
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): September 7, 2010

Great Lakes Dredge & Dock Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33225
(Commission
File Number)

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

2122 York Road
Oak Brook, Illinois
(Address of principal executive offices)

60523
(Zip Code)

Registrant's telephone number, including area code: (630) 574-3000

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On September 7, 2010, Great Lakes Dredge & Dock Corporation (the "Company") announced the resignation of Douglas B. Mackie as President and Chief Executive Officer and the appointment of Jonathan W. Berger as the Chief Executive Officer, effective September 7, 2010. Mr. Mackie will serve as Chairman Emeritus and Senior Advisor and continue as a director through his current term which expires at the 2011 Annual Meeting of Stockholders. The Company also announced the resignation of Deborah A. Wensel as Senior Vice President, Chief Financial Officer, Treasurer and Secretary and the appointment of Bruce J. Biemeck as the President and Chief Financial Officer. Messrs. Berger and Biemeck will continue as directors but will no longer be appointed to Board Committees nor will Mr. Biemeck serve as Lead Director effective as of September 7, 2010.

As of the effective date of the resignations of Mr. Mackie and Ms. Wensel, the Company is aware of no disagreements between either of them and the Company on any matter relating to the Company's operations, policies or practices.

In connection with Mr. Mackie's resignation, he entered into a Consulting Agreement and a Separation Agreement. Under the Consulting Agreement, Mr. Mackie will provide specified consulting services for one year and will receive an aggregate of \$437,500 payable in four declining installments in September, 2010; and in January, April and July, 2011. During the period of consulting services and for an additional 3 years, Mr. Mackie is subject to certain restrictive covenants, including non-competition and non-solicitation and a confidentiality covenant and non-disparagement covenant. On terms set forth in the General Release, Mr. Mackie has agreed to release the Company from all claims and agreed not to bring any action or litigation against the Company.

Under the Separation Agreement, the Company will pay Mr. Mackie an aggregate of \$906,000, payable in equal installments on each regularly scheduled payroll payday during the 24 month period beginning on September 7, 2011. Following the effective date of the General Release which occurs after the end of the consulting services in September 2011, Mr. Mackie shall receive a lump sum of \$1,268,414, a lump sum lost 401(k) plan benefit payment of \$365,087, and a lump sum \$26,400 car allowance. Mr. Mackie will receive a continuation of employer contributions to premiums for group medical and dental plans during the 24 month period following separation and 24-months of vesting and years of "service" under the company's equity plan. The Company will provide Mr. Mackie an office for one year following the consulting period.

In connection with Ms. Wensel's resignation, she entered into a Consulting and Separation Agreement and General Release which provides that the Company will pay her an aggregate of \$525,000, in equal installments on each regularly scheduled payroll pay date during the 12 month period beginning on September 7, 2010. Ms. Wensel will also receive a continuation of employer contributions to premiums for group medical and dental plans during that period. Ms. Wensel has agreed to provide certain consulting services through December 31, 2010 and is subject to certain restrictive covenants, including an 18-month non-competition and non-solicitation covenant and a confidentiality and non-disparagement covenant. On terms set forth in the General Release, Ms. Wensel has agreed to release the Company from all claims and agreed not to bring any action or litigation against the Company.

The Company entered into employment agreements effective September 8, 2010 with Messrs. Berger and Biemeck which continue until their third anniversary and are automatically extended for successive one-year periods unless the executive or the Company gives the other written notice 90 days in advance. Messrs. Berger and Biemeck will be paid annual base salaries of \$450,000 and \$425,000, respectively, subject to increase by the board of directors, or decrease by up to 10 percent if there is a salary reduction affecting substantially all executives or managerial employees. When 2010 bonuses are paid in 2011, Messrs. Berger and Biemeck will each receive a bonus of \$250,000, paid 50% in Company common stock and the remainder paid in cash. Beginning with the 2011 fiscal year, each executive will be eligible to participate in the annual performance bonus plans and long-term incentive plans established by the Company for its senior executive officers, with maximum annual incentive compensation payable to Messrs.

Berger and Biemeck of \$550,000 and \$525,000, respectively, unless such amount is adjusted by the compensation committee, paid 50% in Company common stock and the remainder paid in cash. Each executive will be eligible to participate in any equity-based plans established by the Company for its senior executive officers. The Company will grant to each executive by September 27, 2010 a long-term equity incentive award representing approximately \$50,000 in Company common stock. Messrs. Berger and Biemeck will be eligible to participate in any employee benefit plans offered by the Company, including the 401(k) Lost Benefit Plan. The Company will reimburse each executive for reasonable housing and travel expenses, up to a maximum of \$5,000 per month, for the first six months of the employment term. The executives must retain all shares of Company stock received as compensation, provided that sales are permitted as long as his remaining beneficial ownership exceeds four times his then current base salary.

If Messrs. Berger or Biemeck is terminated without cause (as defined in the employment agreements), depending on when termination occurs during the employment term, he is entitled to between six months and 18 months of base salary, the pro rata portion of the annual bonus and the 401(k) Lost Benefit Plan benefits earned through the termination date, vesting credit for any unvested equity awards through the end of the applicable period over which severance payments are payable, and continued coverage under the Company's medical and dental plans for up to 24 months following the termination date. In addition to amounts otherwise payable to each of the executives upon a separation from service, each executive will be granted additional vesting upon his death or disability or upon the retirement of Messrs Berger and Biemeck after five years and four and one-half (4.5) years, respectively. If within eighteen months of a change in control, the Company terminates the employment of Messrs. Berger or Biemeck other than for cause, the Company will pay the executive, in lieu of any cash severance payment, a lump sum payment equal to one and one-half (1.5) times the executive's then current base salary. In the event of such a change of control, the executives are also entitled to continued coverage under the Company's medical and dental plans for up to 24 months following the termination date.

During the employment term and for eighteen months following termination, each executive is subject to confidentiality provisions and restrictive covenants, including non-competition and non-solicitation covenants.

The foregoing brief description of the terms and conditions of the Separation Agreement, Consulting Agreement, Consulting and Separation Agreement and General Release, and the Employment Agreements for the CEO and President and Chief Financial Officer does not purport to be complete and is qualified in its entirety by reference to these agreements which are filed as Exhibits 99.1, 99.2, 99.3, 99.4, and 99.5 hereto and are incorporated herein by reference.

A copy of the press release announcing these executive management changes is attached hereto as Exhibit 99.6 and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Separation Agreement with Douglas B. Mackie effective as of September 7, 2010 |
| 99.2 | Consulting Agreement with Douglas B. Mackie effective as of September 8, 2010 |
| 99.3 | Consulting and Separation Agreement and General Release with Deborah A. Wensel effective as of September 7, 2010 |
| 99.4 | Employment Agreement with Jonathan W. Berger, dated as of September 7, 2010. |
| 99.5 | Employment Agreement with Bruce J. Biemeck, dated as of September 7, 2010. |
| 99.6 | Press Release by the Company dated September 7, 2010. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GREAT LAKES DREDGE & DOCK CORPORATION

September 8, 2010

By: _____ /s/ BRUCE J. BIEMECK
Name: **Bruce J. Biemeck**
Title: **President and Chief Financial Officer**

Exhibit Index

- 99.1 Separation Agreement with Douglas B. Mackie effective as of September 7, 2010
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- 99.6 Press Release by the Company dated September 7, 2010.

SEPARATION AGREEMENT

This Separation Agreement (the “**Agreement**”) is made by and between Douglas B. Mackie (the “**Executive**”) and Great Lakes Dredge & Dock Corporation, a Delaware corporation (the “**Company**”), to fully settle and resolve any and all issues and disputes arising out of the Executive’s employment with and separation from the Company.

WHEREAS, the Executive has been employed with the Company in the position of President and Chief Executive Officer pursuant to the Employment Agreement dated as of July 2, 2007 (the “**Employment Agreement**”) between the Company and the Executive;

WHEREAS, the Company and the Executive have decided that it is in their mutual best interest to terminate their employment relationship effective as of September 7, 2010 (the “**Separation Date**”); and

WHEREAS, the Company has determined to pay and provide to the Executive the payments and benefits described below in connection with his separation from service;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein, the receipt and sufficiency of which is hereby acknowledged by each party, the Executive and the Company agree as follows:

1. **Termination of Employment.** The Executive agrees that his employment with the Company terminated on the Separation Date. The Executive acknowledges that he has received, or will receive pursuant to the terms of this Agreement, any and all payment for wages, accrued unused vacation, if any, other fringe benefits, if any, and reimbursable business expenses, if any, to which the Executive is entitled through the Separation Date. Following the Separation Date, the Executive shall not be entitled to further participation in any of the Company’s benefit plans, except as provided in this Agreement or in the governing plan documents. The Company and the Executive have entered into a consulting agreement effective as of September 8, 2010 (the “**Consulting Agreement**”), pursuant to which the Executive will serve as Chairman Emeritus, Executive Director and a non-employee Special Advisor to the Company, and provide other consulting services to the Company. Notwithstanding anything in the Employment Agreement to the contrary, the Company and the Executive agree that he will continue to serve as a member of the Board of Directors of the Company until the expiration of his term as a director in 2011, at which time he will be considered for re-election, as is customary for all directors.
2. **Consideration.** In consideration for the Executive’s releases, promises, and representations in this Agreement and following the expiration of the Revocation Period (as defined in Section 3 of Appendix B to the Consulting Agreement) without the Executive having revoked the ADEA Release (as defined in Section 3 of Appendix B to the Consulting Agreement), and provided the Executive complies with his obligations under this Agreement, the Company will provide the Executive with the consideration described in Appendix A (the “**Separation Payments and Benefits**”), which the Executive acknowledges is more than the Executive would be entitled to receive if he chose not to sign this Agreement.

3. **Benefits.** Except as described in Section 2 and Appendix A the Executive's participation in and coverage under all of the Company's employee benefit plans and programs shall end on the Separation Date.
4. **General Release and Agreement Not to Sue.** In exchange for payment and provision of the Separation Payments and Benefits, the Executive agrees to execute and comply with the General Release and Agreement Not to Sue set forth in Appendix B to the Consulting Agreement (the "**Release**").
5. **Confidential Information and Return of Company Property.**
 - a. The 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 he obtained during the course of his employment by the Company is the property of the Company or such other GLDD Entity. The Executive will never, directly or indirectly, disclose, publish or use any Confidential Information of which the Executive has become aware, whether or not such information was developed by him. All duties and obligations set forth in this Agreement regarding Confidential Information shall be in addition to those that exist under the Illinois Trade Secrets Act and at common law.
 - b. 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 sureties, 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 the Executive concerning the requirements and specifications of the Company's or any other GLDD Entity's agents, vendors, contractors, customers, or potential customers.
- c. Notwithstanding **Section 5.b**, Confidential Information does not include any information that: (i) 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; (ii) becomes publicly available through no fault of the Executive; or (iii) has been published in a form generally available to the public before the Executive proposes to disclose, publish, or use such information.
- d. The Executive agrees that he will, on or before the expiration of the Consulting Agreement, or as agreed to otherwise by the Chief Executive Officer of the Company in writing for the purposes of further Company business, return to the Company all Confidential Information and all property of the Company or any GLDD Entity that is in the Executive's possession, custody or control, including but not limited to all originals, copies, or embodiments of any:
- i. keys and access cards;
 - ii. computer hardware (including but not limited to all personal computers, laptop computers, iPhones, Blackberries, other personal data assistants, back-up drives and the contents thereof, as well as any passwords or codes needed to operate such equipment);
 - iii. computer software and programs, data, diskettes, CDs, DVDs, thumb-drives or other removable data storage devices, and other embodiments of electronic data (including, without limitation, any materials in any online or other third party storage media, as well as any passwords or codes needed to access such software, programs, data, and storage media);
 - iv. materials, papers, books, files, memoranda, correspondence, e-mails, notes, documents, records, photographs, manuals, notebooks, program listings, flow charts, policies, customer information, customer lists, vendor information and lists, pricing information, marketing information,

specifications, plans, data base information and/or lists, and mailing lists, that the Executive has or had relating to the Company, any GLDD Entity, or any of their respective customers, contractors, vendors, agents, employees, plans, designs, contracts, agreements, strategies, inventions, systems, policies, and/or practices (whether those materials are on paper or in an electronic format).

The Executive agrees not to keep any originals, copies, or embodiments of any such property or information in any form, and not to disclose their contents to any other person. So long as the Executive does not violate any other part of this Agreement, nothing in this **Section 5** precludes the Executive from retaining or using information or documents related to any benefits to which he may be entitled as a former employee of the Company.

