revenue for the three month ended March 31, 2021 was mostly attributable to a greater amount of revenue earned on the San Jacinto project in Texas in the prior year. This decrease was partially offset by revenue earned on a project in Mississippi in the current year.

Consolidated gross profit for the quarter ended March 31, 2021 was \$33.1 million, down \$35.4 million, or 52% compared to \$68.5 million in the same quarter of 2020. Gross profit margin for the three months ended March 31, 2021 was 18.6% compared to 31.5% in the first quarter of 2020. The lower gross profit experienced for the three months ended March 31, 2021 was driven by \$4.3 million of direct costs related to the third wave of COVID-19 and a decrease in profitability of the Company's coastal protection, maintenance, and rivers and lakes dredging projects in the quarter when compared to the same period in the prior year, offset slightly by higher gross profit in the foreign capital and domestic capital dredging projects during the same period in the prior year.

During the three months ended March 31, 2021, general and administrative expenses were \$16.3 million, an increase of \$0.7 million compared to the same periods in prior year in which the three months totaled \$15.6 million. The increase in general and administrative expenses for the quarter was due to \$1.0 million in higher relocation expense in current year related to regional office and headquarters, partially offset by a decrease of \$0.7 million in incentive pay.

Operating income for the first quarter of 2021 was \$16.6 million, down \$36.4 million compared to operating income of \$53.0 million for the same quarter in 2020. The decrease in operating income for the first quarter of 2021 was a result of lower gross profit in the current year when compared to the same period in the prior year.

For the three months ended March 31, 2021, net interest expense was \$6.6 million, flat compared to \$6.6 million for the same period in the prior year.

Income tax provision for the three months ended March 31, 2021 was \$1.4 million compared to an income tax provision of \$11.3 million for the same period in the prior year. The effective tax rate for the three months ended March 31, 2021 was 13.6%, down 11.4% from the effective tax rate of 25.0% for the same period of 2020. The decrease in effective tax rate was primarily due to a one-time benefit associated with a stock compensation tax deduction in the current year quarter.

Net income for the quarter ended March 31, 2021 was \$8.8 million, down \$25.2 million, or 74%, from \$34.0 million in the same quarter in the prior year. Diluted earnings per share was \$0.13 for the three months ended March 31, 2021, compared to \$0.52 for the three months ended March 31, 2020. The decrease in net income for the three months ended March 31, 2021 was due to the decrease in gross profit in current year quarter.

Adjusted EBITDA (as defined on page 19) for the quarter ended March 31, 2021 was \$26.8 million, down \$34.5 million, or 56%, from \$61.4 million in the same quarter in the prior year. The decrease in Adjusted EBITDA during the first quarter of 2021 was driven by the decrease in gross profit, excluding depreciation.

### **Bidding activity and backlog**

The following table sets forth, by type of work, the Company's backlog as of the dates indicated:

Backlog (in thousands)	March 31, 2021	December 31, 2020	March 31, 2020
Dredging:			
Capital - U.S.	\$ 310,163	\$ 320,920	\$ 303,637
Capital - foreign	2,077	6,865	23,896
Coastal protection	82,589	97,986	76,786
Maintenance	84,820	125,090	58,945
Rivers & lakes	6,334	8,515	11,631
Total backlog	<u>\$ 485,983</u>	<u>\$ 559,376</u>	<u>\$ 474,895</u>

The Company's contract backlog represents its estimate of the revenues that will be realized under the portion of the contracts remaining to be performed. These estimates are based primarily upon the time and costs required to mobilize the necessary assets to and from the project site, the amount and type of material to be dredged and the expected production capabilities of the equipment performing the work. However, these estimates are necessarily subject to variances based upon actual circumstances. Because of these factors, as well as factors affecting the time required to complete each job, backlog is not always indicative of future revenues or profitability. Also, 77% of the Company's March 31, 2021 dredging backlog relates to federal government contracts, which can be canceled at any time without penalty to the government, subject to the Company's contractual right to recover the Company's actual committed costs and profit on work performed up to the date of cancellation. The Company's backlog may fluctuate significantly from quarter to quarter based upon the type and size of the projects the Company is awarded from the bid market. The Company's backlog includes only those projects for which the Company has obtained a signed contract with the customer. A quarterly increase or decrease of the Company's backlog does not necessarily result in an improvement or a deterioration of the Company's business.

The domestic dredging bid market for the quarter ended March 31, 2021 was \$215.0 million, a \$1.4 million decrease compared to the same period in the prior year. Total domestic dredging bid market for the current year period included awards for additional phases of the Boston Harbor deepening project, three coastal protection projects in Florida, maintenance work on the Gulf and northeast region and hopper maintenance work on the West Coast and rivers and lakes work in Louisiana. For the contracts awarded in the current year, the Company won 100.0%, or \$61.8 million, of domestic capital projects, 41.3%, or \$28.5 million, of the coastal protection projects, through March 31, 2021. The Company won 42.0% of the overall domestic bid market for the three months ended March 31, 2021, which is slightly higher than the Company's prior three year average of 36.6%. Variability in contract wins from quarter to quarter is not unusual and one quarter's win rate is generally not indicative of the win rate the Company is likely to achieve for a full year.

The Company's contracted dredging backlog was \$486.0 million at March 31, 2021 compared to \$559.4 million of backlog at December 31, 2020. These amounts do not reflect approximately \$518.4 million of domestic low bids pending formal award and additional phases ("options") pending on projects currently in backlog at March 31, 2021. At December 31, 2020 the amount of domestic low bids and options pending award was \$472.3 million.

Domestic capital dredging backlog at March 31, 2021 was \$10.8 million lower than at December 31, 2020. In the three months ended March 31, 2021, the Company was awarded the third phase of the Boston Harbor deepening project. During the three months ended March 31, 2021, the Company continued to earn revenue on deepening projects in Charleston and Jacksonville, a coastal restoration project in Louisiana, and a liquefied natural gas project in Louisiana. Government funded projects coming into the pipeline include additional phases of the Corpus Christi deepenings, as well as new deepenings for ports in Alabama and the Everglades in Florida. These deepenings continue the trend of ensuring all East Coast and Gulf of Mexico ports will be able to accommodate the deeper draft vessels currently used on several trade routes. In addition, multiple project phases for port deepenings in Norfolk and the Houston ship channel are expected to continue for the next several years. The nation's governors continue to show commitment to their respective ports through engagement and funding. Finally, Congress has also shown a commitment to ports and waterways, providing record annual budgets for the Corps for port deepening and channel maintenance. In addition to this port work, a greater amount of coastal restoration and rehabilitation projects are being funded in the Gulf Coast region as the states utilize available monies for ecosystem priorities, a portion of which is allocated to dredging.

Foreign capital dredging backlog at March 31, 2021 was \$4.8 million lower than at December 31, 2020. During the three months ended March 31, 2021, the Company continued to earn revenue on a project in the Middle East which was in backlog at December 31, 2020.

Coastal protection dredging backlog decreased \$15.4 million from December 31, 2020. In the three months ended March 31, 2021, the Company was awarded coastal protection project of \$28.5 million in Florida. During the three months ended March 31, 2021, the Company continued to earn revenue on coastal protection projects in New Jersey, North Carolina, and Florida which were in backlog at December 31, 2020. Coastal protection and storm impacts continue to provide the major impetus for coastal project investment at federal and state levels. Strong hurricane and storm seasons have resulted in an increase in beach erosion and other damage which adds to the recurring nature of our business and the need for more frequent coastal protection and port maintenance projects. As a result of the extreme storm systems in prior years involving Hurricanes Harvey, Irma, and Maria, the U.S. Congress passed supplemental appropriations for disaster relief and recovery which includes \$17.4 billion for the Corps to fund projects that will reduce the risk of future damage from flood and storm events. The Corps is beginning to provide visibility on its plans for this money, and it is expected that approximately \$1.8 billion will be allocated to dredging-related work. Most of this work is anticipated to be coastal protection related, but some funding may be provided for channel maintenance. During 2019, an additional \$3.3 billion of supplemental appropriations was approved for disaster relief funding as a result of Hurricane Florence and Hurricane Michael.

Maintenance dredging backlog decreased \$40.3 million from December 31, 2020. During the three months ended March 31, 2021, the Company continued to earn revenue on projects in Louisiana, North Carolina and Florida which were in backlog at December 31, 2020. Past WRDA bills called for full use of the HMTF for its intended purpose of maintaining future access to the waterways and ports that support our nation's economy. On March 27, 2020, the U.S. government enacted the CARES Act which includes a provision that lifts caps on the HMTF, thereby allowing full access to future annual revenues. Through the increased appropriation of HMTF monies, the Company anticipates increased funding for harbor maintenance projects to be let for bid.

Rivers & lakes backlog at March 31, 2021 was down \$2.2 million compared to backlog at December 31, 2020. For the three months ended March 31, 2021, the Company continued to earn revenue on projects in Texas and Mississippi which was in backlog at December 31, 2020.

### ***Liquidity and capital resources***

The Company's principal sources of liquidity are net cash flows provided by operating activities and proceeds from previous issuances of long-term debt. The Company's principal uses of cash are to meet debt service requirements, finance capital expenditures, provide working capital and other general corporate purposes.