6. **Restrictive Covenants.**

- a. During the term of the Consulting Agreement (the “**Consulting Period**”) and for the three-year period following the termination of the Consulting Period for any reason (the “**Restricted Period**”), the 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 or demolition or any other business engaged in by the Company; *provided, however*, that this restriction shall not prohibit the 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 North America, Central America, South America, the Caribbean, the Middle East, Africa, India, Australia, and Asia. Notwithstanding anything in this **Section 6** to the contrary, the 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 he is interested in pursuing or in which he may wish to engage, and (ii) request that the Company agree that the opportunity so described would not violate this **Section 6(a)**. Within 15 business days after it receives such a notice, the Company will send the Executive a written response, indicating whether or not the Company consents to the Executive engaging in the opportunity described in his notice.
- b. During the Restricted Period, the Executive shall not affirmatively:
 - i. induce or solicit, or attempt to induce or solicit, any employee of the Company to leave his or her employ, or in any way interfere with the relationship between the Company and any of its respective employees; or
 - ii. induce or attempt to induce any customer (including any subsidiary or affiliate of any customer), or any agent, supplier, licensee, licensor,

franchisee or other business relation of the Company, to cease doing business with the Company, or in any way interfere with the relationship between the Company and any customer (including any subsidiary or affiliate of any customer), or any agent, supplier, licensee, licensor, franchisee or other business relation.

c. The Executive confirms that he has fully complied with this **Section 6** through the date on which he signed this Agreement.

7. **Enforcement.** The Executive agrees that given the nature of the Company's business, the scope and duration of the restrictions in **Sections 5** and **6** of this Agreement are reasonable and necessary to protect the legitimate business interests of the Company and do not and will not unduly interfere with the Executive's career or economic pursuits. The Executive recognizes and agrees that any breach or threatened or anticipated breach of any part of **Section 5** or **6** of this Agreement will result in irreparable harm and continuing damage to the Company, and that the remedy at law for any such breach or threatened or anticipated breach will be inadequate. Accordingly, in addition to any other legal or equitable remedies that may be available to the Company, the Executive agrees (a) that the Company shall be entitled to seek and obtain an injunction or injunctions, without bond or other security, to prevent any breach or threatened or anticipated breach of any such section and (b) to the extent the Company has been damaged by such breach, the Company may withhold such damages from future payments under this Agreement and the Executive may be required to repay to the Company any Separation Payments and Benefits he already received and amounts paid to him by the Company under the Consulting Agreement.

If any provision, section, subsection or other provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid, illegal or unenforceable in whole or in part, and such determination shall become final, such provision or portion shall be deemed to be severed or limited, but only to the extent required to render the remaining provisions and portion of this Agreement enforceable. This Agreement as thus amended shall be enforced as to give effect to the intention of the parties insofar as that is possible. In addition, the parties hereby expressly empower a court of competent jurisdiction to modify any term or provision of this Agreement to the extent necessary to comply with existing law and to enforce this Agreement as modified.

8. **Cooperation and Assistance.** The Executive, unless precluded by law, will voluntarily provide thorough and accurate information and testimony to or on behalf of the Company or any GLDD Entity as relates to matters in which he was involved, regarding (a) any investigation, litigation, or claims initiated by or brought or threatened against the Company or any GLDD Entity, including any government agency investigation, or (b) any dispute between the Company or any GLDD Entity and any current employee, former employee, agent, consultant, vendor, supplier, or customer of the Company or any GLDD Entity arising from or related to any act or omission that actually or allegedly occurred during the Executive's employment by the Company. Except as may be required by law, the Executive will not disclose or discuss with anyone who is not directing or assisting the Company or any GLDD Entity in any investigation, litigation,

claim, or dispute covered by the previous sentence, other than the Executive's attorney, the fact of or the subject matter of the investigation, litigation, claim, or dispute. The Executive will cooperate fully with the Company and the GLDD Entities as relates to matters in which he was involved, in promptly supplying thorough and accurate information and testimony during the handling or resolution of any such investigation, litigation, claim, or dispute. The Company will work with the Executive to arrange times that reasonably accommodate him and, to the extent permitted by law, will reimburse the Executive reasonable travel, parking, and other similar reasonable out-of-pocket expenses incurred by him in connection with providing such information or testimony so long as he submits appropriate supporting receipts and other similar documentation to the Company. If the Executive receives a subpoena or becomes subject to any legal obligation that may require him to take any action otherwise prohibited by this **Section 8**, or receives any request, whether formal or informal, to provide information, he shall, unless precluded by law, as soon as possible but in any case within five days, provide notice of that fact to the Company in accordance with **Section 17**, enclosing any documents describing the request or legal requirement.

9. **No Admission.** This Agreement is not an admission by any of the Released Parties (as defined in Appendix B to the Consulting Agreement) that any action that any of them has taken or has failed to take with respect to the Executive was wrongful, unlawful, in violation of any local, state, or federal constitution, law, statute or regulation, or capable of inflicting any damages or injury on the Executive, and the Company specifically denies any such wrongdoing or violation.
10. **Mutual Non-Disparagement.** The Executive agrees, on behalf of himself and his agents, representatives, attorneys, assigns, heirs, executors and administrators, not to make any oral or written statement to anyone that disparages any of the Released Parties (as defined in Appendix B to the Consulting Agreement); *provided* that the provisions of this **Section 10** shall not apply to the extent necessary to enable the Executive to (a) provide testimony as a witness, (b) comply with other legal obligations or (c) assert defense against any claim of breach of this Agreement or the Consulting Agreement, or to his statements or disclosures to directors of the Company, and shall not require the Executive to make false statements or disclosures. The Company agrees that its officers and directors will not make any oral or written statement to anyone that disparages the Executive or his job performance; *provided* that the provisions of this **Section 10** shall not apply to testimony as a witness, compliance with other legal obligations, or assertion of or defense against any claim of breach of this Agreement or the Consulting Agreement, or to statements to the Executive, and shall not require the Company's officers or directors to make false statements or disclosures. The Executive and the Company will cooperate in the preparation of the Press Release announcing the Executive's employment termination; *provided* that the final form of the Press Release will be determined by the Company.
11. **Indemnification and Insurance.** The Company will indemnify the Executive in accordance with the Company's Certificate of Incorporation and Bylaws in the event he is made or threatened to be made a party to any action, suit, or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he is or was a

director, officer, or employee of the Company or an affiliate, or serves any other enterprise as a director, officer, or employee at the request of the Company. While employed by or in a consulting relationship with the Company or an affiliate and for six years thereafter, the Company will maintain the Executive as an insured party on all directors' and officers' insurance maintained by the Company for the benefit of its directors and officers on at least the same basis as all other covered individuals with respect to time periods where the Executive served as an employee of the Company or its affiliates; provided that, for the avoidance of doubt, the Company will be entitled to satisfy its obligations pursuant to this sentence through purchase of a "tail policy" that includes the Executive's employment with the Company and its affiliates.

12. **Agreement Inadmissible as Evidence.** This Agreement, its execution, and its implementation may not be used as evidence, and shall not be admissible, in any proceeding except one brought by the Executive or the Company claiming a violation of this Agreement or the Consulting Agreement.
13. **Entire Agreement.** This Agreement (including the Appendices hereto) and the Consulting Agreement (and the Appendices thereto) contain the entire agreement and understanding between the Executive and the Company concerning any of the matters described herein and therein, and supersedes any and all prior agreements (including, but not limited to, the Employment Agreement), discussions, negotiations, understandings, and proposals of the parties. The terms of this Agreement cannot be changed except in a later document signed by the Executive and an authorized officer of the Company.
14. **Governing Law; Venue.** This Agreement shall be governed by the laws of the State of Illinois, without giving effect to any principles regarding conflicts of laws. The parties will bring and pursue any legal or equitable proceeding relating to or arising under this Agreement only in the courts of Cook County, Illinois or the United States District Court for the Northern District of Illinois. Each party consents to and agrees never to challenge the personal jurisdiction or venue of those courts, and agrees that they are a fair and convenient place to conduct any such proceeding.
15. **No Presumption.** This Agreement shall be interpreted and construed as if all of its provisions were drafted jointly by the parties, and no party is entitled to the benefit of any rule of construction with respect to the interpretation of any term, condition, or provision in favor or against any drafter of this Agreement. This Agreement shall be interpreted and construed in accordance with the plain meaning of its terms and not strictly for or against either party.
16. **Headings.** The headings in this Agreement are for the convenience of the parties and shall not affect its meaning or interpretation.
17. **Notice and Other Communications.** All notices given under this Agreement shall be in writing and shall be delivered by hand, by facsimile, by email or by a nationally known, reputable overnight delivery service addressed as follows:

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

If to Company:

Great Lakes Dredge & Dock Company
2122 York Road
Oak Brook, IL 60523
Attn: Chief Executive Officer
Facsimile: (630) 574-3007

With a copy to:

Great Lakes Dredge & Dock Company
2122 York Road
Oak Brook, IL 60523
Attn: General Counsel
Facsimile: (630) 574-3007

or to such other address as either party will have furnished to the other in writing in accordance herewith. Notice shall be considered effective when actually received by the addressee.

18. **Taxes.** The Company may withhold from any amount payable under this Agreement such federal, state or local taxes as must be withheld pursuant to any applicable law or regulation.
19. **Representation of No Cause.** Executive represents and warrants that he has disclosed to the Company's Board of Directors all of the Executive's acts or omissions that could give rise to a termination of employment for Cause, as defined in the Employment Agreement. Executive acknowledges and agrees that this representation is a material term of this Agreement and any breach of this representation shall relieve the Company of the obligation to provide the payments and other consideration described in **Section 3** and Appendix A of this Agreement and that the Executive may be required to repay to the Company such payments and other consideration he already received.
20. **No Waiver.** Either party's failure to insist upon strict compliance with any part of this Agreement, or its failure to assert any right it may have hereunder, will not be considered a waiver of that or any other part of or right under this Agreement unless the waiver is in writing and signed by the party that is waiving its rights.
21. **Binding.** The terms of this Agreement shall be binding upon and inure to the benefit of the heirs, estates, predecessors, affiliates, assigns, attorneys, officers, directors, employees, agents and representatives of the parties. For the avoidance of doubt, in the event of the Executive's death, the unpaid balance of the amounts due under this Agreement shall be paid to his estate (subject to applicable law, deductions and withholdings and the terms and conditions of applicable employee benefit plans).

22. **Knowing and Voluntary Waiver.** The Executive acknowledges and agrees that:
- a. he has carefully read all parts of this Agreement and fully understands their meaning;
 - b. he had the opportunity to take up to 21 days after receiving this Agreement to decide whether to sign it;
 - c. the Company hereby has advised him in writing, when it gave him this Agreement, that he should consult with an attorney of his choosing before signing it;
 - d. he is signing this Agreement knowingly, voluntarily, and without any coercion or duress; and
 - e. the only consideration the Executive is receiving for signing this Agreement is described in the Agreement itself, and no other promises or representations of any kind have been made to cause him to sign it.
23. **Remedies.** Upon the violation or breach by the Executive of any of the terms of this Agreement and his failure to cure such breach within five business days of written notice from the Company, and in addition to any other remedies available to the Company, the Company shall be entitled to suspend indefinitely all payments due or payable hereunder to the Executive subsequent to the date of such violation or breach. The parties agree that damages incurred as a result of a violation or breach of this Agreement by the Executive shall be difficult to ascertain. It is, therefore, further agreed that, in addition to any other remedies, the Company will be entitled to equitable relief (without posting any bond) in the case of a breach of this Agreement by the Executive.
24. **No Mitigation.** The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise.
25. **Section 409A.** Notwithstanding any provision of this Agreement to the contrary, this Agreement is intended to be exempt from or, in the alternative, comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the interpretive guidance thereunder (the "Code"), including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions. The Agreement shall be construed and interpreted in accordance with such intent. Each payment under this Agreement or any Company benefit plan is intended to be treated as one of a series of separate payments for purposes of Code Section 409A.
26. **Counterparts.** This Agreement may be executed in one or more counterparts, and each such counterpart shall be deemed an original, but all such counterparts together shall constitute but one agreement. In the event that any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

SIGNATURE PAGE TO SEPARATION AGREEMENT

GREAT LAKES DREDGE & DOCK CORPORATION

 /s/ Douglas B Mackie
Douglas B. Mackie

By: /s/ Bruce J. Biemeck
Bruce J. Biemeck

Its: Lead Director

Date: September 7, 2010

Date: September 7, 2010

APPENDIX A
SEPARATION PAYMENTS AND BENEFITS

In consideration for the Executive's releases, promises, and representations in this Agreement and following the expiration of the Revocation Period (as defined in Section 3 of Appendix B to the Consulting Agreement) without the Executive having revoked the ADEA Release and provided that the Executive complies with his obligations under this Agreement, the Company will provide the Executive with the following, which the Executive acknowledges is more than the Executive would be entitled to receive if he chose not to sign this Agreement (all payments and benefits will be net of any deductions and withholdings required by applicable laws or regulations):

SEPARATION PAYMENTS

1. An aggregate amount of \$906,000 (two times his current base salary). This amount will be paid in equal installments on each regularly scheduled payroll pay date during the 24-month period that begins on the first day immediately after the Consulting Period; *provided* that the Executive delivers the signed Release to the Company and the Revocation Period (as defined in Section 3 of Appendix B to the Consulting Agreement) has expired without the Executive having revoked the ADEA Release (the date on which the Revocation Period expires is referred to as the "**Release Effective Date**"); and *provided, further*, that the first such payment shall not be made until the Company's first regularly scheduled payroll pay date after the Release Effective Date and shall include any amounts that would have been payable under this paragraph prior to such date if the Release had been delivered on the termination or expiration of the Consulting Period.
2. A lump sum payment of \$1,268,414 (the "**Lump Sum Payment**") payable within 10 days of the Release Effective Date.

POST-SEPARATION BENEFITS

Except as specifically provided below, (i) the Executive will not earn or be entitled to any benefits (*e.g.*, vacation, holidays, health, life, disability, etc.) after the Separation Date, and (ii) the Executive's eligibility to participate in any Company bonus, equity award or other incentive plan ceased on the Separation Date.

Health, Life, and Disability Insurance

Subject to the terms and conditions described below, the Company will continue to provide the Executive (and his spouse and eligible dependents, to the extent they have been provided with coverage on the date immediately prior to the Separation Date and otherwise continue to be eligible for coverage under the terms of the applicable governing documents) with group medical, dental, life and long-term disability insurance for 24 months following the Separation Date. During this 24-month period, the Company will reduce the Executive's Separation Payments by his share of the cost of these benefits, which is fixed at the amount the Executive had been paying for such coverage on the date

immediately prior to the Separation Date. The following table shows the monthly premium for each type of insurance and the amount payable by the Executive as of the Separation Date:

| <u>Insurance Type</u> | <u>Executive's Cost</u> |
|---------------------------------------|-------------------------|
| Health Insurance (Medical and Dental) | \$ 265.00 |
| Life Insurance | \$ 0.00 |
| Long-term Disability Insurance | \$ 0.00 |

After expiration of this 24-month period, the Executive may continue his health care coverage for himself and his spouse through the date on which the Executive (or his spouse, as applicable) qualifies for Medicare. The Executive will be responsible for the portion of the premium paid by similarly situated employees with the same type of coverage. Payment of the health insurance premium will be due on the first of each month. If Executive fails to make a premium payment within 30 days of the due date of such premium, he will forfeit his medical and dental care benefits retroactively to the date such unpaid premium was due.

To the extent required by law, after expiration of the health care benefits provided under this agreement, the Executive will be eligible to continue medical and dental plan coverage through COBRA. A COBRA letter will follow and provide details.

The Executive may be subject to federal and state tax on the value of these coverages.

401(k) Plan and Lost Benefit Plan

From and after the Separation Date, the Executive will cease to be eligible for, and may no longer contribute to, or earn benefits under, the Company's 401K Savings Plan (the "**401(k) Plan**") and the 401(k) Lost Benefit Plan. All payments to be made to the Executive under the 401(k) Plan will be made in accordance with the terms and conditions of the 401(k) Plan.

The Executive will receive an additional cash severance payment (the "**401(k) and Excess Benefit Plan Substitution Payment**") of \$365,087 from the Company that represents the sum of (a) two years of additional matching contributions (based on his 2009 contributions to the 401(k) Plan and the Company's 2009 match percentage), (b) two years of additional profit-sharing contributions (based on the employer contribution rate for 2009), and (c) a tax gross up of the amounts described in items (a) and (b). In calculating the 401(k) and Excess Benefit Plan Substitution Payment:

(i) for purposes of amounts in substitution of matching contributions, the Executive has been treated as having earned annual compensation at the rate of \$1,087,207 (base salary immediately prior to the Separation Date, plus annual bonus paid for fiscal year 2009); and

(ii) for purposes of amounts in substitution of profit-sharing contributions, the Executive has been treated as having earned annual compensation at the rate of \$453,000 (base salary immediately prior to the Separation Date).

The Excess Benefit Plan Substitution Payment will be made directly to the Executive, and not through the 401(k) Plan, within 10 days after the Release Effective Date.

2007 Long-Term Incentive Plan

From and after the Separation Date, the Executive will cease to be eligible for participation in the Company's 2007 Long-Term Incentive Plan (the "2007 LTIP"). To the extent that any of the Executive's outstanding awards previously granted under the 2007 LTIP remain subject to time-vesting conditions, immediately after the Release Effective Date the Executive will receive vesting and years of "Service" (as defined in the award Agreements under the 2007 LTIP) credit for the 24-month period following the Separation Date and his eligibility for "Retirement" (as defined in the award Agreements under the 2007 LTIP) shall be determined by his age and years of Service at the end of the 24-month period. Except as provided in the immediately preceding sentence, payment and/or exercise of awards under the 2007 LTIP will be subject to the terms and conditions of the 2007 LTIP and the applicable award agreement. For the avoidance of doubt, if the Consultant fulfills his duties under this Agreement and the Consulting Agreement, he shall be deemed to have voluntarily terminated employment at the end of the 24-month period following the Separation Date, following the attainment of age 60 and 15 years of Service with the Company and, thus, be vested in the May 27, 2010 awards under the 2007 LTIP.

Car Allowance

From and after the Separation Date, the Executive will cease to be eligible for a monthly car allowance.

Within 10 days after the Release Effective Date, the Executive will receive an additional cash payment of \$26,400 from the Company, which represents 24 times the amount paid to him as a car allowance for the month of August 2010.

Office

For 12 months following the Consulting Period, the Company will make available to the Executive, at the Company's expense, reasonable office space and necessary amenities as approved by the Chief Executive Officer of the Company, which may be provided outside of the Company's offices.

VACATION PAY AND EARNED COMPENSATION

The Executive will be paid for any accrued but unused vacation pay as of the Separation Date in a separate check to be issued to him within 10 days after the Separation Date. In addition, on the Company's regular pay date following the Separation Date, the Company will pay the Executive

for any accrued but unpaid base salary through the Separation Date. Notwithstanding the other terms and provisions of the Agreement, these payments of accrued but unpaid vacation and base salary are not subject to Executive's delivery of the signed Release or the expiration of the Release Revocation Period.

BUSINESS EXPENSES

Subject to and in accordance with the Company's business expense reimbursement policy, the Company will reimburse the Executive for any reasonable business expenses he incurred on or prior to the Separation Date. Notwithstanding the other terms and provisions of the Agreement, the reimbursement of such expenses is not subject to Executive's delivery of the signed Release or the expiration of the Release Revocation Period.

SPECIAL TAX RULES

Notwithstanding the other terms and provisions of this Appendix B, the cash payments that are considered "deferred compensation" under Code Section 409A, which are payable to the Executive during the first six months following the termination or expiration of the Consulting Period may be limited if they exceed \$490,000.¹ In general, this limit applies only to payments that are made only because of the Executive's separation from service (*e.g.*, it does not apply to the base salary earned through the Separation Date or to amounts the Executive would have received if he had remained employed with the Company, as long as the timing of the payment is not accelerated because of the Executive's separation from service). If such limit is triggered, the Executive will receive a maximum of \$506,500 during such six months and the remainder will be paid to him in a lump sum on the first day of the seventh month following the termination or expiration of the Consulting Period. Of this \$506,500, \$16,500 will be paid to the Executive in a lump sum immediately after the Release Effective Date and the remainder will be paid in accordance with the payment schedules otherwise described in this Appendix B. If, because of the application of this paragraph, the payment of an amount under this Agreement and this Appendix B must be delayed, the Company will delay payment of the minimum amount necessary to satisfy this paragraph first from the 401(k) and Excess Benefit Plan Substitution Payment and second from the Lump Sum payment.

Nothing in this Agreement or this Appendix A is intended to be tax advice and the Company recommends that the Executive discuss his personal tax situation with his tax advisor.

¹ The \$490,000 and other dollar amounts provided in this paragraph are subject to change based on limits applicable to defined contribution retirement plans as determined by the Secretary of the Treasury. If the Secretary of the Treasury issues revised limits for 2011, such dollar amounts, rather than the amounts provided herein, will apply to the payment of the Executive's deferred compensation.

CONSULTING AGREEMENT

This **CONSULTING AGREEMENT** (the "**Agreement**") is entered into by and between Douglas B. Mackie ("**Consultant**") and Great Lakes Dredge & Dock Corporation (the "**Company**") effective as of September 8, 2010 (the "**Effective Date**"). In consideration of the promises contained in this document, the parties agree as follows:

1. **Term.** The Company hereby agrees to retain Consultant, and Consultant hereby agrees to serve, as a consultant to the Company with the titles "**Chairman Emeritus, Executive Director and Senior Advisor**", on the terms and conditions set forth in this Agreement, during the period beginning on the Effective Date and ending on the earlier of September 7, 2011 or the date the Consultant ceases to perform all Consulting Services (as defined below) for any reason (the "**Term**").
2. **Consulting Services.** As Chairman Emeritus, Executive Director and Senior Advisor, Consultant will assist the Board of Directors of the Company (the "**Board**"), and the Chief Executive Officer (the "**CEO**") of the Company and the President (the "**President**") of the Company with such projects and initiatives as the Board, the CEO or the President from time to time may request, including those services described on **Appendix A** to this Agreement (collectively, the "**Consulting Services**"); *provided* that the Consultant shall only provide Consulting Services that are consistent with the services of an Executive Officer of the Company. During the Term, Consultant will make himself available as requested by the Board, the CEO or the President upon reasonable notice, to provide the Consulting Services.
3. **Consideration.** During the Term, Consultant will receive the following consideration in payment for the Consulting Services:
 - a. \$187,500 payable within 10 days after the Effective Date.
 - b. \$150,000 payable within the first 10 days after the start of the fourth month of the Term.
 - c. \$50,000 payable within the first 10 days after the start of the seventh month of the Term;
 - d. \$50,000 payable within the first 10 days after the start of the 10th month of the Term.
 - e. During the Term, the Company will make available to Consultant, at the Company's expense, reasonable office space and administrative support, at the Company's office in Oak Brook, Illinois.
 - f. Consultant will be entitled to reimbursement for expenses for which he received advance authorization from the Board, CEO or President and that Consultant incurred in the performance of his duties hereunder.

Consultant will not earn or accrue, or participate in any annual performance bonus plans or long-term incentive plans established or maintained by the Company or in any employee benefit plans or programs providing, any employee compensation or benefits as a result of providing Consulting Services.

4. **Not an Agreement for Employment.** Consultant will provide the Consulting Services as an independent contractor to the Company. During the Term, Consultant will not be an employee of the Company and neither Consultant nor the Company will engage in any actions that would cause Consultant to be considered an employee of the Company. Consultant will have no authority to act as an agent of the Company, except on authority expressly so delegated to Consultant by the Board (or its designee), and Consultant will not represent to the contrary to any person. Consultant will only consult, render advice, and perform Consulting Services as directed or requested by the Board or the CEO or President. Without the prior approval or direction of the Board or the CEO or President, Consultant will not direct the work of any employee of the Company or undertake to commit the Company to any course of action in relation to third persons. No provision of this Agreement will be construed in any way as a contract of employment with the Company.
5. **Release.** In exchange for the consideration paid under **Section 3** and for severance payments under Appendix A of the Separation Agreement between the Consultant and the Company (the “**Separation Agreement**”), Consultant agrees that on the final day of the Term, Consultant shall execute and deliver to the Company the General Release and Agreement Not to Sue set forth in **Appendix B** to this Agreement (the “**Release**”).
6. **Confidential Information and Return of Company Property.**
 - a. The Consultant 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 he obtained during the course of his employment by the Company and the Term of this Agreement is the property of the Company or such other GLDD Entity. The Consultant will never, directly or indirectly, disclose, publish or use any Confidential Information of which the Consultant has become aware, whether or not such information was developed by him. All duties and obligations set forth in this Agreement regarding Confidential Information shall be in addition to those that exist under the Illinois Trade Secrets Act and at common law.
 - b. 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 sureties, 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 the Consultant concerning the requirements and specifications of the Company's or any other GLDD Entity's agents, vendors, contractors, customers, or potential customers.
- c. Notwithstanding **Section 6.b**, Confidential Information does not include any information that: (i) 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; (ii) becomes publicly available through no fault of the Consultant; or (iii) has been published in a form generally available to the public before the Consultant proposes to disclose, publish, or use such information.
- d. The Consultant agrees that he will, on or before the expiration of the Consulting Agreement, or as agreed to otherwise by the CEO in writing for the purposes of further Company business, return to the Company all Confidential Information and all property of the Company or any GLDD Entity that is in the Consultant's possession, custody or control, including but not limited to all originals, copies, or embodiments of any:
- i. keys and access cards;
 - ii. computer hardware (including but not limited to all personal computers, laptop computers, iPhones, Blackberries, other personal data assistants, back-up drives and the contents thereof, as well as any passwords or codes needed to operate such equipment);

- iii. computer software and programs, data, diskettes, CDs, DVDs, thumb-drives or other removable data storage devices, and other embodiments of electronic data (including, without limitation, any materials in any online or other third party storage media, as well as any passwords or codes needed to access such software, programs, data, and storage media);
- iv. materials, papers, books, files, memoranda, correspondence, e-mails, notes, documents, records, photographs, manuals, notebooks, program listings, flow charts, policies, customer information, customer lists, vendor information and lists, pricing information, marketing information, specifications, plans, data base information and/or lists, and mailing lists, that the Consultant has or had relating to the Company, any GLDD Entity, or any of their respective customers, contractors, vendors, agents, employees, plans, designs, contracts, agreements, strategies, inventions, systems, policies, and/or practices (whether those materials are on paper or in an electronic format).