The Company's cash provided by or used in operating activities for the three months ended March 31, 2021 and 2020 was a use of \$9.2 million and a source of \$30.1 million in cash, respectively. Normal increases or decreases in the level of working capital relative to the level of operational activity impact cash flow from operating activities. The decrease in cash provided by operating activities during the three months ended March 31, 2021 compared to the same period in the prior year was driven by lower net income in current quarter as well as an increase in working capital due to an increase in accounts payable and accrued expenses during the current year when compared to the same period in the prior year.

The Company's cash flows used in investing activities for the three months ended March 31, 2021 and 2020 totaled \$27.0 million and \$8.3 million, respectively. Investing activities primarily relate to normal course upgrades and capital maintenance of the Company's dredging fleet. The Company announced a Shipyard Contract for 6,500 cubic yard Trailing Suction Hopper Dredge in June 2020 and, later in December 2020 the Company announced the design and development of the first U.S. flagged Jones Act compliant, inclined fall-pipe vessel for subsea rock installation for wind turbine foundations to support the new U.S. offshore wind industry. During the three months ended March 31, 2021, the Company has invested \$5.2 million towards these new vessels. In addition, the Company spent \$11.4 million in the period ended March 31, 2021 to acquire a dredge that had previously been leased. The Company did not receive any proceeds from dispositions of property and equipment in the current year period compared to \$0.4 million in the prior year period.

The Company's cash flows used in financing activities for the three months ended March 31, 2021 and 2020 totaled \$2.5 million and \$1.3 million, respectively. The decrease in cash used in financing activities relates to changes in the taxes paid on settlement of vested shares awards, offset slightly by increase cash from the Company's employee stock purchase plan. Of the previously announced \$75.0 million share repurchase program, the Company repurchased \$3.9 million of common stock in the third quarter of 2020 and none during the period ended March 31, 2021.

The Company maintains a favorable cash on hand position and revolver availability and as a result is well positioned for changes in the current economic environment. In the current quarter, the Company began to experience more considerable operational interruptions and direct costs related to the third wave of the coronavirus (COVID-19) pandemic. The impacted projects are now back in operation but the Company will continue to assess the potential economic impact that the virus and pandemic could have on the Company's operations and liquidity.

### **Senior notes**

In May 2017, the Company issued \$325 million in aggregate principal amount of its 8% Senior Notes due May 15, 2022. Interest on the Senior Notes is payable semi-annually in arrears on May 15 and November 15 of each year, beginning on November 15, 2017. The 8% Senior Notes can be refinanced at par in May 2021 and the Company's management is monitoring and assessing the debt markets to determine if the current market is favorable to refinance the 8% Senior Notes in May 2021. The 8% Senior Notes are senior unsecured obligations of the Company and are guaranteed on a senior unsecured basis by the guarantors and any other subsidiary guarantors that from time to time become parties to the indenture. The terms of the indenture, among other things, limit the ability of the Company and its restricted subsidiaries to (i) pay dividends, or make certain other restricted payments or investments; (ii) incur additional indebtedness and issue disqualified stock; (iii) create liens on their assets; (iv) transfer and sell assets; (v) enter into certain business combinations with third parties or enter into certain other transactions with affiliates; (vi) create restrictions on dividends or other payments by the Company's restricted subsidiaries; and (vii) create guarantees of indebtedness by restricted subsidiaries. These covenants are subject to a number of important limitations and exceptions that are described in the indenture.

### **Commitments, contingencies and liquidity matters**

Refer to Note 4, Long-term debt, in the Notes to Condensed Consolidated Financial Statements for discussion of the Company's Amended Credit Agreement. Additionally, refer to Note 8, Commitments and contingencies, in the Notes to Condensed Consolidated Financial Statements for discussion of the Company's surety agreements.

The Company intends to upgrade its existing domestic fleet by acquiring new vessels, equipment and technology to increase productivity and efficiency and further enhance safety. Existing cash on hand, future net cash flows, debt financing and new leases are all available funding resources from which the Company will evaluate its options when considering these upgrades.

The Company believes its cash and cash equivalents, its anticipated cash flows from operations and availability under its revolving credit facility will be sufficient to fund the Company's operations, capital expenditures and the scheduled debt service requirements for the next twelve months. Beyond the next twelve months, the Company's ability to fund its working capital needs, planned capital expenditures, scheduled debt payments and dividends, if any, and to comply with all the financial covenants under the Amended Credit Agreement and bonding agreements, depends on its future operating performance and cash flows, which in turn, are subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond the Company's control.

### **Critical accounting policies and estimates**

In preparing its consolidated financial statements, the Company follows GAAP, which is described in Note 1, Basis of presentation, to the Company's December 31, 2020 Consolidated Financial Statements included on Form 10-K. The application of these principles requires significant judgments or an estimation process that can affect the results of operations, financial position and cash flows of the Company, as well as the related footnote disclosures. The Company continually reviews its accounting policies and financial information disclosures. Except as noted in Note 1, Basis of presentation, of the Company's financial statements, there have been no material changes in the Company's critical accounting policies or estimates since December 31, 2020.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

The market risk of the Company's financial instruments as of March 31, 2021 has not materially changed since December 31, 2020. The market risk profile of the Company on December 31, 2020 is disclosed in Item 7A. "Quantitative and Qualitative Disclosures about Market Risk" of the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

### **Item 4. Controls and Procedures.**

#### **a) Evaluation of disclosure controls and procedures.**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures, as required by Rule 13a-15(b) and 15d-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act") as of March 31, 2021. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act a) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure and b) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2021 in providing such a reasonable assurance.

***b) Changes in internal control over financial reporting.***

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II — Other Information

### Item 1. Legal Proceedings.

See Note 8, Commitments and contingencies, in the Notes to Condensed Consolidated Financial Statements.

### Item 1A. Risk Factors.

There have been no material changes, except for the following, during the three months ended March 31, 2021 to the risk factors previously disclosed in Item 1A. “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020.

***The Company could face liabilities and/or damage to our reputation as a result of certain legal and regulatory proceedings, including a recent legal proceeding in Louisiana.***

The Company operates in a highly regulated environment with constantly evolving legal and regulatory frameworks. From time to time, the Company is subject to legal and regulatory proceedings in the ordinary course of its business. These include proceedings relating to aspects of its businesses that are specific to the Company and proceedings that are typical in the businesses in which it operates.

In particular, on April 22, 2021, the U.S. Attorney’s Office for the Eastern District of Louisiana filed a bill of information against the Company charging the Company with a negligent discharge violation of the Clean Water Act arising from a September 2016 oil spill. The spill occurred during the Company’s Cheniere Ronquille project and resulted in the discharge of around 160 barrels of crude oil in Bay Long, Louisiana. The Company has cooperated with the U.S. Attorney’s Office and other relevant agencies in their investigation of the oil spill and has agreed to plead guilty to the misdemeanor violation alleged in the bill of information. As a result, the government may initiate suspension or debarment proceedings against us, which might prohibit us from bidding for, entering into or completing certain government projects. These suspension or debarment actions may be limited in time and scope, but the Company cannot guarantee that any such action will not have a material adverse effect on its business, results of operations, cash flows or financial condition. In addition, this matter will likely lead to negative publicity and press speculation about the Company, whether valid or not, which may harm our reputation and be damaging to our business, results of operations, cash flows or financial condition.

The Company is also currently a defendant in a number of other litigation matters, including those described in Note 8, Commitments and contingencies, in the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q. In certain of these matters, the plaintiffs are seeking large and/or indeterminate amounts of damages. These matters are also subject to many uncertainties, and it is possible that some of these matters could ultimately be decided, resolved or settled adversely to the Company. An adverse outcome in a legal or regulatory matter could, depending on the facts, have an adverse effect on the Company’s business, results of operations, cash flows or financial condition.

Furthermore, whether the ultimate outcomes are favorable or unfavorable, these matters can also have significant adverse reputational impacts, including negative publicity and press speculation about the Company, whether valid or not, which may be damaging to the Company’s business, results of operations, cash flows or financial condition.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

The following table provides information regarding repurchases of the Company's common stock by the Company during the quarter ended March 31, 2021:

<b>Period</b>	<b>Total Number of Shares Purchased</b>	<b>Average Price Paid per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>Maximum Aggregate Dollar Value That May Yet Be Purchased Under the Plans or Programs (1)</b>
January 1, 2021 – January 31, 2021	—	\$ —	—	\$ 71,127,473
February 1, 2021 - February 28, 2021	—	\$ —	—	\$ 71,127,473
March 1 2021 - March 31, 2021	—	\$ —	—	\$ 71,127,473
Total	—	\$ —	—	\$ 71,127,473

- (1) On August 4, 2020, the Company announced a share repurchase program approved by its board of directors, authorizing, but not obligating, the repurchase of up to an aggregate amount of \$75,000,000 of its common stock from time to time through July 31, 2021.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information**

None.