The Consultant agrees not to keep any originals, copies, or embodiments of any such property or information in any form, and not to disclose their contents to any other person. So long as the Consultant does not violate any other part of this Agreement, nothing in this **Section 6** precludes the Consultant from retaining or using information or documents related to any benefits to which he may be entitled as a former employee of the Company.

7. **Restrictive Covenants.**

- a. During the Term and for the three-year period following the termination of the Consulting Period for any reason (the “**Restricted Period**”), the Consultant 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 or demolition or any other business engaged in by the Company; *provided, however*, that this restriction shall not prohibit the Consultant 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 North America, Central America, South America, the Caribbean, the Middle East, Africa, India, Australia, and Asia. Notwithstanding anything in this **Section 7** to the contrary, the Consultant may, at any time during the Restricted Period, provide written notice to the Company that (i) describes a particular business or employment opportunity that he is interested in pursuing or in which he may wish to engage, and (ii) request that the Company agree that the opportunity so described would

not violate this **Section 7(a)**. Within a reasonable time, the Company will send the Consultant a written response, indicating whether or not the Company consents to the Consultant engaging in the opportunity described in his notice.

- b. During the Restricted Period, the Consultant shall not affirmatively:
 - i. induce or solicit, or attempt to induce or solicit, any employee of the Company to leave his or her employ, or in any way interfere with the relationship between the Company and any of its respective employees; or
 - ii. induce or attempt to induce any customer (including any subsidiary or affiliate of any customer), or any agent, supplier, licensee, licensor, franchisee or other business relation of the Company, to cease doing business with the Company, or in any way interfere with the relationship between the Company and any customer (including any subsidiary or affiliate of any customer), or any agent, supplier, licensee, licensor, franchisee or other business relation.
- c. The Consultant confirms that he has fully complied with this **Section 7** through the date on which he signed this Agreement.

8. **Enforcement.** The Consultant agrees that given the nature of the Company's business, the scope and duration of the restrictions in **Sections 6** and **7** of this Agreement are reasonable and necessary to protect the legitimate business interests of the Company and do not and will not unduly interfere with the Consultant's career or economic pursuits. The Consultant recognizes and agrees that any breach or threatened or anticipated breach of any part of **Section 6** or **7** of this Agreement will result in irreparable harm and continuing damage to the Company, and that the remedy at law for any such breach or threatened or anticipated breach will be inadequate. Accordingly, in addition to any other legal or equitable remedies that may be available to the Company, the Consultant agrees (a) that the Company shall be entitled to seek and obtain an injunction or injunctions, without bond or other security, to prevent any breach or threatened or anticipated breach of any such section and (b) to the extent the Company has been damaged by such breach, the Company may withhold such damages from future payments under this Agreement and the Consultant may be required to repay to the Company any amounts he received from the Company under this Agreement and the Separation Agreement.

If any provision, section, subsection or other provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid, illegal or unenforceable in whole or in part, and such determination shall become final, such provision or portion shall be deemed to be severed or limited, but only to the extent required to render the remaining provisions and portion of this Agreement enforceable. This Agreement as thus amended shall be enforced as to give effect to the intention of the parties insofar as that is possible. In addition, the parties hereby expressly empower a court of competent jurisdiction to modify any term or provision of this Agreement to the extent necessary to comply with existing law and to enforce this Agreement as modified.

9. **Mutual Non-Disparagement.** The Consultant agrees, on behalf of himself and his agents, representatives, attorneys, assigns, heirs, executors and administrators, not to make any oral or written statement to any third party that disparages any of the Released Parties (as defined in Appendix B); provided that the provisions of this **Section 9** shall not apply to the extent necessary to enable Consultant to (a) provide testimony as a witness, (b) comply with other legal obligations or (c) assert defense against any claim of breach of this Agreement or the Separation Agreement, or to his statements or disclosures to directors of the Company, and shall not require Consultant to make false statements or disclosures. The Company agrees that its officers and directors will not make any oral or written statement to anyone that disparages Consultant or his job performance; provided that the provisions of this **Section 9** shall not apply to testimony as a witness, compliance with other legal obligations, or assertion of or defense against any claim of breach of this Agreement or the Separation Agreement, or to statements to Consultant, and shall not require the Company's officers or directors to make false statements or disclosures.
10. **Breach of Agreement or Separation Agreement.** In the event Consultant materially breaches his obligations under this Agreement or the Separation Agreement before the end of the Term, the Term will terminate and the Consultant will be obligated to immediately return to the Company the gross amount of any consideration paid under **Section 3** of this Agreement. Further, in the event Consultant fails to execute and deliver the Release on the final day of the Term or revokes the ADEA Release (as defined in **Section 3** of the Release), then Consultant will be obligated to immediately return to the Company the gross amount of any consideration paid under **Sections 3** of this Agreement and will not be entitled to any severance pay under Appendix B of the Separation Agreement.
11. **Miscellaneous.**
- a. **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 (i) delivered personally, in which case the date of such notice shall be the date of delivery; (ii) delivered to a nationally recognized overnight courier service, in which case the date of delivery shall be the next business day; or (iii) 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 Consultant, to the last address on file in the records of the Company.
- If to the Company:
- Great Lakes Dredge & Dock Company
2122 York Road
Oak Brook, IL 60523
Attn: Chief Executive Officer
Facsimile: (630) 574-3007

With a copy to:

Great Lakes Dredge & Dock Company
2122 York Road
Oak Brook, IL 60523
Attn: General Counsel
Facsimile: (630) 574-3007

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

- b. **No Requirement to Withhold Taxes.** It is intended that the consideration paid to you under **Section 3** will constitute revenue to Consultant. To the extent consistent with applicable law, the Company will not withhold any amounts therefrom as Federal income tax withholding from wages or as employee contributions under the Federal Insurance Contributions Act or any other state or federal laws. Consultant will be solely responsible for the withholding or payment of any Federal, state or local income or payroll taxes and Consultant agree to hold the Company, its officers, directors and employees harmless from any liabilities arising from the failure to withhold or pay such amounts.
- c. **Successors and Assigns.** This Agreement shall not be assignable by Consultant 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.
- d. **No Waiver.** No failure or delay by the Company or the Consultant 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 the Consultant from any of the terms or conditions thereof, will be effective unless in writing and signed by the Chairman of the Company's Board. Any such waiver or consent will be effective only in the specific instance and for the purpose for which given.
- e. **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.
- f. **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.

- g. **Governing Law; Consent to Jurisdiction; 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 Consultant's services hereunder, the parties: (i) agree to submit to the exclusive jurisdiction of the federal or state courts located in Cook County, Illinois; (ii) waive any objection to personal jurisdiction or venue in such jurisdiction, and agree not to plead or claim *forum non conveniens*; and (iii) waive their respective rights to a jury trial of any claims and causes of action, and agree to have any matter heard and decided solely by the court.
- h. **Section 409A.** The provisions of and consideration paid pursuant to this Agreement are intended to be exempt from the application of Section 409A of the Internal Revenue Cod of 1986, as amended, and the regulations and guidance promulgated and in effect thereunder ("**Section 409A**"). All provisions of this Agreement will be interpreted so as to not result in an additional tax under Section 409A and, to the extent reasonably determined to be necessary by the parties, the parties agree to amend this Agreement to avoid an additional tax under Section 409A.
- i. **Construction.** The language used in this Agreement will be deemed to be the language chosen by Consultant and the Company to express their mutual intent, and no rule of strict construction will be applied against Consultant 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.
- j. **Entire Agreement; Amendments.** This Agreement contains 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. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by each of the parties hereto.

[SIGNATURE PAGE TO THE CONSULTING AGREEMENT]

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

GREAT LAKES DREDGE & DOCK CORPORATION

By: /s/ Bruce J. Biemeck

Name: Bruce J. Biemeck

Title: Lead Director

/s/ Douglas B. Mackie

Douglas B. Mackie

APPENDIX A**CONSULTING SERVICES**

During the Term, the Consultant will provide the following Consulting Services as an independent contractor to the Company:

1. During the first three months of the Term:
 - a. Maintain visible presence in Oak Brook office for 3 months (September through November) except during two week period starting October 1, 2010;
 - b. Regularly see Company employees for purposes of counseling on Company matters;
 - c. Attend bid meetings with the CEO and/or the President;
 - d. Attend Senior Management meetings;
 - e. Continue as member of Washington D.C. effort with individuals as directed by the CEO and/or President
 - f. Meet weekly with the Equipment Manager to help assess equipment and budget for 2011;
 - g. Meet once a week with the Assistant General Counsel to review legal issues and initiatives and prepare periodic summary report of activities;
 - h. Consult as required regarding insurance status, including (i) working with insurance managers to prepare status memoranda on coverages, issues, renewals and strategy; (ii) arranging a meeting or meetings with third parties, the CEO and/or the President for introduction and transition of relationship; (iii) consulting as required regarding bonding agreement; and (iv) preparing summary memoranda regarding status, issues and strategy;
 - i. To the extent permitted by the Dredging Contractors of America , continue role as President of Dredging Contractors of America, call on members as goodwill gesture, including the CEO and/or the President in meetings, and prepare a detailed summary and analysis of competitors;
 - j. Participate in Strategic Planning process, working team and then with the CEO and the President to assess process and plan for future opportunities;
 - k. Participate in Safety Leadership Team meetings, and work with the Project Managers and safety professionals on-site: focus on struggling dredges (e.g., hydraulic group);
 - l. Participate in investor meetings as directed by the CEO and the President; and

- m. At the request the CEO and/or the President, transition international relationships and duties, including travel if required.
2. Nine months starting December 1, 2010, and to the extent deemed necessary by the CEO or President:
- a. Maintain presence in office but with fewer hours and less interaction;
 - b. Actively participate in Senior Management review of budget for Fiscal 2011;
 - c. Attend periodic Senior Management meetings and bid meetings;
 - d. Hold periodic meetings with the Assistant General Counsel regarding legal matters and with the Equipment Manager regarding equipment status;
 - e. Continue role as Dredging Contractors of America President and continue to interact with competitors;
 - f. Continue D.C. presence to support/advise company on initiatives;
 - g. Assist the CEO and the President in salary review and performance appraisal for President of Dredging Operations;
 - h. At the request of the CEO and/or President, participate in Safety Leadership Team meetings. Work with the Project Managers and safety professionals on-site: focus on struggling dredges (e.g., hydraulic group);
 - i. Participate in investor meetings as directed by the CEO and the President; and
 - j. At the request the CEO and/or the President, transition international relationships and duties, including travel if required.
3. Thereafter, maintain office in Oak Brook, Illinois and remote location, if desired, and to continue limited presence for consultation by Senior Management and carrying out Board responsibilities.

APPENDIX B
GENERAL RELEASE AND AGREEMENT NOT TO SUE

1. **Released Parties.** As used in the Agreement and in the Release, “**Released Parties**” means (a) the Company, (b) all of the Company’s subsidiaries and affiliates, and (c) all past and present officers, directors, agents, employees, employee benefit plans (and their sponsors, fiduciaries and administrators), insurers, and attorneys of any of the entities described in the immediately preceding clauses (a) and (b).
2. **Release and Agreement Not to Sue.**
 - a. In return for the consideration from the Company described in this Agreement, the Consultant, on behalf of himself and his agents, representatives, attorneys, assigns, heirs, executors, and administrators, releases each of the Released Parties from, and agrees not to bring any action, suit, or proceeding against any of the Released Parties regarding, any and all liability, claims, demands, actions, causes of action, suits, grievances, debts, sums of money, agreements, promises, damages, back and front pay, costs, expenses, attorneys’ fees, and remedies of any type (collectively, “**Claims**”), relating to any act, failure to act, or event that occurred up to and including the date on which the Consultant signs this Release expressly excluding claims based upon the Agreement, the Separation Agreement, or an employee pension or welfare benefit plan maintained by the Company, including, without limitation, all Claims arising out of or in connection with the Consultant’s prior employment or separation of employment with the Company or the Consultant’s service to the Company during the Term or the termination of that service, and including but not limited to:
 - i. any and all Claims for violation of any federal, state or local law, including but not limited to Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 (42 U.S.C. § 1981), the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Employee Retirement Income Security Act, the False Claims Act, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Illinois Human Rights Act, and the Illinois Wage Payment and Collection Act;
 - ii. any and all Claims for wrongful or retaliatory discharge of employment, termination in violation of public policy, discrimination, breach of contract (both express and implied), breach of a covenant of good faith and fair dealing (both express and implied), promissory estoppel, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation or fraud, negligent or intentional interference with contract or prospective economic advantage, defamation, negligence, personal injury, invasion of privacy, false imprisonment, conversion, or any other contract or tort claim;

- iii. any and all Claims arising out of any constitutional provision, statute, law, ordinance, order, or regulation relating to employment, termination of employment, or discrimination or retaliation in employment; and
 - iv. any and all Claims for attorneys' fees and costs.
- b. The Consultant affirms that as of the time he signed this Release, no Claim, action or proceeding covered by Section 2(a) was pending against any of the Released Parties.
3. **Consultant's Right to Revoke Release of Age Discrimination Claims.** The Consultant has the right to revoke his release of claims under the Age Discrimination in Employment Act described in Section 2(a) of this Release (the "**ADEA Release**") for up to seven days after the Consultant signs this Release (the "**Revocation Period**"). In order to do so, the Consultant must sign and send a written notice of the decision to revoke the ADEA Release to the Company as provided in Section 11(a) of the Agreement, and that written notice must be received by the Company no later than the eighth day after the Consultant signed this Release. If the Consultant revokes the ADEA Release, then Consultant will be obligated to immediately return to the Company the gross amount of any consideration paid under **Section 3a** through **3d** of this Agreement and will forfeit all severance payments provided under Appendix A of the Separation Agreement.

/s/ Douglas B. Mackie

Douglas B. Mackie

Date: September 8, 2010

CONSULTING AND SEPARATION AGREEMENT AND GENERAL RELEASE

This Consulting and Separation Agreement and General Release (the “**Agreement**”) is made by and between Deborah A. Wensel (the “**Executive**”) and Great Lakes Dredge & Dock Corporation, a Delaware corporation (the “**Company**”), to document certain post-employment consulting services and to fully settle and resolve any and all issues and disputes arising out of the Executive’s employment with and separation from the Company.

WHEREAS, the Executive has been employed with the Company in the position of Senior Vice President, Chief Financial Officer, Treasurer and Secretary pursuant to the Employment Agreement dated as of July 2, 2007 (the “**Employment Agreement**”) between the Company and the Executive;

WHEREAS, the Company and the Executive have agreed to terminate their employment relationship effective as of September 7, 2010 (the “**Separation Date**”) and for the Executive to provide consulting services to the Company until December 31, 2010 (the period between the Separation Date and December 31, 2010 shall be referred to as the “**Consulting Period**”);

WHEREAS, the Company has determined to pay and provide to the Executive the payments and benefits described below in connection with her consulting services and separation from service.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein, the receipt and sufficiency of which is hereby acknowledged by each party, the Executive and the Company agree as follows:

1. **Termination of Employment.** The Executive’s employment with the Company terminated on the Separation Date. Such termination of employment from the Company includes a termination from all employment and director positions with the Company and each of its Affiliates and a termination of the Executive’s position as treasurer of DCA. The Executive acknowledges that she has received, or will receive pursuant to the terms of this Agreement, any and all payment for wages, accrued unused vacation, if any, other fringe benefits, if any, equity compensation, if any, and reimbursable and properly documented and submitted business expenses, if any, to which the Executive is entitled through the Separation Date. Following the Separation Date, the Executive shall not be entitled to further participation in any of the Company’s benefit plans, except as expressly provided in this Agreement.
2. **Acknowledgements.**
 - a. The Executive acknowledges and agrees that: (i) with the payments set forth in **Section 1** and **Section 3**, as well as payment of any vested benefits in her account under the Company’s 401(k) plan in accordance with the provisions of that plan, the Executive will have received all compensation and benefits (including equity and other incentive compensation and leave time) due to the Executive in connection with her employment, and she is not entitled to any additional compensation or benefits except as specifically provided below.

- b. **Representation of Executive.** Executive represents and warrants that she has disclosed to the independent members of the Company's Board of Directors all of the Executive's acts or omissions that could give rise to a termination of employment for Cause, if any, as defined in the Employment Agreement. Executive acknowledges and agrees that this representation is a material term of this Agreement and any material breach of this representation shall relieve the Company of the obligation to provide the payments and other consideration described in **Section 3** and Appendix A of this Agreement the ("**Consulting and Separation Payments and Benefits**"), and obligate the Executive to immediately return to the Company the gross amount of any such Consulting and Separation Payments and Benefits that may have been provided to her.
 - c. **Release of Executive.** Except as provided in this Agreement, the Company hereby releases Executive from, and agrees not to bring any action, suit or proceedings against Executive, with respect to any acts or omissions disclosed by Executive to, or known by, independent members of the Company's Board of Directors prior to the Separation Date.
3. **Consideration.** In consideration for the Executive's consulting services, releases, promises, and representations in this Agreement and following the expiration of the Revocation Period (as defined in Section 3 of Appendix B) without the Executive having revoked the ADEA Release (as defined in Section 3 of Appendix B), and provided the Executive complies with her obligations under this Agreement, the Company will provide the Executive with the Consulting and Separation Payments and Benefits, which the Executive acknowledges is more than the Executive would be entitled to receive if she chose not to sign this Agreement.
4. **General Release and Agreement Not to Sue.** In exchange for the Consulting and Separation Payments and Benefits, the Executive agrees to execute and comply with the General Release and Agreement Not to Sue set forth in Appendix B (the "**Release**") both at the Separation Date and the termination or expiration of the Consulting Period.
5. **Consulting, Cooperation and Assistance.**
- a. **Consulting Services.** During the Consulting Period, the Executive will provide consulting services, which shall include assistance with accounting issues, certification issues, and responses to auditors and such other services as requested by the Chief Executive Officer of the Company or President of the Company.
 - b. **Cooperation and Assistance.** For 12 months following the Separation Date, the Executive will voluntarily cooperate with the Company in connection with any matters or issues related to her employment as Senior Vice President, Chief Financial Officer, Treasurer and Secretary of the Company, including, but not limited to the items listed in **Section 5.a**. Further, and not limited in duration, the Executive will voluntarily provide thorough and accurate information and testimony to or on behalf of the Company or any of its subsidiaries or any other entity related to the Company (each, a "**GLDD Entity**") as relates to matters in

which she was involved, regarding (a) any investigation, litigation, or claims initiated by or brought or threatened against the Company or any GLDD Entity, including any government agency investigation, or (b) any dispute between the Company or any GLDD Entity and any current employee, former employee, agent, consultant, vendor, supplier, or customer of the Company or any GLDD Entity arising from or related to any act or omission that actually or allegedly occurred during the Executive's employment by the Company. Except as may be required by law, the Executive will not disclose or discuss with anyone who is not directing or assisting the Company or any GLDD Entity in any investigation, litigation, claim, or dispute covered by the previous sentence, other than the Executive's attorney, the fact of or the subject matter of the investigation, litigation, claim, or dispute. The Executive will cooperate fully with the Company and the GLDD Entities as relates to matters in which she was involved, in promptly supplying thorough and accurate information and testimony during the handling or resolution of any such investigation, litigation, claim, or dispute. If the Executive receives a subpoena, becomes subject to any legal obligation that may require her to take any action otherwise prohibited by this **Section 5**, or receives any request, whether informal or formal, to provide information she shall, as soon as possible but in any case within five days, provide notice of that fact to the Company in accordance with **Section 17**, enclosing any documents describing the request or legal requirement.

- c. Other Employment. Nothing in this **Section 5** prevents Executive from accepting and beginning full time employment with another employer during the Consulting Period.

6. Confidential Information and Return of Company Property.

- a. The Executive acknowledges and agrees that the Confidential Information (as defined below) of the Company and any GLDD Entity that she obtained during the course of her employment by the Company and during the Consulting Period is the property of the Company or such other GLDD Entity. The Executive will never, directly or indirectly, disclose, publish or use any Confidential Information of which the Executive has become aware, whether or not such information was developed by her. 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.
- b. 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 the Executive concerning the requirements and specifications of the Company's or any other GLDD Entity's agents, vendors, contractors, customers, or potential customers.
- c. Notwithstanding **Section 6.b**, Confidential Information does not include any information that: (i) 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; (ii) becomes publicly available through no fault of the Executive; or (iii) has been published in a form generally available to the public before the Executive proposes to disclose, publish, or use such information.
- d. The Executive agrees that on the Separation Date she will return to the Company all Confidential Information and all property of the Company or any GLDD Entity that is in the Executive's possession, custody or control, including but not limited to all originals, copies, or embodiments of any:
- i. keys and access cards;
 - ii. computer hardware (including but not limited to all personal computers, laptop computers, iPhones, Blackberries, other personal data assistants, back-up drives and the contents thereof, as well as any passwords or codes needed to operate such equipment;

- iii. computer software and programs, data, diskettes, CDs, DVDs, thumb-drives or other removable data storage devices, and other embodiments of electronic data (including, without limitation, any materials in any online or other third party storage media, as well as any passwords or codes needed to access such software, programs, data, and storage media);
- iv. materials, papers, books, files, memoranda, correspondence, e-mails, notes, documents, records, photographs, manuals, notebooks, program listings, flow charts, policies, customer information, customer lists, vendor information and lists, pricing information, marketing information, specifications, plans, data base information and/or lists, and mailing lists, that the Executive has or had relating to the Company, any GLDD Entity, or any of their respective customers, contractors, vendors, agents, employees, plans, designs, contracts, agreements, strategies, inventions, systems, policies, and/or practices (whether those materials are on paper or in an electronic format).

The Executive agrees not to keep any originals, copies, or embodiments of any such property or information in any form, and not to disclose their contents to any other person. So long as the Executive does not violate any other part of this Agreement, nothing in this **Section 6** precludes the Executive from retaining or using information or documents related to any benefits to which she may be entitled as a former employee of the Company.

During the Consulting Period, Executive may use a company laptop computer and company cell phone for Company consulting services which shall be returned at the termination or expiration of the Consulting Period.

7. **Restrictive Covenants.**

- a. During the 18-month period following the execution of this agreement (the “**Restricted Period**”), the Executive agrees that, without the prior written consent of the Company, she will not, directly or indirectly, either as principal, manager, agent, consultant, officer, stockholder, partner, investor, lender or employee or in any other capacity, carry on, be engaged in or have any financial interest in, any business which is in material competition with the business of the Company and/or its affiliates. For purposes of this **Section 7**, a business will be deemed to be in competition with the Company if it is principally involved in the purchase, sale or other dealing in any property or the rendering of any service purchased, sold, dealt in or rendered by the Company and/or its affiliates as a material part of the business of the Company and/or its affiliates within the same geographic areas in which the Company and/or its affiliates principally effect such purchases, sales or dealings or render such services. Nothing in this **Section 7** will be construed so as to preclude the Executive from (i) investing in any publicly held company provided Executive’s beneficial ownership of any class of such company’s securities does not exceed 3% of the outstanding securities of such class.

- b. During the Restricted Period, the Executive shall not affirmatively:
 - i. induce or solicit, or attempt to induce or solicit, any employee of the Company to leave his or her employ, or in any way interfere with the relationship between the Company and any of its respective employees; or
 - ii. induce or attempt to induce any customer (including any subsidiary or affiliate of any customer), or any agent, supplier, licensee, licensor, franchisee or other business relation of the Company, to cease doing business with the Company, or in any way interfere with the relationship between the Company and any customer (including any subsidiary or affiliate of any customer), or any agent, supplier, licensee, licensor, franchisee or other business relation.
- c. The Executive confirms that she has fully complied with this **Section 7** through the date on which she signed this Agreement.

8. **Enforcement.** The Executive agrees that given the nature of the Company's business, the scope and duration of the restrictions in **Sections 6** and **7** of this Agreement are reasonable and necessary to protect the legitimate business interests of the Company and do not and will not unduly interfere with the Executive's career or economic pursuits. The Executive recognizes and agrees that any breach or threatened or anticipated breach of any part of **Section 6** or **7** of this Agreement will result in irreparable harm and continuing damage to the Company, and that the remedy at law for any such breach or threatened or anticipated breach will be inadequate. Accordingly, if Executive breaches any part of **Section 6** or **7** of this Agreement at any time during the Restricted Period, the Executive will immediately and automatically, without any further notice or action by the Company whatsoever,

- a. forever forfeit any and all rights to any and all unpaid Consulting and Separation Payments and Benefits; and
- b. immediately repay to the Company any Consulting and Separation Payments and Benefits she received.

In addition to any other legal or equitable remedies that may be available to the Company, the Executive agrees that the Company shall be entitled to seek and obtain an injunction or injunctions, without bond or other security, to prevent any breach or threatened or anticipated breach of any such section.