**Item 6. Exhibits**

<b>Number</b>	<b>Document Description</b>
<a href="#">10.1</a>	<a href="#">Employment Agreement dated October 1, 2020 between Great Lakes Dredge &amp; Dock Corporation and James Tastard. †*</a>
<a href="#">10.2</a>	<a href="#">Mutual Agreement and on Transition and General Release dated September 13, 2020 between Great Lakes Dredge &amp; Dock Corporation and Annette W. Cyr. †*</a>
<a href="#">31.1</a>	<a href="#">Certification Pursuant to Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *</a>
<a href="#">31.2</a>	<a href="#">Certification Pursuant to Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *</a>
<a href="#">32.1</a>	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **</a>
<a href="#">32.2</a>	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **</a>
101	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language ("Inline XBRL") *
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101) *

\* Filed herewith

\*\* Furnished herewith

† Compensatory plan or arrangement



## **EMPLOYMENT AGREEMENT**

This **EMPLOYMENT AGREEMENT** (the “**Agreement**”) is made as of this 1<sup>st</sup> day of October, 2020 (the “**Agreement Date**”), by and between Great Lakes Dredge & Dock Corporation (the “**Corporation**”), with and on behalf of its wholly-owned subsidiaries (together, the “**Company**”), and James Tastard (“**Executive**”).

### **ARTICLE I EMPLOYMENT SERVICES**

**1.1 Term of Employment.** Executive’s employment under this Agreement shall commence on October 1, 2020 (the “**Start Date**”) and continue until the third annual anniversary of such date, unless terminated earlier pursuant to **Article III** herein (the “**Initial Employment Term**”). The Employment Term shall be extended automatically for successive one-year periods unless, at least 60 days prior to expiration of the Employment Term, either party gives written notice to the other party that he/it does not wish to renew the Agreement (such one year extension(s) and the Initial Employment Term to be, collectively, the “**Employment Term**”). Delivery of a notice of non-renewal of the Agreement by either the Executive or the Company will not be considered a resignation or termination under this Agreement.

**1.2 Position and Duties.** During the Employment Term, Executive shall hold the position of Senior Vice President – Chief Human Resources and Administrative Officer, and shall report to the Company’s Chief Executive Officer. Executive shall perform such duties and responsibilities as are consistent with a senior executive of the Company and those duties as may be assigned to Executive by the Chief Executive Officer from time to time. Executive shall devote Executive’s full business time, attention, skill and energy to the business and affairs of the Company, and shall use Executive’s reasonable best efforts to perform such responsibilities in a diligent, loyal, and businesslike manner so as to advance the best interests of the Company. Executive shall act in conformity with Company’s written and oral policies and within the limits, budgets and business plans set by the Company, and shall adhere to all rules and regulations in effect from time to time relating to the conduct of employees of the Company. Executive’s office will be at the principal corporate offices of the Corporation, and Executive will be expected to conduct his activities from such office other than when traveling on behalf of the Company. Notwithstanding the foregoing, Executive shall be permitted to devote a reasonable amount of time and effort to civic and charitable organizations and managing personal investments; but only to the extent that such activities, individually or as a whole, do not materially interfere with the execution of Executive’s duties hereunder, or otherwise violate any provision of this Agreement. Executive shall not become involved in the management of any corporation, partnership or other entity, including serving on the board of directors of any publicly traded company, without the written consent of the Corporation’s Board of Directors (the “**Board**”).

**1.3 Service on Board.** The Company may require Executive to serve without additional compensation as a member of the Board or as an officer or director of any of the Corporation’s subsidiaries. Any compensation or other remuneration received from such service may be offset against the amounts due hereunder.

### **ARTICLE II COMPENSATION**

**2.1 Base Salary.** The Company shall pay Executive an annual base salary (“**Base Salary**”) of \$345,000 (fixed for fiscal year 2021), payable in accordance with the general payroll practices of the Company. The Board may, in its sole discretion, increase Executive’s Base Salary, or decrease Executive’s

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Base Salary by up to ten percent (10%) if there is a salary reduction affecting substantially all similarly situated senior managers of the Company.

**2.2 Incentive Compensation.** Executive will be eligible to participate in any annual performance bonus plans and long-term incentive plans established or maintained by the Company for certain senior managers including, but not limited to, the Annual Bonus Plan, 2017 Long-Term Incentive Plan or such similar or successor plans as the Company may establish. Such bonus will be paid in accordance with the Company's standard practice, but in any event no later than 2.5 months after the end of the calendar year in which Executive earns such bonus. All incentive compensation paid to Executive will be subject to the terms of the Company's policy for recovering overpayments of incentive compensation in certain circumstances, including a restatement of reported financial or operating results, fraud or misconduct, in effect from time to time.

**2.3 Equity Compensation.** Executive will be eligible to participate in any equity-based compensation plans established or maintained by the Company for certain senior managers, including but not limited to the Company's 2017 Long-Term Incentive Plan and any successor thereto. All equity compensation paid to Executive will be subject to the terms of the Company's recoupment policy in effect from time to time.

**2.4 Employee Benefit Plans.** Executive will be eligible to participate on substantially the same basis as the Company's other similarly situated employees in any employee benefit plans offered by the Company including, without limitation, the Company's Supplemental Savings Plan (or any successor thereto), medical, dental, short-term and long-term disability, life, pension, profit sharing and nonqualified deferred compensation arrangements. The Company reserves the right to modify, suspend or discontinue any and all of the plans, practices, policies and programs at any time without recourse by Executive, so long as Company takes such action generally with respect to other similarly situated employees of the Company.

**2.5 Vacation/Paid Time Off.** Executive will be entitled to twenty-two days of paid vacation per calendar year, subject to the Company's vacation policy in effect from time to time. The Company may, at its discretion, increase (but not decrease) Executive's vacation entitlement.

**2.6 Business Expenses.** The Company will reimburse Executive for all reasonable and necessary business expenses incurred in the performance of services with the Company, according to the Company's policies and upon Executive's presentation of an itemized written statement and such verification as the Company may require.

### **ARTICLE III TERMINATION OF EMPLOYMENT**

**3.1 Voluntary Resignation.** Executive may terminate his employment for any reason by giving the Company 30 days' prior written notice of a voluntary resignation date ("**Resignation Date**"). Upon receiving Executive's notice of intent to resign, the Company may require that Executive cease performing services for the Company at any time before the Resignation Date, so long as the Company continues Executive's Base Salary under **Section 2.1** and employee benefits under **Section 2.4** through the Resignation Date. Except as otherwise provided under law or the terms of any employee benefit plans in which Executive participates, Executive shall not be entitled to receive any compensation or benefits from the Company after the Resignation Date.

**3.2 Termination By Company With Cause.** The Company may terminate Executive's employment for Cause (as defined below) by giving written notice to Executive designating an immediate or future termination date. In the event of a termination for Cause, the Company shall pay Executive his

Base Salary under **Section 2.1** and employee benefits under **Section 2.4** through the termination date. Except as otherwise provided under law or the terms of any employee benefit plans in which Executive participates, Executive shall not be entitled to receive any compensation or benefits from the Company after the termination date.

For purposes of this Agreement, “Cause” means:

- (a) A material breach by Executive of this Agreement;
- (b) Executive commits an act constituting a felony or engages in unethical or immoral conduct that, in the reasonable judgment of the Board, could injure the integrity, character or reputation of the Company;
- (c) The conviction, plea of no contest or *nolo contendere*, deferred adjudication or un- adjudicated probation of Executive for any felony or any crime involving moral turpitude; or
- (d) Executive’s failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Chief Executive Officer (or Executive’s direct supervisor at the time) consistent with the terms of the Agreement, and with the Company’s written plans and policies, which is not remedied within 30 days after Executive’s receipt of written notice from the Company.

**3.3 Termination By Company Without Cause.** The Company may terminate Executive’s employment without Cause by giving written notice to Executive designating an immediate or future termination date. Executive’s voluntary resignation of employment due to a material diminution of Executive’s authority, reporting line, duties or responsibilities shall be treated as a termination by Company without Cause; *provided* that, (a) such voluntary resignation occurs within 65 days following the initial occurrence of such diminution, (b) Executive provided written notice of such diminution to the Board and the Chief Executive Officer within 30 days of such diminution, and (c) the Company failed to cure such diminution within 30 days of receipt of such written notice from Executive.

In the event of a termination without Cause, Executive shall receive from the Company his Base Salary under **Section 2.1** and employee benefits under **Section 2.4** through the termination date, and shall be eligible to receive the benefits described in **Sections 3.3(a)** and **(b)**, below (collectively, “Severance Pay”), subject to the requirements set forth in **Section 3.6** and **Section 3.7**. The period over which the amounts in **Section 3.3(a)** are payable is referred to as the “Severance Period.”