If any provision, section, subsection or other provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid, illegal or unenforceable in whole or in part, and such determination shall become final, such provision or portion shall be deemed to be severed or limited, but only to the extent required to render the remaining provisions and portion of this Agreement enforceable. This Agreement as thus amended shall be enforced as to give effect to the intention of the parties insofar as that is possible. In addition, the parties hereby expressly empower a court of competent jurisdiction to modify any term or provision of this Agreement to the extent necessary to comply with existing law and to enforce this Agreement as modified.

9. **Restrictions on Sale of Company Stock.** Executive agrees to suspend any current Company stock sale plan established pursuant to Rule 10b5-1 and to be bound by Company's Insider Trading Policy, including blackout periods, through the expiration or termination of the Consulting Period. For the avoidance of doubt, Executive shall be permitted to exercise vested stock options through a withholding of Company shares pursuant to Section 7(c) of the Executive's Non-Qualified Stock Option Agreement (or any equivalent stock option agreement provision) at any time during a blackout period, provided such exercise does not include the sale of Company shares.
10. **No Admission.** This Agreement is not an admission by any of the either party to this Agreement that any action that either or any of them has taken or has failed to take with respect to the other party was wrongful, unlawful, in violation of any local, state, or federal constitution, law, statute or regulation, or capable of inflicting any damages or injury on such other party, and Executive and the Company specifically deny any such wrongdoing or violation.
11. **Mutual Non-Disparagement.** The Executive agrees, on behalf of herself and her agents, representatives, attorneys, assigns, heirs, executors and administrators, not to make any oral or written statement to anyone that disparages any of the Released Parties (as defined in Appendix B). The Company agrees that its officers and directors will not make any oral or written statement to anyone that disparages the Executive or her job performance.
12. **Reference.** The Company agrees that Douglas B. Mackie, Jonathan W. Berger, and Bruce J. Biemeck will provide verbal and/or written references for future employment when requested by the Executive, which references shall be in the form agreed upon by the Executive, the individual providing the reference, and the Company.
13. **Agreement Inadmissible as Evidence.** This Agreement, its execution, and its implementation may not be used as evidence, and shall not be admissible, in any proceeding except one brought by the Executive or the Company claiming a violation of this Agreement.
14. **Entire Agreement.** This Agreement (including the Appendices) contains the entire agreement and understanding between the Executive and the Company concerning any of the matters described herein, and supersedes any and all prior agreements (including any employment agreement), discussions, negotiations, understandings, and proposals of the parties. The terms of this Agreement cannot be changed except in a later document signed by the Executive and an authorized officer of the Company.
15. **Governing Law; Venue.** This Agreement shall be governed by the laws of the State of Illinois, without giving effect to any principles regarding conflicts of laws. The parties will bring and pursue any legal or equitable proceeding relating to or arising under this Agreement only in the courts of Cook County, Illinois or the United States District Court for the Northern District of Illinois. Each party consents to and agrees never to challenge the personal jurisdiction or venue of those courts, and agrees that they are a fair and convenient place to conduct any such proceeding.

16. **No Presumption.** This Agreement shall be interpreted and construed as if all of its provisions were drafted jointly by the parties, and no party is entitled to the benefit of any rule of construction with respect to the interpretation of any term, condition, or provision in favor or against any drafter of this Agreement. This Agreement shall be interpreted and construed in accordance with the plain meaning of its terms and not strictly for or against either party.
17. **Headings.** The headings in this Agreement are for the convenience of the parties and shall not affect its meaning or interpretation.
18. **Notice and Other Communications.** All notices given under this Agreement shall be in writing and shall be delivered, either by hand, by facsimile, by email or by a nationally known, reputable overnight delivery service addressed as follows:

If to the Executive, to the last address on file in the records of the Company, and with a copy to:

Craig T. Boggs
Perkins Coie
131 S. Dearborn Street, Suite 1700
Chicago, IL 60603
fax: (312) 324-9628
email: cboggs@perkinscoie.com
telephone: (312) 324-8628

To Company:

Great Lakes Dredge & Dock Corporation
2122 York Road
Oak Brook, IL 60523
Attn: Chief Executive Officer

with a copy to:

Great Lakes Dredge & Dock Corporation
2122 York Road
Oak Brook, IL 60523
Attn: General Counsel

or to such other address as either party will have furnished to the other in writing in accordance herewith. Notice shall be considered effective when actually received by the addressee. After the Separation Date, the Executive shall not, without the prior written permission of the Company's President or Chief Executive Officer (a) enter any office or facility of the Company or any of its subsidiaries, or (b) contact any employee of the

Company with respect to anything relating to the Executive's employment by, or separation from service with, the Company other than the Company's President or Chief Executive Officer.

19. **Taxes.** The Company may withhold from any amount payable under this Agreement such federal, state or local taxes as must be withheld pursuant to any applicable law or regulation.
20. **No Waiver.** Either party's failure to insist upon strict compliance with any part of this Agreement, or its failure to assert any right it may have hereunder, will not be considered a waiver of that or any other part of or right under this Agreement unless the waiver is in writing and signed by the party that is waiving its rights.
21. **Binding.** The terms of this Agreement shall be binding upon and inure to the benefit of the heirs, estates, predecessors, affiliates, assigns, attorneys, officers, directors, employees, agents and representatives of the parties.
22. **Knowing and Voluntary Waiver.** The Executive acknowledges and agrees that:
 - a. she has carefully read all parts of this Agreement and fully understands their meaning;
 - b. she had the opportunity to take up to 21 days after receiving this Agreement and after the Consulting Period to decide whether to sign it;
 - c. the Company hereby has advised her in writing that she should consult with an attorney of her choosing before signing it;
 - d. she is signing this Agreement knowingly, voluntarily, and without any coercion or duress; and
 - e. the only consideration the Executive is receiving for signing this Agreement is described in the Agreement itself, and no other promises or representations of any kind have been made to cause her to sign it.
23. **Remedies.** Upon the violation or breach by the Executive of any of the terms of this Agreement and her failure to cure such breach within 10 days of written notice from the Company, and in addition to any other remedies available to the Company (including those remedies set forth in **Sections 2(b)** and **8**), the Company shall be entitled to suspend indefinitely all payments due or payable hereunder to the Executive subsequent to the date of such violation or breach. The parties agree that damages incurred as a result of a violation or breach of this Agreement by the Executive shall be difficult to ascertain. It is, therefore, further agreed that, in addition to any other remedies, the Company will be entitled to equitable relief (without posting any bond) in the case of a breach of this Agreement by the Executive.
24. **Counterparts.** This Agreement may be executed in one or more counterparts, and each such counterpart shall be deemed an original, but all such counterparts together shall

constitute but one agreement. In the event that any signature to this Agreement is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

[Signature Page Follows]

*SIGNATURE PAGE TO CONSULTING AND SEPARATION AGREEMENT
AND GENERAL RELEASE*

GREAT LAKES DREDGE & DOCK CORPORATION

/s/ Deborah A. Wensel

Deborah A. Wensel

By: /s/ Douglas B Mackie

Douglas B. Mackie

Its: President and Chief Executive Officer

Date: September 7, 2010

Date: September 7, 2010

APPENDIX A
CONSULTING AND SEPARATION PAYMENTS AND BENEFITS

In consideration for the Executive's consulting services and releases, promises, and representations in this Agreement and following the expiration of the Revocation Period (as defined in Section 3 of Appendix B) without the Executive having revoked the ADEA Release and provided that the Executive complies with her obligations under this Agreement, the Company will provide the Executive with the following Consulting and Separation Payments and Benefits, which the Executive acknowledges is more than the Executive would be entitled to receive if she chose not to sign this Agreement (all payments and benefits will be net of any deductions and withholdings required by applicable laws or regulations):

CONSULTING AND SEPARATION PAYMENTS

An aggregate amount of \$525,000 in resolution of all amounts owed to the Executive. This amount will be paid in equal installments on each regularly scheduled payroll pay date during the 12-month period that begins on the Separation Date; *provided* that the Executive delivers the signed Release to the Company and the Revocation Period (as defined in Section 3 of Appendix B) has expired without the Executive having revoked the ADEA Release (the date on which the Revocation Period expires is referred to as the "**Release Effective Date**"); and *provided, further*, that the first such payment shall not be made until the first regularly scheduled payroll pay date after the Release Effective Date and shall include any amounts that would have been payable under this paragraph prior to such date if the Release had been delivered on the Separation Date.

EMPLOYEE BENEFITS

Except as specifically provided below, (i) the Executive will not earn or be entitled to any benefits (e.g., vacation, holidays, health, life, disability, etc.) after the Separation Date, and (ii) the Executive's eligibility to participate in any Company bonus, equity award or other incentive plan ceased on the Separation Date.

Group Health Insurance and Life Insurance

The Executive will be eligible for continued life insurance (or an equivalent thereof), which coverage shall be paid by the Company, until the earlier of 12 months from the Separation Date and the date Executive accepts other employment (the "**Coverage Period**"). The Company will pay such life insurance premiums as they become due.

As of her Separation Date, the Executive and her qualified dependents, if any, will be eligible to continue medical and dental plan coverage through COBRA for 18 months (29 months if she or any of her qualified dependents should become disabled within the first 60 days of COBRA coverage). Such continued group medical and dental plan coverage is contingent on Executive (i) electing and remaining eligible for continued coverage under COBRA and (ii) timely submitting her COBRA premium payments for each month. During the Coverage Period, Executive's share of the monthly COBRA premium will be equal to the amount of her monthly contribution to her group medical and dental coverage immediately before the Separation Date and the Company will pay the remaining portion of Executive's COBRA premium. After the Coverage Period, the Executive will be responsible for the full COBRA premium. During the

period over which the Company pays Executive Consulting and Separation Payments, the Company will reduce the Consulting and Separation Payments by Executive's share of the COBRA premium. A COBRA letter will follow and provide details. If the Executive does not timely elect to continue health and/or dental insurance coverage through COBRA, then these benefits will be canceled. The Executive's acceptance of other employment and coverage under another employer's health plans will result in her (and her dependents) no longer being eligible for continued medical and dental coverage under COBRA.

The Executive may be subject to federal and state tax on the value of these coverages.

401(k) Plan and Lost Benefit Plan

From and after the Separation Date, the Executive will cease to be eligible for, and may no longer contribute to, or earn benefits under, the Company's 401K Savings Plan (the "**401(k) Plan**"). All payments to be made to the Executive under the 401(k) Plan will be made in accordance with the terms and conditions of the 401(k) Plan. The Executive will not receive any 401(k) Lost Benefit Plan benefit for 2010.

Equity Awards

The Executive may retain her vested stock and stock options and will have three months after the Separation Date in which to exercise any vested and outstanding stock options. From and after the Separation Date, the Executive will forfeit all of her unvested stock awards and unvested stock options in accordance with the terms of the Company's 2007 Long-Term Incentive Plan.

Nothing in this Agreement or this Appendix A is intended to be tax advice and the Company recommends that the Executive discuss her personal tax situation with her tax advisor.

APPENDIX B
GENERAL RELEASE AND AGREEMENT NOT TO SUE

1. **Released Parties.** As used in this Agreement and in this Appendix B, “**Released Parties**” means (a) Great Lakes Dredge & Dock Corporation, a Delaware corporation (the “**Company**”), (b) all of the Company’s subsidiaries and affiliates, and (c) all past and present officers, directors, agents, employees, employee benefit plans (and their sponsors, fiduciaries and administrators), insurers, and attorneys of any of the entities described in the immediately preceding clauses (a) and (b).
2. **Release and Agreement Not to Sue.**
 - a. In return for the consideration from the Company described herein, the Executive, on behalf of herself and her agents, representatives, attorneys, assigns, heirs, executors, and administrators, releases each of the Released Parties from, and agrees not to bring any action, suit, or proceeding against any of the Released Parties regarding, any and all liability, claims, demands, actions, causes of action, suits, grievances, debts, sums of money, agreements, promises, damages, back and front pay, costs, expenses, attorneys’ fees, and remedies of any type (collectively, “**Claims**”), relating to any act, failure to act, or event that occurred up to and including the date on which the Executive signs this Agreement expressly excluding claims based upon this Agreement, including, without limitation, all Claims arising out of or in connection with the Executive’s employment or separation of employment with the Company, and including but not limited to:
 - i. any and all Claims for violation of any federal, state or local law, including but not limited to Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 (42 U.S.C. § 1981), the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Employee Retirement Income Security Act, the False Claims Act, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Illinois Human Rights Act, and the Illinois Wage Payment and Collection Act;
 - ii. any and all Claims for wrongful or retaliatory discharge of employment, termination in violation of public policy, discrimination, breach of contract (both express and implied), breach of a covenant of good faith and fair dealing (both express and implied), promissory estoppel, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation or fraud, negligent or intentional interference with contract or prospective economic advantage, defamation, negligence, personal injury, invasion of privacy, false imprisonment, conversion, or any other remuneration; and/or any other contract or tort claim;

- iii. any and all Claims arising out of any constitutional provision, statute, law, ordinance, executive order, or regulation relating to employment, termination of employment, or discrimination or retaliation in employment;
 - iv. any and all Claims for violation of any written or unwritten contract, agreement, policy, benefit plan, retirement or pension plan, option plan, severance plan, or covenant of any kind, or failure to pay wages, bonuses, employee benefits, other compensation, attorneys' fees, damages, or any other remuneration; and/or
 - v. any and all Claims for attorneys' fees and costs.
- b. The Executive affirms that as of the time she signed this Agreement, no Claim, action or proceeding covered by Section 2(a) was pending against any of the Released Parties.

3. **Executive's Right to Revoke Release of Age Discrimination Claims.** The Executive has the right to revoke her release of claims under the Age Discrimination in Employment Act described in Section 2(a) of this General Release and Agreement Not to Sue (the "**ADEA Release**") for up to seven days after the Executive signs this Agreement (the "**Revocation Period**"). In order to do so, the Executive must sign and send a written notice of the decision to revoke the ADEA Release, addressed as provided in Section 17 of the Agreement, and that written notice must be received by the Company no later than the eighth day after the Executive signed this General Release and Agreement Not to Sue. If the Executive revokes the ADEA Release, she will not be entitled to any of the consideration from the Company described in Appendix A; *provided, however*, that the Executive shall not forfeit any vested benefits or any accrued but unpaid base salary or vacation.

/s/ Deborah A. Wensel

Deborah A. Wensel

Date: September 7, 2010

EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (the "**Agreement**") is made as of the 7th day of September, 2010 (the "**Agreement Date**"), by and between Great Lakes Dredge & Dock Corporation (the "**Company**"), and Jonathan W. Berger ("**Executive**").

**ARTICLE I
EMPLOYMENT SERVICES**

1.1 Term of Employment. Executive's employment under this Agreement shall commence on September 7, 2010 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 90 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**").

1.2 Position and Duties. During the Employment Term, Executive shall hold the position of Chief Executive Officer, and shall report to the Company's Board of Directors (the "**Board**"). Executive shall perform such duties and responsibilities as are consistent with Executive's position and as may be reasonably assigned to Executive by the Board 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 executives of the Company. The Executive's office will be at the principal executive offices of the Company in Oak Brook, IL 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, other than Boise Inc., without the written consent of the Board.

1.3 Service on Board. During the Employment Term, the Board will nominate Executive for election as a member of the Board and, at the expiration of each then-current term, re-election as a member of the Board. Executive will serve without additional compensation as a member of the Board and as an officer and director of any of the Company'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 \$450,000, 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 it by up to 10 percent if there is a salary reduction affecting substantially all executive or managerial employees of the Company. The Company will pay the Executive’s Base Salary according to payroll practices in effect for all senior executive officers of the Company.

2.2 Incentive Compensation.

(a) For the 2010 Fiscal Year, Executive will be provided with a bonus of \$250,000, approximately 50 percent of which will be paid in shares of the Company’s common stock and the remainder will be paid in cash. Such stock and cash payment will occur at the time other Company officers receive their annual bonus, but in no event later than March 15, 2011.

(b) Beginning with the 2011 Fiscal Year, Executive will be eligible to participate in any annual performance bonus plans and long-term incentive plans established or maintained by the Company for its senior executive officers, including, but not limited to, the Annual Cash Bonus Plan or such similar or successor plans as the Company may establish. The maximum annual incentive compensation Executive may earn each year is \$550,000, unless such amount is adjusted by the Compensation Committee of the Board of Directors of the Company in its sole discretion. Fifty percent of any annual bonus earned by the Executive will be paid in shares of the Company’s common stock; the remainder (and the value of any fractional shares) will be paid to Executive in cash. 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 the Executive earns such bonus.

2.3 Equity Compensation. Executive will be eligible to participate in any equity-based compensation plans established or maintained by the Company for its senior executive officers, including but not limited to the Company’s 2007 Long-Term Incentive Plan and any successor thereto. Within 20 days of executing this Agreement, the Company will grant to Executive a long-term equity incentive award representing approximately \$50,000 in stock in the Company.

2.4 Employee Benefit Plans. Executive will be eligible to participate on substantially the same basis as the Company’s other senior executive officers in any employee benefit plans offered by the Company including, without limitation, the Company’s 401(k) Lost Benefit 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 senior executive officers.

2.5 Vacation. Executive will be entitled to vacation in accordance with the Company's vacation policy for senior executive officers, officers, but in no event less than four weeks per calendar year of paid vacation.

2.6 Business Expenses. The Company will reimburse the 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.

2.7 Travel and Housing Reimbursement. For the first six months of the Initial Employment Term, the Company will reimburse Executive for reasonable housing and travel expenses, up to a maximum of \$5,000 per month, payable within 60 days of the date they were incurred by Executive. 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 III TERMINATION OF EMPLOYMENT

3.1 Voluntary Resignation. Executive may terminate his employment for any reason by giving the Company 90 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: (i) Executive materially breaches Executive's obligations under this Agreement or an established policy of the Company; (ii) 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; (iii) Executive fails, refuses or is unable to perform, or habitually neglects, Executive's duties and responsibilities hereunder, and continues such failure, refusal, inability or neglect after having been given written notice by the Company that specifies what duties Executive failed to perform and an opportunity to cure of 15 days; (iv) Executive commits an act of material dishonesty, misconduct or fraud in connection with his job duties, or otherwise violates a fiduciary duty to the Company; or (v) Executive fails to reasonably cooperate with any audit or investigation involving the Company or its business practices after having been given written notice by the Company that specifies Executive's failure to cooperate and an opportunity to cure of 15 days.

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, duties or responsibilities shall be treated as a termination by Company without Cause; *provided* that, (a) such voluntary resignation occurs within 150 days following the initial occurrence of such diminution, (b) Executive provided written notice of such diminution to the Board within 90 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 Severance Pay (as defined below), subject to the requirements set forth in **Section 3.6** and **Section 3.7**. In the event of a termination without Cause during the Employment Term, Executive shall be eligible for the compensation and benefits ("**Severance Pay**") described in this **Section 3.3** (the period over which the amounts payable in **Section 3.3(a), (b)(i)** or **(b)(ii)** is referred to as the "**Severance Period**").

(a) If Executive is terminated without Cause within the first six months of the Initial Employment Term, the Company will pay the Executive a payment of equal to six months of the Executive's then current Base Pay, less applicable withholdings. This amount will be paid in equal installments on each regularly scheduled payroll pay date during the six-month period that begins on the first day immediately after the Release Effective Date, as described in **Section 3.6**.

(b) If Executive is terminated without Cause after the first six months of the Initial Employment Term, the Company will provide the following compensation and benefits to Executive:

(i) If at least 12 full months remain in the Employment Term, a payment of equal to 18 months of the Executive's then current Base Pay, less applicable withholdings. This amount will be paid in equal installments on each regularly scheduled payroll pay date during the 18-month period that begins on the first day immediately after the Release Effective Date, as described in **Section 3.6**.

(ii) If fewer than 12 full months remain in the Employment Term, a payment equal to 12 months of the Executive's Base Pay, 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 first day immediately after the Release Effective Date, as described in **Section 3.6**.

(iii) The pro rata portion of the annual bonus and the 401(k) Lost Benefit Plan benefits earned through the termination date. Such amount 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.

(iv) Continued coverage for the Executive (and his spouse and eligible dependents, to the extent they have been provided with coverage on the date immediately prior to the termination date and otherwise continue to be eligible for coverage under the terms of the applicable governing documents) under the Company's medical and dental plans for up to 24 months following the termination date. During this 24-month period, the Company will reduce the Executive's cash Severance Pay by his share of the cost of these benefits, which is fixed at the amount the Executive had been paying for such coverage on the date immediately prior to the termination date. After this 24-month period, the Executive (and his spouse and eligible dependents, as applicable) will be eligible for continuation coverage under COBRA or other similar state statute. Notwithstanding the foregoing, the Company may find alternate medical and dental plan coverage if, by law or other restrictions outside the control of the Company, continued coverage under the Company's health plans is not permitted.

(c) If the Executive is terminated without Cause at any time during the Employment Term, the Executive will receive vesting credit for any unvested equity awards through the end of the Severance Period.

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. For the avoidance of doubt, Executive shall not be eligible for Severance Pay if his employment ends because the Company or Executive provides notice of nonrenewal of the Employment Term pursuant to **Section 1.1**.

3.4 Change in Control. If, contemporaneous with or within eighteen months after a Change in Control (as defined below), the Company terminates the Executive's employment other than for Cause, Executive will be eligible to receive, in lieu of those payments provided under **Sections 3.3(a), (b)(i) or (b)(ii)**, as applicable: (a) 1.5 times his then current Base Pay; and (b) the pro rata portion of the annual bonus and the 401(k) Lost Benefit Plan benefits earned through the termination date as described in **Section 3.3(b)(iii)** (together, the "**Change in Control Payment**"), subject to the requirements set forth in **Section 3.6**. The Base Pay portion of 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 Executive's termination of employment (on or after the date of the Change in Control). In addition, Executive will be eligible for the continued health plan coverage described in **Section 3.3(b)(iv)** and will receive 18 months vesting credit consistent with and subject to the limitations of **Section 3.5**.

For purposes of this Agreement, a "**Change in Control**" of the Company 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 Company

entitled to vote generally in the election of directors (the “**Company 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 Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, holders of capital stock of the Company as of the date hereof or an affiliate thereof, any corporation owned, directly or indirectly, by the Company’s stockholders in substantially the same proportions as their ownership of stock of the Company); *provided, however* that any acquisition from the Company 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 Company Voting Securities; or

(ii) Within any twelve (12) month period that includes or is after the Effective 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 Company’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 Company of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Company 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 Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries (the “**Parent Corporation**”), is represented, directly or indirectly by Company Voting Securities outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company 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 Company Voting Securities, (B) no Person (excluding any employee benefit plan (or related trust) of the Company 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 Company 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 Company's stockholders of a complete liquidation or dissolution of the Company.

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: (i) passive ownership of less than two percent of the stock of the purchasing company; or (ii) 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 (i) and (ii)).

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. Additional Vesting. In addition to any amounts otherwise payable to Executive upon a separation from service, if Executive incurs any of the events below, he will be granted additional vesting, as described below:

(a) **Death or Disability.** If Executive dies or becomes permanently disabled (as determined under the Company's long-term disability plan in which Executive participates), Executive will receive an additional vesting credit under each of the Company's employee benefit plans that have vesting requirements. Such additional vesting credit shall begin with the date of death or disability period, as applicable, and will equal the greater of (i) 18 months vesting credit and (ii) the amount of additional vesting credit that would be provided without regard to this **Section 3.5(a)** under any other Company policy or agreement with Executive.

(b) **Retirement after Five Years of Service.** If Executive retires at any time after providing services as the Chief Executive Officer of the Company for at least five years, Executive will receive full vesting of any of his outstanding equity awards; *provided* that Executive must provide the Company at least 12 months advance notice of his intent to retire.

If the Company determines that the Executive cannot receive such additional vesting credit under the terms of any such employee benefit plan because, for example, Executive is not actually providing any services to the Company, the Company may provide the value of such additional vesting under an alternate arrangement, such as through the purchase of an individual insurance policy that provides similar benefits or, if applicable, through a nonqualified pension or profit sharing plan.

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. Executive must deliver the executed separation agreement within the minimum time period required by law or, if none, within 14 days after the Executive receives the separation agreement from the Company. Such release will become effective on the date the revocation period of the ADEA claims release expires without the Executive revoking such claims (the "**Release Effective Date**"). Any obligation of the Company to provide the Severance Pay shall cease: (i) upon Executive's death; (ii) if Executive materially breached or breaches his contractual obligations to the Company, including those set forth in **Article IV** or **Article V** herein, or in the release agreement; or (iii) if, after Executive's termination, the Company discovers facts and circumstances that would have justified a termination for Cause.

3.7 Timing of Payments; Section 409A. Pursuant to Section 409A, to the extent that Executive is a Specified Employee as of the date of termination, the Severance Pay set forth in **Section 3.3** or Change in Control Payments set forth in **Section 3.4** shall commence six months after the date of termination (the "**Six-Month Delay**"). Payments to which Executive would otherwise be entitled during the Six Month Delay will be accumulated and paid on the first day of the seventh month following the date of termination; *provided, however*, that:

(i) To the maximum extent permitted under Section 409A and Treas. Reg. §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions), within ten (10) days of the date of termination, the Company will pay the Executive an amount equal to the applicable dollar amount under Code Section 402(g)(1)(B) for the year in which the date of termination occurs; *provided* that the amount paid under this sentence will count toward, and will not be in addition to, the total amount of Severance Pay or Change in Control Payments.