(a) If Executive is terminated without Cause, the Company will provide the following compensation and benefits to Executive:

- (i) A payment equal to 12 months of Executive’s then current Base Salary, less applicable withholdings. This amount will be paid in equal installments on each regularly scheduled payroll pay date during the 12 month period that begins on the Termination Date, subject to **Section 3.6**.
- (ii) The pro rata portion of the target annual bonus and the Supplemental Savings Plan benefits earned through the Termination Date. Such amounts will be paid when all other Company executives receive such payments, but in no event later than March 15 of the year following the Termination Date.
- (iii) Provided that timely elects continuation of group health plan coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended (“COBRA”), the Company will provide a COBRA premium subsidy through the Severance Period (“COBRA Premium

Subsidy”). During the Severance Period, Executive will be required to pay only the unsubsidized portion of the COBRA premium (i.e., the full monthly COBRA premium minus the monthly COBRA Premium Subsidy). To qualify Executive for the COBRA Premium Subsidy, Employee must timely pay the applicable unsubsidized COBRA premiums required to maintain coverage for Executive and any eligible dependents under COBRA. It is understood and agreed that the period of time during which Executive is eligible for the COBRA Premium Subsidy shall run concurrent with and be credited toward the continuation coverage period to which Executive would be entitled pursuant to COBRA. Notwithstanding the foregoing, Executive understands and agrees that the Company's obligation to provide the COBRA Premium Subsidy shall cease on the earliest of (i) the end of the Severance Period, (ii) the date on which Executive becomes eligible for group health coverage offered by another employer or (iii) the date on which Executive otherwise ceases to be eligible for COBRA. Executive further understands and agrees that all other provisions of Executive's (and Executive's covered eligible dependents') COBRA coverage (including, without limitation, any applicable co-payments, deductibles and other out-of-pocket expenses) will be in accordance with the applicable plan in effect for similarly situated active employees, as applicable. Executive also understands and agrees that the amount of the COBRA Premium Subsidy may be included in Executive's taxable income and subject to applicable tax withholdings and required deductions from any severance payments. After the Severance Period expires, Executive will be required to timely pay the full monthly COBRA premium to continue COBRA coverage for any additional COBRA coverage period for which Employee or Employee's eligible dependents are eligible.

(iv) During the twelve (12) month period immediately following the Termination Date, the Company shall treat Employee as if he/she were a continuing employee for purposes of applying the age and vesting provisions of unvested performance or non-performance based equity awards, measured from the date of Employee's termination of employment. For the avoidance of doubt, the vesting and delivery of any such awards that are earned by Employee as a result of such continued vesting credit shall occur at the normally scheduled vesting date as specified in the underlying equity award agreement.

(v) The Company will pay for and provide to Executive outplacement services with an outplacement firm of Executive's choosing, provided that the Company shall not be responsible to pay for such services to the extent such services (aa) exceed \$15,000 or (bb) are provided more than one year following the Release Effective Date (as defined below).

(b) Not Used.

Except as otherwise provided under law or the terms of any employee benefit plans in which Executive participates, Executive shall not be entitled to receive any additional compensation or benefits from the Company after the termination date. All Severance Pay paid to Executive will be subject to the terms of the Company's policy for recovering overpayments of incentive compensation in certain circumstances, including a restatement of reported financial or operating results, fraud or misconduct, in effect from time to time.

**3.4 Change in Control.** If, contemporaneous with or within twelve months after a Change in Control (as defined below), the Company terminates Executive's employment other than for Cause, Executive will be eligible to receive, in lieu of those payments provided under **Section 3.3**, as applicable: (a) one and one-quarter ( $1\frac{1}{4}$ ) times Executive's then current Base Salary; and (b) an amount equal to Executive's target annual bonus for the year that includes the Termination Date (together, the "**Change in Control Payment**"), subject to the requirements set forth in **Section 3.6**. The Change in Control Payment will be made in a lump sum cash payment as soon as practicable, but in no event more than 10 days after

the Release Effective Date (as defined below) (on or after the date of the Change in Control). Executive shall also receive full, accelerated vesting credit, on the date of the Release Effective Date (as defined below), for any outstanding unvested equity awards (excluding performance-based equity awards, for which vesting credit may be awarded at the sole discretion of the Corporation's Compensation Committee), consistent with and subject to the limitations of **Section 3.7**. In addition, Executive will be eligible for the continued health plan coverage described in **Section 3.3(a)(ii)**.

For purposes of this Agreement, a "**Change in Control**" of the Corporation will be deemed to occur as of the first day that any one or more of the following conditions is satisfied:

(i) The "beneficial ownership" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of securities representing 30% or more of the combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "**Corporation Voting Securities**") is accumulated, held or acquired by a Person (as defined in Section 3(a)(9) of the Exchange Act, as modified, and used in Sections 13(d) and 14(d) thereof) (other than the Corporation, any trustee or other fiduciary holding securities under an employee benefit plan of the Corporation, holders of capital stock of the Corporation as of the date hereof or an affiliate thereof, any corporation owned, directly or indirectly, by the Corporation's stockholders in substantially the same proportions as their ownership of stock of the Corporation); *provided, however* that any acquisition from the Corporation or any acquisition pursuant to a transaction that complies with clauses (A), (B) and (C) of subparagraph (iii) of this paragraph will not be a Change in Control under this subparagraph (i), and *provided further*, that immediately prior to such accumulation, holding or acquisition, such Person was not a direct or indirect beneficial owner of 25% or more of the Corporation Voting Securities; or

(ii) Within any twelve (12) month period that includes or is after the Start Date, individuals who constitute the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Corporation's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board will be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board; or

(iii) Consummation by the Corporation of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Corporation or the acquisition of assets or stock of another entity (a "**Business Combination**"), in each case, unless immediately following such Business Combination: (A) more than 60% of the combined voting power of then outstanding voting securities entitled to vote generally in the election of directors of (x) the corporation resulting from such Business Combination (the "**Surviving Corporation**"), or (y) if applicable, a corporation that as a result of such transaction owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more subsidiaries (the "**Parent Corporation**"), is represented, directly or indirectly by Corporation Voting Securities outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Corporation Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Corporation Voting Securities; (B) no Person (excluding any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of the combined voting power of the then outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) except to the extent that such ownership of the Corporation existed prior to the Business Combination; and (C) at

least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) Approval by the Corporation's stockholders of a complete liquidation or dissolution of the Corporation.

However, in no event will a Change in Control be deemed to have occurred with respect to Executive if Executive is part of a purchasing group that consummates the Change in Control transaction. Executive will be deemed "part of a purchasing group" for purposes of the preceding sentence if Executive is an equity participant in the purchasing company or group (except: (a) passive ownership of less than two percent of the stock of the purchasing company; or (b) ownership of equity participation in the purchasing company or group that is otherwise not significant, as determined prior to the Change in Control by a majority of the nonemployee continuing Directors; *provided* that, for purposes of the foregoing, participation as a management investor in such purchasing company will not be deemed to be within the exceptions provided for in (a) and (b)).

Notwithstanding anything to contrary, a Change in Control will have occurred only if such change in ownership constitutes a change in control under Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations and other guidance in effect thereunder ("**Section 409A**").

**3.5. Non-Renewal.** For the avoidance of doubt, either party's provision of written notice to the other party of intent not to renew this Agreement pursuant to **Section 1.1**, above, shall not be deemed a termination without Cause under **Section 3.3**, and in such a case, Executive shall be entitled to receive no compensation or benefits from the Company after Executive's termination date except as otherwise provided in this paragraph, under law, or the terms of any employee benefit plans in which Executive participates. Notwithstanding the foregoing, in the event the Company elects not to renew the Agreement and Executive is terminated without Cause (to include a qualifying voluntary resignation due to material diminution of Employee's authority duties or responsibilities, as set forth in **Section 3.3**) within twelve (12) months immediately following the end of the Employment Term, as defined in this Agreement, then during the remaining period of vesting, Company shall treat Employee as if he/she were a continuing employee for purposes of applying the age and vesting provisions of all unvested performance or non-performance based equity awards, measured from the date of Employee's termination of employment, subject to the requirements set forth in **Section 3.6**. For the avoidance of doubt, the vesting and delivery of any such awards that are earned by Employee as a result of such continued vesting credit shall occur at the normally scheduled vesting date as specified in the underlying equity award agreement.

**3.6 Execution of Separation Agreement.** As a condition to receiving the Severance Pay or the Change in Control Payment set forth in **Section 3.3** or **Section 3.4**, respectively, Executive must execute and return to the Company, and not revoke any part of, a separation agreement containing a general release and waiver of claims against the Company and its respective officers, directors, stockholders, employees and affiliates with respect to Executive's employment, and other customary terms, in a form and substance reasonably acceptable to the Company. The Company shall deliver to Executive such release within ten (10) days following Executive's termination of employment and Executive shall deliver an original, signed release to the Company within twenty-one (21) days of receipt thereof (or such longer period as may be required by applicable law to constitute an effective release of all claims, but no longer than 45 days after the after receipt of the same from the Company) (the "**Release Deadline**"). Notwithstanding anything in this Agreement to the contrary, no payments pursuant to **Section 3.3** or **Section 3.4** shall be made prior to the date that both (a) Executive has delivered an original, signed release to the Company and (b) the revocability period (if any) has elapsed without Employee having exercised Employee's revocation rights (the "**Release Effective Date**"). Any payments that would otherwise be made during the first sixty (60)



days following Executive's termination of employment will be made on the 65<sup>th</sup> day following Employee's termination of employment. If Executive does not deliver an original, signed release to the Company by the Release Deadline, (i) Executive's rights shall be limited to those made available to Executive under **Section 3.1** above, and (ii) the Company shall have no obligation to pay or provide to Executive any amount or benefits described in **Section 3.3** or **Section 3.4**, or any other monies on account of the termination of Executive's employment. Any obligation of the Company to provide the Severance Pay shall cease: (A) upon Executive's death; (B) if Executive materially breached or breaches Executive's contractual obligations to the Company, including those set forth in **Article IV** or **Article V** herein, or in the release agreement; or (C) if, after Executive's termination, the Company discovers facts and circumstances that would have justified a termination for Cause.

**3.7 Section 409A.** While the parties acknowledge that any payments and benefits provided under **Article III** of this Agreement are intended to be exempt from Section 409A, to the extent (a) further guidance or interpretation is issued by the IRS after the date of this Agreement which would indicate that the payments do not qualify for such exemption or the amount of payments due under **Article III** increases in a manner to cause certain payments to exceed the limitation available for exempt separation payment and (b) Executive is a "specified employee" within the meaning of Code Section 409A(a)(2)(B)(i) upon the date of Executive's termination of employment, such payments or benefits which are not exempt and would otherwise be payable to Executive prior to the date that is six (6) months following the date of such termination of employment shall be delayed and instead shall be paid to Executive on the first regular payroll date that occurs after the six (6) month anniversary of such date of termination. For purposes of Section 409A, each installment of Severance Pay under **Article III** shall be treated as a right to a separate payment.

**3.8 Excess Parachute Payments.** Notwithstanding any provision of this Agreement to the contrary, if any amount or benefit to be paid or provided under this Agreement would be an "Excess Parachute Payment" within the meaning of Code Section 280G but for the application of this sentence, then the payments and benefits to be paid or provided under this Agreement will be reduced to the minimum extent necessary (but in no event to less than zero) so that no portion of any such payment or benefit, as so reduced, constitutes an Excess Parachute Payment; *provided, however*, that the foregoing reduction will be made only if and to the extent that such reduction would result in an increase in the aggregate payment and benefits to be provided to Executive, determined on an after-tax basis (taking into account the excise tax imposed pursuant to Code Section 4999, any tax imposed by any comparable provision of state law, and any applicable federal, state and local income and employment taxes).

The fact that Executive's right to payments or benefits may be reduced by reason of the limitations contained in this **Section 3.8** will not of itself limit or otherwise affect any other rights of Executive other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement is required to be reduced pursuant to this **Section 3.8**, the reduction shall be made in the following order: (a) first reducing, if any, those payments or benefits which have a higher Parachute Value than actual present value, (b) then, to the extent necessary, reducing cash payments or benefits; and (c) then, to the extent necessary, reducing those payments or benefits having the next highest ratio of Parachute Value to actual present value of such payments or benefits as of the date of the change of control (as defined under Code Section 280G). For purposes of this **Section 3.8**, present value shall be determined in accordance with Section 280G(d)(4) of the Code. For purposes of this **Section 3.8**, the "**Parachute Value**" of a payment or benefit means the present value as of the date of the change of control of the portion of such payment that constitutes a "parachute payment" under Section 280G(b)(2) of the Code, as valued in accordance with Section 280G of the Code any interpretive guidance thereunder.

**3.9 Removal from any Boards and Positions.** If Executive's employment is terminated for any reason under this Agreement, Executive will, immediately upon Executive's termination of

employment, be deemed to have resigned from (a) if a member, the Board as well as the board of directors of any GLDD Entity (as defined below) or any other board to which Executive has been appointed or nominated by or on behalf of the Company, (b) any position with the Company or any GLDD Entity, including, but not limited to, as an officer of the Company or any GLDD Entity, and (c) any fiduciary positions with respect to the Company's benefit plans. In addition, and as a condition to receiving the Severance Pay described in **Section 3.3** or the Change in Control Payment described in **Section 3.4**, Executive shall take any and all necessary steps to effectuate Executive's resignation from such positions.

#### **ARTICLE IV EXCLUSIVITY OF SERVICES AND RESTRICTIVE COVENANTS**

**4.1 Confidential Information.** Executive acknowledges and agrees that the Confidential Information (as defined below) of the Company and its subsidiaries and any other entity related to the Company (each, a "**GLDD Entity**") that Executive obtained during the course of Executive's employment by the Company is the property of the Company or such other GLDD Entity. Executive will never, directly or indirectly, disclose, publish or use any Confidential Information of which Executive has become aware, whether or not such information was developed by Executive. All duties and obligations set forth in this Agreement regarding Confidential Information shall be in addition to those which exist under the Illinois Trade Secrets Act and at common law.

As used in this Agreement, "Confidential Information" means information that is not generally known to the public and that was or is used, developed or obtained by the Company or any other GLDD Entity, in connection with its businesses, including but not limited to:

- i. products or services, unannounced products or services, product or service development information (or other proprietary product or service information);
- ii. fees, costs, bids and pricing structures and quotations or proposals given to agents, customers, sureties, suppliers, or prospective customers, agents, sureties or suppliers, or received from any such person or entity;
- iii. accounting or financial records;
- iv. strategic business plans;
- v. information system applications or strategies;
- vi. customer and vendor lists and employee lists and directories;
- vii. marketing plans, bidding strategies and processes, and negotiation strategies, whether past, current, or future;
- viii. accounting and business methods;
- ix. legal advice and/or attorney work product;
- x. trade secrets and other proprietary information;
- xi. information, analysis or strategies regarding acquisitions, mergers, other business combinations, divestitures, recapitalizations, or new ventures; and

- xii. nonpublic information that was acquired by Executive concerning the requirements and specifications of the Company's or any other GLDD Entity's agents, vendors, contractors, customers, or potential customers.

Notwithstanding anything to the contrary, Confidential Information does not include any information that: (a) is publicly disclosed by law or pursuant to, and to the extent required by, an order of a court of competent jurisdiction or governmental agency; (b) becomes publicly available through no fault of Executive; or (c) has been published in a form generally available to the public before Executive proposes to disclose, publish, or use such information.

**4.2 Noncompetition.** During the Employment Term and for the twelve (12) month period immediately following the termination of Executive's employment with the Company for any reason (the "**Restricted Period**"), Executive will not, on behalf of himself or any other entity, have an ownership interest in or become employed or engaged by, or otherwise participate in or render services to, any business or enterprise (including, without limitation, any division, group or franchise of a larger organization) within the Geographical Area (as defined below) that engages in any dredging, land reclamation or any other business engaged in by the Company; *provided, however*, that this restriction shall not prohibit Executive from passive beneficial ownership of less than three percent of any class of securities of a publicly-held corporation whose stock is traded on a U.S. national securities exchange or traded in the over-the-counter market. For the purpose of this provision, "**Geographical Area**" means any continent where the Company has conducted operations during the eighteen (18) month period immediately preceding the Termination Date. Notwithstanding anything in this **Article IV** to the contrary, Executive may, at any time during the Restricted Period, provide written notice to the Company that (i) describes a particular business or employment opportunity that Executive is interested in pursuing or in which Executive may wish to engage, and (ii) request that the Company agree that the opportunity so described would not violate this **Section 4.2**. Within a reasonable time, the Company will send Executive a written response, indicating whether or not the Company consents to Executive engaging in the opportunity described in Executive's notice.

**4.3 Non-Solicitation.** During the Restricted Period, Executive shall not (other than in furtherance of Executive's legitimate job duties on behalf of Company), directly or indirectly, on Executive's own behalf or for any other person or entity: (a) solicit for employment, hire or engage, or attempt to solicit for employment, hire or engage, any person who is or was employed by the Company within the six (6) month period prior to the solicitation, hire or engagement, or (b) otherwise interfere with the relationship between any such person and the Company.

**4.4 Non-Interference with Business Relationships.** During the Restricted Period, Executive shall not (other than in furtherance of Executive's legitimate job duties on behalf of the Company), directly or indirectly, on Executive's own behalf or for any other person or entity: (a) solicit, for a purpose related to a competitive activity (i.e., an activity prohibited by **Section 4.2**), any customer, vendor or agent of the Company that was doing business with the Company during the six month period prior to the solicitation; or (b) induce, or attempt to induce, any customer, vendor or agent of the Company to reduce or cease doing business with the Company, or otherwise interfere with the relationship between such entity and the Company.

**4.5 Equitable Modification.** If any court of competent jurisdiction shall deem any provision in this **Article IV** too restrictive, the other provisions shall stand, and the court shall modify the unduly restrictive provision to the point of greatest restriction permissible by law.

**4.6 Remedies.** Executive acknowledges that the agreements and covenants contained in this **Article IV** are essential to protect the Company and its business and are a condition precedent to entering into this Agreement. Should Executive breach any covenants in this **Article IV**, then among other remedies,

the duration of the covenant shall be extended by the period of any such breach. Executive agrees that irreparable harm would result from Executive's breach or threat to breach any provision of this **Article IV**, and that monetary damages alone would not provide adequate relief to the Company for the harm incurred. Executive agrees that in addition to money damages, the Company shall be entitled to seek and obtain temporary, preliminary, and permanent injunctive relief restraining Executive from committing or continuing any breach without being required to post a bond. Without limiting the foregoing, upon a breach by Executive of any provision of this **Article IV**, any outstanding Severance Pay shall cease and be forfeited, and Executive shall immediately reimburse the Company for any Severance Pay previously paid.

## **ARTICLE V POST-TERMINATION OBLIGATIONS**

**5.1**     **Return of Company Materials.** No later than three (3) business days following the termination of Executive's employment for any reason, Executive shall return to the Company all Company property that is then in Executive's possession, custody or control, including, without limitation, all keys, access cards, credit cards, computer hardware and software, documents, records, policies, marketing information, design information, specifications and plans, data base information and lists, and any other property or information that Executive has or had relating to the Company (whether those materials are in paper or computer-stored form), and including but not limited to any documents containing, summarizing, or describing any Confidential Information. Executive shall be entitled to retain Executive's cellular telephone and cellular telephone number.

**5.2**     **Employee Assistance.** During Employee's employment with the Company and any Severance Period, Employee shall, upon reasonable notice, furnish the Company with such information as may be in Employee's possession or control, and cooperate with the Company in any reasonable manner that the Company may request, including without limitation (i) conferring with the Company with regard to any litigation, claim, or other dispute in which the Company is or may become a party and (ii) providing the Company with access to Employee's cellular phone and/or other electronic equipment for the purposes of any investigation into work-related matters. The Company shall reimburse Employee for all reasonable out-of-pocket expenses incurred by Employee in fulfilling Employee's obligations under this **Section 5.2**. The Company will make any such reimbursement within 30 days of the date Employee provides the Company with documentary evidence of such expense consistent with the policies of the Company. Notwithstanding anything to the contrary, any such reimbursement shall be administered so as to comply with Treasury Regulation Section 1.409A-3(i)(1)(iv).

## **ARTICLE VI MISCELLANEOUS**

**6.1**     **Notices.** Any notices, consents or other communications required or permitted to be sent or given hereunder shall be in writing and shall be deemed properly served if (a) delivered personally, in which case the date of such notice shall be the date of delivery; (b) delivered to a nationally recognized overnight courier service, in which case the date of delivery shall be the next business day; or (c) sent by facsimile transmission (with a copy sent by first-class mail), in which case the date of delivery shall be the date of transmission, or if after 5:00 P.M., the next business day. If not personally delivered, notice shall be sent using the addresses set forth below:

If to Executive, to the address listed on the signature page hereto or the last address on file in the records of the Company.

If to the Company:

Great Lakes Dredge & Dock Corporation 1 Parkview Plaza  
Oakbrook Terrace, IL 60181 Attn: Chief Executive Officer fax: (630) 574-3007  
telephone: (630) 574-3000 with a copy to:  
Great Lakes Dredge & Dock Corporation  
1 Parkview Plaza  
Oakbrook Terrace, IL 60181 Attn: Chief Legal Officer fax: (630) 574-3007  
telephone: (630) 574-3000

or such other address as may hereafter be specified by notice given by either party to the other party. Executive shall promptly notify the Company of any change in Executive's address set forth on the signature page.

**6.2 Company Stock Retention.** Executive shall be subject to the Company's stock retention guidelines and policies in effect from time-to-time.

**6.3 Withholding.** The Company may withhold from any payment that it is required to make under this Agreement amounts sufficient to satisfy applicable withholding requirements under any federal, state or local law, or any other amounts due and owing to the Company from Executive.

**6.4 Successors and Assigns.** This Agreement shall not be assignable by Executive without the Company's written consent. The Company may unilaterally assign this Agreement to any successor employer or corporation or entity that purchases substantially all of the assets of or succeeds to the business of the Company. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

**6.5 No Waiver.** No failure or delay by the Company or Executive in enforcing or exercising any right or remedy hereunder will operate as a waiver thereof. No modification, amendment or waiver of this Agreement or consent to any departure by Executive from any of the terms or conditions thereof, will be effective unless in writing and signed by the Chief Executive Officer of the Company. Any such waiver or consent will be effective only in the specific instance and for the purpose for which given.

**6.6 Severability; Survivability.** If any term or provision of this Agreement shall be held to be invalid or unenforceable, the remaining terms and provisions hereof shall not be affected thereby and shall be enforced to the fullest extent permitted under law. Executive's obligations in **Articles IV** and **V** shall survive and continue in full force notwithstanding the termination of this Agreement or Executive's employment for any reason.

**6.7 Execution in Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement.

**6.8 Governing Law; Waiver of Jury.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflict of law principles. For the purposes of any suit, action, or other proceeding arising out of this Agreement or with respect to Employee's employment hereunder, except with respect to a party seeking to obtain only injunctive relief for violation or threatened violation of this Agreement, the parties: (a) agree to submit disputes to arbitration as set forth in Section 6.11; and (b) waive their respective rights to a jury trial of any claims and causes of action. With respect to claims for injunctive relief which are excluded from Section 6.11, Employee and

the Company irrevocably submit to the jurisdiction of the courts of the county where the principal corporate offices of the Corporation are located.

**6.9**        **Construction.** The language used in this Agreement will be deemed to be the language chosen by Executive and the Company to express their mutual intent, and no rule of strict construction will be applied against Executive or the Company. The heading in this Agreement are for convenience of reference only and will not limit or otherwise affect the meaning of the provision.

**6.10**        **Entire Agreement; Amendments.** This Agreement and the Recovery Agreement contain the entire understanding of the parties hereto with regard to the subject matter contained herein, and supersedes all prior agreements, understandings or letters of intent with regard to the subject matter contained herein between the parties hereto, unless otherwise specified herein. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by each of the parties hereto.

**6.11**        **ARBITRATION OF DISPUTES.** EXCEPT AS PROVIDED IN SECTION 6.8 ABOVE, ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS CONTRACT, OR THE BREACH THEREOF, SHALL BE SETTLED BY ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS EMPLOYMENT ARBITRATION RULES AND MEDIATION PROCEDURES INCLUDING THE OPTIONAL RULES FOR EMERGENCY MEASURES OF PROTECTION. THE CONTROVERSY SHALL BE SUBMITTED TO ONE ARBITRATOR, EACH PARTY MAY STRIKE OR REJECT UP TO THREE POTENTIAL ARBITRATORS WITH THE SELECTIONS ALTERNATING BETWEEN THE COMPANY AND THE PARTY AND SELECTED FROM THE ROSTER OF ARBITRATORS OF THE AMERICAN ARBITRATION ASSOCIATION. THE PLACE OF ARBITRATION SHALL BE THE COUNTY IN WHICH THE PRINCIPAL CORPORATE OFFICES OF THE CORPORATION ARE LOCATED. JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THE DECISION OF THE ARBITRATOR SHALL BE FINAL AND BINDING ON THE PARTIES.

**IN WITNESS WHEREOF**, each of the parties hereto has duly executed this Employment Agreement as of the date first set forth above.

**Great Lakes Dredge & Dock Corporation**

By: /s/ Lasse J. Petterson  
Chief Executive Officer

**James Tastard**  
/s/ James Tastard

**MUTUAL AGREEMENT ON TRANSITION AND GENERAL RELEASE****Caution: Read Carefully  
This Is A Release Of All Claims**

THIS MUTUAL AGREEMENT ON TRANSITION AND GENERAL RELEASE ("Agreement") is voluntarily entered into as of the date(s) set forth below by and between the undersigned individual employee, Annette W. Cyr, and Great Lakes Dredge & Dock Corporation ("Company").

WHEREAS, the Company and Cyr are parties to that certain employment agreement dated January 10, 2018 ("Employment Agreement"); and

WHEREAS, the Company and Cyr are also parties to those certain Restricted Stock Unit Award Agreements granted March 8, 2018, March 13, 2019, and March 12, 2020 ("Time-Based Awards") and those certain Performance-Based Restricted Stock Unit Award Agreements granted March 8, 2018 and March 12, 2020 ("Performance-Based Awards") all pursuant to the Great Lakes Dredge & Dock Corporation 2017 Long-Term Incentive Plan ("Plan") (collectively, the "Awards"); and

WHEREAS, Cyr has been on a leave of absence since May 8, 2020, receiving benefits under the Company's short-term disability ("STD") benefit plan, does not anticipate returning to work, and anticipates transitioning to benefits under the Company's long-term disability ("LTD") benefit plan on or about November 8, 2020; and

WHEREAS, the employee and the Company have reached mutual agreement on Cyr's voluntary resignation effective as of November 11, 2020 ("Separation Date") on the terms set forth herein, and that Cyr's execution and non-revocation of this Agreement constitutes written notice of a voluntary resignation date under the terms of the Employment Agreement;

NOW, THEREFORE, in consideration of the mutual understandings, covenants, and the release contained in this Agreement, the Company and I hereby voluntarily agree as follows:

1. **Definitions.** Specific terms used in this Agreement have the following meanings: (a) words such as "I," "me," and "my" include both the undersigned, Annette W. Cyr, and anyone who has or obtains any legal right or claims through me; and (b) "Company" means Great Lakes Dredge & Dock Corporation, all of its past and present officers, directors, employees, trustees, parent corporations, agents, members, affiliates, insurers, any and all employee benefit plans (and any fiduciary of such plans) sponsored by such entities, and each such entity's subsidiaries, including without limitation Great Lakes Dredge & Dock Company, LLC, predecessors, successors, and assigns, and all other entities, persons, firms, or corporations liable or who might be claimed to be liable, none of whom admit any liability to me, but all of whom expressly deny any such liability.
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2. **Company's Agreement to Provide Consideration to Me.** In exchange for my release and other promises made by me in this Agreement, the Company agrees that:

(a) subject to Board of Directors/Compensation Committee approval, which shall not be unreasonably delayed or withheld, with regard to my Performance-Based Awards, each Annual Performance Period shall continue through the last day of the Annual Performance Period following the Separation Date and I, or my estate in the event of my death (provided that the Supplemental Release set forth below has been executed and not revoked by me or my legal guardian, authorized agent under a power of attorney, or my estate, as applicable), shall be entitled to receive the number of shares earned at the end of each Annual Performance Period based on the actual performance during such Annual Performance Period and the vested portion of the Award for such Annual Performance Period shall be settled within 70 days following the conclusion of such Annual Performance Period (or, for Annual Performance Periods that concluded prior to my death or Disability (as defined in the Award), within 70 days following my death or Disability). A schedule of anticipated vesting dates is set forth in Exhibit A, attached hereto and made a part hereof;

(b) with regard to my Time-Based Awards (provided that the Supplemental Release set forth below has been executed and not revoked by me or my legal guardian, authorized agent under a power of attorney, or my estate, as applicable), vesting for each Time-Based Award shall accelerate and vest as soon as reasonably practicable following the Separation Date and period for revocation, subject to Paragraph 16, below; and

(c) it shall provide to me payment of Ten Thousand Dollars (\$10,000) (less taxes and other deductions and withholdings), for use by me for continuing medical benefits or for any other purpose ("Subsidy").

I understand that the Subsidy described above shall be paid in a lump sum no earlier than on the Company's regular payroll date occurring as soon as practical after the Supplemental Release described below has been executed and has become effective pursuant to its terms, subject to Paragraph 16, below. I acknowledge that the consideration and payment described above constitute full and fair consideration for the release of My Claims, that the Company is not otherwise obligated to provide this consideration or to make this payment to me, and that they are in addition to any other sums or consideration to which I am otherwise due. This consideration is in full satisfaction of any rights and benefits that I may otherwise be entitled to receive under the Employment Agreement, the Awards, and/or any applicable Great Lakes Dredge & Dock Company Severance Pay Plan. I specifically acknowledge and agree that I am not entitled to the separation compensation and benefits set forth in Section 3.3(a) of the Employment Agreement for a termination without Cause. I also acknowledge that I have received all other forms of compensation, of whatever kind, that may be due to me by the Company, including, without limitation, amounts earned by me prior to the Separation Date, whether under the Employment Agreement or otherwise, except as to any amounts that will be paid to me under the terms of the

STD benefit plan between my execution of this Agreement and the Separation Date, provided that I maintain eligibility for such STD benefits.

The Company has agreed that I shall be eligible to receive a pro rata portion of any Short-Term Incentive ("STI") payment under the terms of the STI Plan in effect on my Separation Date for the calendar year 2020, which will be determined and paid in accordance with the STI Plan, prorated based on my last day of work (5/8/2020) and paid in the normal course of such payments, if any, for eligible employees; provided, however, that in order to be eligible to receive such payment, if any, I must then be in compliance and must have at all times been in compliance with the terms and conditions of STI Plan, this Agreement, and the Supplemental Release described below.

I understand that I will receive such Profit-Sharing, Qualified 401(k), and Non-Qualified 401(k) Supplemental Savings Plan benefits, if any, in accordance with the plan documents applicable to such benefits. I understand that I will receive information concerning my right to continue my health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), subject to applicable Plan documents and applicable law.

3. **My Claims.** The claims I am releasing ("My Claims") include all of my rights to any relief of any kind from the Company, including without limitation, all claims I have now, whether or not I now know about the claims. These claims, which I hereby release, include, but are not limited to the following:

(a) all claims relating to my employment with Company, or the termination of that employment, including, but not limited to, any claims arising under the Fair Labor Standards Act; Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1866; the Age Discrimination in Employment Act ("ADEA"); the Older Worker Benefits Protection Act ("OWBPA"); the Employee Retirement Income Security Act; the Family and Medical Leave Act ("FMLA") (to the extent that FMLA claims may be released under governing law); the Americans with Disabilities Act; the applicable state civil rights laws; and/or any other federal, state or local law;

(b) all claims under any principle of common law or equity, including but not limited to, claims for alleged unpaid compensation or other monies; commissions; any tort; breach of contract; and any other allegedly wrongful employment practices; and

(c) all claims for any type of relief from the Company, including but not limited to, claims for damages, costs and attorney's fees.

In addition to these claims being released, I acknowledge that I have not suffered any physical or mental injuries arising out of my employment with Company or the separation from that employment. I agree that I (or my legal guardian, authorized agent under a power of attorney, or my estate, as applicable) will sign a similar agreement to this one, in a form satisfactory to the Company, within the time frames set forth therein, which I will receive on or about November 9, 2020 ("Supplemental Release") and that the execution and non-revocation of the Supplemental Release is a condition to this Agreement.

4. **Exclusions From Release.** I understand that My Claims released under this Agreement do not include any rights or claims that may arise after my execution of this Agreement. I understand I do not waive future claims. Also, I further understand that nothing in this Agreement shall in any way adversely affect whatever vested rights I may have to benefits under any retirement or other employee benefit plan. In addition, I acknowledge that this Agreement is not intended to (a) prevent me from filing a charge or complaint including a challenge to the validity of this Agreement, with the Equal Employment Opportunity Commission ("EEOC"); (b) prevent me from participating in any investigation or proceeding conducted by the EEOC; or (c) establish a condition precedent or other barrier to exercising these rights. While I have the right to participate in an investigation, I understand that I am waiving my right to any monetary recovery arising from any investigation or pursuit of claim on my behalf. I acknowledge that I have the right to file a charge alleging a violation of the ADEA with any administrative agency and/or to challenge the validity of the waiver and release of any claim I might have under the ADEA without either: (a) repaying to the Company the amounts paid by it to me or on my behalf under this Agreement; or (b) paying to the Company any other monetary amounts (such as attorney's fees and/or damages).

5. **Return of Company Property.** I hereby represent and warrant that I have returned to the Company all of its property that was ever in my possession or control. This property includes, but is not limited to, financial and other business records, personnel records, office and other keys, directories, computer hardware and software, passwords, books, documents, memoranda, and all other records, and copies of all such items.

6. **Termination of Relationship.** I acknowledge that my employment will be separated by my voluntary resignation as of the Separation Date referenced in the introductory paragraphs to this Agreement. I acknowledge that neither the Company nor its successors have any obligation, contractual or otherwise, to rehire, reemploy, recall, or hire me in the future. I understand that this Agreement does not constitute an admission of wrongdoing by any party. I also understand and agree that all post-employment confidentiality, non-competition, and/or other covenants and obligations to the Company remain in full effect for the period of time stated in any written agreement between me and the Company, including without limitation the Employment Agreement, and as imposed by law. I understand and agree that the Company may begin a search for a replacement for my position and may secure and hire such a replacement prior to the Separation Date and that such search and/or replacement does not constitute a material diminution of my authority duties, or responsibilities giving rise to a termination by the Company without Cause under Section 3.3 of the Employment Agreement.

7. **Consultation with Attorney.** I acknowledge that the Company has advised me that it is up to me as to whether I consult an attorney of my choosing prior to signing this Agreement, and that the Company has advised and hereby does advise that I should do so.

8. **Non-Disparagement; Confidentiality.** In further consideration of the payments and benefits set forth above, I agree as follows:

(a) **Confidentiality:** I agree, consistent with applicable law, to protect the Company from intrusion into its business by not disclosing to any third-party any confidential information or trade secrets of the Company. Such information includes, but is not limited to, confidential information regarding the credit and collection activities of the Company, and information regarding the Company's employees, services, marketing strategies, business plans, operations, costs, research and development efforts, technical data and know-how, financial information, internal procedures, forecasts, methods, trade secrets, software programs, project requirements, inventions, trademarks, trade names, and similar information regarding the Company's business (collectively referred to as "Confidential Information"). I agree that all such Confidential Information is and shall remain the sole and exclusive property of the Company. Except as may be expressly authorized by the Company in writing, or as may be required by law after providing due notice thereof to the Company, I agree not to disclose, or cause any other person or entity to disclose, any Confidential Information to any third party as long as such information remains confidential (or as limited by applicable law) and I agree not to make use of any such Confidential Information for my own purpose or for the benefit of any other entity or person. All duties and obligations set forth in this Agreement regarding Confidential Information shall be in addition to and not in lieu of those which exist under the terms of my Employment Agreement and applicable state trade secret act(s) and at common law. I further understand that it is an essential and material condition of this Agreement that the existence and terms of this Agreement are to remain strictly confidential and shall not be disclosed by me to any person other than to my attorney, my accountant or my spouse, if any, or as required by law. Confidentiality is my preference and is mutually beneficial to both parties. However, nothing in this Agreement prohibits me from reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, the U.S. Congress, and any Agency Inspector General, or making other disclosures (including but not limited to providing documents or other information) that are protected under the whistleblower provisions of federal law or regulation. I do not need the prior authorization of the Company to make any such reports or disclosures, and I am not required to notify the Company that I have made such reports or disclosures. I am also not limited in my right to receive an award for information provided to any government agency or entity.

As provided by federal law (18 U.S.C. §1833), I understand that I will not be held criminally or civilly liable under any federal or state trade secret law for my disclosure of a trade secret that is made by me: (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (b) in a complaint or other document filed by me in a lawsuit or other proceeding, on the condition that such filing is made under seal.

(b) **Non-Disparagement:** I agree to refrain from making any disparaging or defamatory comments to anyone (including, but not limited to, the Company's customers) concerning the Company, its employees, agents, operations, or plans. I agree that any inquiries concerning the Company shall be directed to the Human Resources Department of Company for response. In

further protection of the interests of the Company, I agree that, as to any matters currently pending, or which arise relating to my employment with the Company, I will cooperate with the Company and its attorneys in connection with any proceeding involving the Company before a court, an administrative agency, governmental organization, or an arbitrator.

9. **Violation of Agreement.** If any legal action or other proceeding is brought for the enforcement of this Agreement, the non-breaching party shall be able to recover from the breaching party its reasonable attorney's fees, court costs and all expenses (including, without limitation, all such fees, costs and expenses incident to appeals), incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

10. **Severability.** I understand, and it is my intent, that in the event this Agreement is ever held to be invalid or unenforceable (in whole or in part) as to any particular type of claim or charge or as to any particular circumstances, it shall remain fully valid and enforceable as to all other claims, charges, and circumstances.

11. **Period to Consider Agreement and Expiration of Offer.** As required by the ADEA and the OWBPA, I understand that I have twenty-one (21) calendar days from the day that I receive this Agreement, not counting the day upon which I received it, to consider whether I wish to sign it. If I sign this Agreement before the end of the twenty-one (21) calendar day period, it will be my personal and voluntary decision to do so. I also understand that if I fail to deliver this Agreement to the Company within said period of time, it shall expire and be deemed withdrawn by the Company. The parties agree that changes to this Agreement, whether material or immaterial, do not restart the running of the twenty-one (21) calendar day period.

12. **Right to Revoke Agreement.** I understand that I may revoke this Agreement at any time within seven (7) calendar days after I sign it, not counting the day upon which I sign it. This Agreement will not become effective or enforceable unless and until the seven (7) calendar day revocation period has expired without my revoking it, i.e. on the eighth calendar day after I sign this Agreement.

13. **Procedure to Accept or Revoke.** To accept this Agreement, I must deliver the Agreement, after it has been signed and dated by me, to the Company, by hand or by mail, and it must be received by the Company within the twenty-one (21) calendar day period that I have to consider this Agreement. To revoke my acceptance, I must deliver a written, signed statement that I revoke my acceptance to the Company by hand or by mail and any such notice of revocation must be received by the Company within seven (7) calendar days after I signed the Agreement. All deliveries shall be made to the Company at the following address, marked "Personal and Confidential": Great Lakes Dredge & Dock Company, LLC; 2122 York Road; Oak Brook, IL 60523; ATTN: Legal Department. If I choose to deliver my acceptance or revocation notice by mail, it must be: (a) postmarked and received by the above-named individual at the Company within the applicable period stated above; (b) properly addressed to the Company at the address stated above; and (c) sent by certified mail, return receipt requested.

14. **Medicare Addendum.** I represent that (a) I am not enrolled in Medicare, and (b) have not received any treatment from Medicare related to My Claims.

15. **My Representations.** I HAVE READ THIS AGREEMENT CAREFULLY, I HAVE HAD AN ADEQUATE OPPORTUNITY TO CONSULT AN ATTORNEY, AND I UNDERSTAND ALL OF ITS TERMS AND HAVE THE CAPACITY TO ENTER INTO THIS AGREEMENT. IN AGREEING TO SIGN THIS AGREEMENT, I HAVE NOT RELIED ON ANY STATEMENTS OR EXPLANATIONS MADE BY THE COMPANY, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT. I ALSO UNDERSTAND AND AGREE THAT THIS AGREEMENT CONTAINS ALL OF THE AGREEMENTS BETWEEN THE COMPANY AND ME RELATING TO THE MATTERS INCLUDED IN THIS AGREEMENT, EXCEPT AS TO ANY ADDITIONAL NON-COMPETE, CONFIDENTIALITY, AND OTHER RESTRICTIVE COVENANT AGREEMENTS TO WHICH I AM ALSO A PARTY. I ALSO AGREE THAT THIS AGREEMENT MAY BE EXECUTED IN ONE OR MORE COUNTERPARTS, ALL OF WHICH, TAKEN TOGETHER, SHALL CONSTITUTE ONE AND THE SAME AGREEMENT.

16. **Code Section 409A.** All payments to be made to me and consideration provided as a result of my termination of employment under this Agreement may be made only upon a "separation from service" under section 409A of the Internal Revenue Code of 1986, as amended ("Code"). For purposes of section 409A of the Code, any right to receive a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. Further, for purposes of the limitations on nonqualified deferred compensation under section 409A of the Code, each payment of compensation under this Agreement shall be treated as a separate payment. In no event may the Executive, directly or indirectly, designate the calendar year of a payment.

Severance benefits under this Agreement are intended to be exempt from section 409A of the Code under the "separation pay exception," to the maximum extent applicable. Any payments hereunder that qualify for the "short-term deferral" exception or another exception under section 409A of the Code shall be paid under the applicable exception.

Any payment or other consideration under this Agreement that is contingent upon the signing and non-revocation of the Supplemental Release or any other release shall be paid on the Company's first regular payroll date following the date on which the release becomes effective and non-revocable; provided, however, that if the maximum period for consideration and revocation of the release begins in one calendar year and ends in the next calendar year, such payment or other consideration shall be paid in the later calendar year.

Date: 9/13/2020

Printed Name: Annette W Cyr

Signature: /s/ Annette W Cyr

Witness: Robert J Cyr

Received and agreed to by Great Lakes Dredge & Dock Corporation on behalf of itself and all other persons and entities released herein:

By: Katie LaVoy

Date: 9/15/2020

**EXHIBIT A**

Type	Grant Date	# Granted @ Target	# Outstanding @ Target	Vesting Date 1	# Vesting 1	Vesting Date 2	# Vesting 2	Vesting Date 3	# Vesting 3
PSU (Performance-Based)	03/12/2020	13,717.000	13,717.000	03/12/2021	4,571.500	03/12/2022	4,571.500	03/12/2023	4,574.000
RSU (Time-Based)	03/12/2020	13,717.000	13,717.000	03/12/2021	4,572.000	03/12/2022	4,572.000	03/12/2023	4,573.000
RSU (Time-Based)	03/13/2019	11,681.000	7,788.000	03/13/2020	3,893.000	03/13/2021	3,894.000	03/13/2022	3,894.000
RSU (Time-Based)	03/08/2018	20,052.000	6,684.000	03/08/2019	6,684.000	03/08/2020	6,684.000	03/08/2021	6,684.000
SIP (Performance-Based)	03/08/2018	20,052.000	10,026.000	12/31/2019	19,751.000	12/31/2020	20,052.000		



CERTIFICATIONS PURSUANT TO  
SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002

## CERTIFICATION

I, Lasse J. Petterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great Lakes Dredge & Dock Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2021

/s/ LASSE J. PETTERSON

Lasse J. Petterson

President and Chief Executive Officer

CERTIFICATIONS PURSUANT TO  
SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002

## CERTIFICATION

I, Mark W. Marinko, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great Lakes Dredge & Dock Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2021

/s/ MARK W. MARINKO

Mark W. Marinko

Senior Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Great Lakes Dredge & Dock Corporation (the "Company") on Form 10-Q for the period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lasse J. Petterson, Chief Executive Officer and Director of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by Great Lakes Dredge & Dock Corporation for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/s/ LASSE J. PETERSON

\_\_\_\_\_  
Lasse J. Petterson  
President and Chief Executive Officer

Date: May 4, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Great Lakes Dredge & Dock Corporation and will be retained by Great Lakes Dredge & Dock Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Great Lakes Dredge & Dock Corporation (the "Company") on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark W. Marinko, Senior Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by Great Lakes Dredge & Dock Corporation for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/s/ MARK W. MARINKO

\_\_\_\_\_  
Mark W. Marinko  
Senior Vice President and Chief Financial Officer

Date: May 4, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Great Lakes Dredge & Dock Corporation and will be retained by Great Lakes Dredge & Dock Corporation and furnished to the Securities and Exchange Commission or its staff upon request.