(ii) After the payment described in **Section 3.7(i)** above, to the maximum extent permitted under Section 409A and Treas. Reg. §1.409A-1(b)(9)(iii) (or any similar or successor provisions), during the first month of the Six-Month Delay, the Company will pay the Executive an amount equal to the lesser of (i) the total Severance Pay provided under **Section 3.3** or Change in Control Payments provided under **Section 3.4**, or (ii) two times the lesser of (A) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which the date of termination occurs, and (B) the sum of the Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the taxable year of the Executive preceding the taxable year of the Executive in which the Executive's date of termination occurs (adjusted for any increase during that year that was expected to continue

indefinitely if the Executive had not had a date of termination); *provided* that amounts paid under this sentence will count toward, and will not be in addition to, the total payment amount required to be made to the Executive by the Company under **Section 3.3** or **3.4**. All payments made pursuant to this **Section 3.7(ii)** will be made at the time and in the manner provided under **Section 3.3** or **3.4**, as applicable.

(iii) In the event that the Company's independent registered public accounting firm or the Internal Revenue Service determines that any payment, coverage or benefit due or owing to the Executive pursuant to this Agreement is subject to the additional tax imposed by Section 409A or any successor provision thereof or any interest or penalties, including interest imposed under Section 409(A)(1)(B)(i)(I), incurred by the Executive as a result of the application of such provision, the Company agrees to cooperate with Executive to execute any amendment to the provisions hereof reasonably necessary but only (A) to the minimum extent necessary to avoid application of such tax and (B) to the extent that the Company would not, as a result, suffer any adverse consequences (including, without limitation, accelerating the payment or provision of any benefit described herein).

For purposes of this Agreement, "**Specified Employee**" has the meaning given that term in Section 409A and Treas. Reg. 1.409A-1(c)(i) (or any similar or successor provisions) as determined in accordance with the Company's policy for determining Specified Employees.

For purposes of this Agreement, all payments of "deferred compensation," as defined in Section 409A, due to the Executive's "termination of employment" shall be payable upon the Executive's "separation from service," as defined by Treas. Reg. §1.409A-1(h).

Notwithstanding any provision of this Agreement to the contrary, this Agreement is intended to be exempt from or, in the alternative, comply with Section 409A and the interpretive guidance in effect thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions. The Agreement shall be construed and interpreted in accordance with such intent.

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, 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 the 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 the Executive other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this **Section 3.8**, the Company will effect such reduction by reducing the lump sum cash payment related to Base Salary (a "Reduction"). In the event that, after such Reduction any payment or benefit intended to be provided under this Agreement or otherwise is still required to be reduced pursuant to this **Section 3.8**, the Company will effect such reduction by reducing other consideration due to Executive.

3.9 Removal from any Boards and Positions. If Executive's employment is terminated for any reason under this Agreement, this Agreement will constitute his resignation from (i) if a member, the board of directors of the Company as well as any Affiliate or any other board to which he has been appointed or nominated by or on behalf of the Company, (ii) any position with the Company or any Affiliate, including, but not limited to, as an officer of the Company or any of its Affiliates, and (iii) any fiduciary positions with respect to the Company's benefit plans.

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 he obtained during the course of his employment by the Company is the property of the Company or such other GLDD Entity. The Executive will never, directly or indirectly, disclose, publish or use any Confidential Information of which the Executive has become aware, whether or not such information was developed by him. 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 the 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: (i) 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; (ii) becomes publicly available through no fault of the Executive; or (iii) has been published in a form generally available to the public before the Executive proposes to disclose, publish, or use such information.

4.2 Noncompetition. During the Employment Term and for the 18-month period following the termination of the Employment Term for any reason (the "**Restricted Period**"), the 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 or demolition or any other business engaged in by the Company; *provided, however*, that this restriction shall not prohibit the 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 North America, Central America, South America, the Caribbean, the Middle East, Africa, India, Australia, and Asia. Notwithstanding anything in this **Article IV** to the contrary, the 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 he is interested in pursuing or in which he may wish to engage, and (ii) request that the Company agree that the opportunity so described would not violate this **Section 4.3**. Within a reasonable time, the Company will send the Executive a written response, indicating whether or not the Company consents to the Executive engaging in the opportunity described in his 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: (i) 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 month period prior to the solicitation, hire or engagement, or (ii) 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: (i) 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 (ii) 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 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.

5.2 Executive Assistance. During Executive's employment with the Company and for a period of 12 months after the termination of such employment, Executive shall, upon reasonable notice, furnish the Company with such information as may be in Executive's possession or control, and cooperate with the Company in any reasonable manner that the

Company may request, including without limitation conferring with the Company with regard to any litigation, claim, or other dispute in which the Company is or may become a party. The Company shall reimburse Executive for all reasonable out-of-pocket expenses incurred by Executive in fulfilling Executive's obligations under this **Section 5.2**. The Company will make any such reimbursement within 30 days of the date the Executive 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 or the last address on file in the records of the Company.

If to the Company:

Great Lakes Dredge & Dock Corporation
2122 York Road
Oak Brook, IL 60523
Attn: Kathleen M. LaVoy, Assistant General Counsel
fax: (630) 574-3007
email: kmlavoy@gldd.com
telephone: (630) 574-3468

with a copy to:

Ross D. Emmerman
Neal Gerber & Eisenberg LLP
Two North LaSalle Street
Chicago, IL 60602-3801
fax: (312) 429-3574
email: remmerman@ngelaw.com
telephone: (312) 269-8051

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 his address set forth on the signature page.

6.2 Company Stock Retention. During the Employment Term, Executive must retain all shares of Company stock he receives as compensation from the Company; *provided, however*, that Executive from time to time may sell such shares to the extent that the aggregate value of the shares of Company stock he owns (together with his spouse and any trusts of which he or his spouse are the beneficial owner) after the conclusion of such sale exceeds four times his then current Base Salary; with such aggregate value being determined using the closing price for the Company's stock on the NASDAQ global market (or other U.S. national market on which the Company's stock is then trading) on the day immediately preceding such sale, with any unvested shares (and options) being valued at zero.

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 the 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 the Executive from any of the terms or conditions thereof, will be effective unless in writing and signed by the Chairman or Lead Director of the Company's Board. 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; Consent to Jurisdiction; 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 Executive's employment hereunder, the parties: (i) agree to submit to the exclusive jurisdiction of the federal or state courts located in Cook County, Illinois; (ii) waive any objection to personal jurisdiction or venue in such jurisdiction, and agree not to plead or claim forum non conveniens; and (iii) waive their respective rights to a jury trial of any claims and causes of action, and agree to have any matter heard and decided solely by the court.

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 contains 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. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by each of the parties hereto.

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/ Jason Weiss

Name: Jason Weiss

Title: Director

JONATHAN W. BERGER

/s/ Jonathan W. Berger

EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (the "**Agreement**") is made as of the 7th day of September, 2010 (the "**Agreement Date**"), by and between Great Lakes Dredge & Dock Corporation (the "**Company**"), and Bruce J. Biemeck ("**Executive**").

**ARTICLE I
EMPLOYMENT SERVICES**

1.1 Term of Employment. Executive's employment under this Agreement shall commence on September 7, 2010 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 90 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**").

1.2 Position and Duties. During the Employment Term, Executive shall hold the position of President and Chief Financial Officer, and shall report to the Company's Chief Executive Officer. Executive shall perform such duties and responsibilities as are consistent with Executive's position, including the senior role in both finance and operations, and those duties as may be reasonably 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 executives of the Company. The Executive's office will be at the principal executive offices of the Company in Oak Brook, IL 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 Company's Board of Directors (the "**Board**").

1.3 Service on Board. During the Employment Term, the Board will nominate Executive for election as a member of the Board and, at the expiration of each then-current term, re-election as a member of the Board. Executive will serve without additional compensation as a member of the Board and as an officer and director of any of the Company'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 \$425,000, 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 it by up to 10 percent if there is a salary reduction affecting substantially all executive or managerial employees of the Company. The Company will pay the Executive’s Base Salary according to payroll practices in effect for all senior executive officers of the Company.

2.2 Incentive Compensation.

(a) For the 2010 Fiscal Year, Executive will be provided with a bonus of \$250,000, approximately 50 percent of which will be paid in shares of the Company’s common stock and the remainder will be paid in cash. Such stock and cash payment will occur at the time other Company officers receive their annual bonus, but in no event later than March 15, 2011.

(b) Beginning with the 2011 Fiscal Year, Executive will be eligible to participate in any annual performance bonus plans and long-term incentive plans established or maintained by the Company for its senior executive officers, including, but not limited to, the Annual Cash Bonus Plan or such similar or successor plans as the Company may establish. The maximum annual incentive compensation Executive may earn each year is \$525,000, unless such amount is adjusted by the Compensation Committee of the Board of Directors of the Company in its sole discretion. Fifty percent of any annual bonus earned by the Executive will be paid in shares of the Company’s common stock; the remainder (and the value of any fractional shares) will be paid to Executive in cash. 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 the Executive earns such bonus.

2.3 Equity Compensation. Executive will be eligible to participate in any equity-based compensation plans established or maintained by the Company for its senior executive officers, including but not limited to the Company’s 2007 Long-Term Incentive Plan and any successor thereto. Within 20 days of executing this Agreement, the Company will grant to Executive a long-term equity incentive award representing approximately \$50,000 in stock in the Company.

2.4 Employee Benefit Plans. Executive will be eligible to participate on substantially the same basis as the Company’s other senior executive officers in any employee benefit plans offered by the Company including, without limitation, the Company’s 401(k) Lost Benefit 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 senior executive officers.

2.5 Vacation. Executive will be entitled to vacation in accordance with the Company's vacation policy for senior executive officers, officers, but in no event less than four weeks per calendar year of paid vacation.

2.6 Business Expenses. The Company will reimburse the 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.

2.7 Travel and Housing Reimbursement. For the first six months of the Initial Employment Term, the Company will reimburse Executive for reasonable housing and travel expenses, up to a maximum of \$5,000 per month, payable within 60 days of the date they were incurred by Executive. 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 III TERMINATION OF EMPLOYMENT

3.1 Voluntary Resignation. Executive may terminate his employment for any reason by giving the Company 90 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: (i) Executive materially breaches Executive's obligations under this Agreement or an established policy of the Company; (ii) 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; (iii) Executive fails, refuses or is unable to perform, or habitually neglects, Executive's duties and responsibilities hereunder, and continues such failure, refusal, inability or neglect after having been given written notice by the Company that specifies what duties Executive failed to perform and an opportunity to cure of 15 days; (iv) Executive commits an act of material dishonesty, misconduct or fraud in connection with his job duties, or otherwise violates a fiduciary duty to the Company; or (v) Executive fails to reasonably cooperate with any audit or investigation involving the Company or its business practices after having been given written notice by the Company that specifies Executive's failure to cooperate and an opportunity to cure of 15 days.

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, duties or responsibilities shall be treated as a termination by Company without Cause; *provided* that, (a) such voluntary resignation occurs within 150 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 90 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 Severance Pay (as defined below), subject to the requirements set forth in **Section 3.6** and **Section 3.7**. In the event of a termination without Cause during the Employment Term, Executive shall be eligible for the compensation and benefits ("**Severance Pay**") described in this **Section 3.3** (the period over which the amounts payable in **Section 3.3(a), (b)(i)** or **(b)(ii)** is referred to as the "**Severance Period**").

(a) If Executive is terminated without Cause within the first six months of the Initial Employment Term, the Company will pay the Executive a payment of equal to six months of the Executive's then current Base Pay, less applicable withholdings. This amount will be paid in equal installments on each regularly scheduled payroll pay date during the six-month period that begins on the first day immediately after the Release Effective Date, as described in **Section 3.6**.

(b) If Executive is terminated without Cause after the first six months of the Initial Employment Term, the Company will provide the following compensation and benefits to Executive:

(i) If at least 12 full months remain in the Employment Term, a payment of equal to 18 months of the Executive's then current Base Pay, less applicable withholdings. This amount will be paid in equal installments on each regularly scheduled payroll pay date during the 18-month period that begins on the first day immediately after the Release Effective Date, as described in **Section 3.6**.

(ii) If fewer than 12 full months remain in the Employment Term, a payment equal to 12 months of the Executive's Base Pay, 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 first day immediately after the Release Effective Date, as described in **Section 3.6**.

(iii) The pro rata portion of the annual bonus and the 401(k) Lost Benefit Plan benefits earned through the termination date. Such amount 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.

(iv) Continued coverage for the Executive (and his spouse and eligible dependents, to the extent they have been provided with coverage on the date immediately prior to the termination date and otherwise continue to be eligible for coverage under the terms of the applicable governing documents) under the Company's medical and dental plans for up to 24 months following the termination date. During this 24-month period, the Company will reduce the Executive's cash Severance Pay by his share of the cost of these benefits, which is fixed at the amount the Executive had been paying for such coverage on the date immediately prior to the termination date. After this 24-month period, the Executive (and his spouse and eligible dependents, as applicable) will be eligible for continuation coverage under COBRA or other similar state statute. Notwithstanding the foregoing, the Company may find alternate medical and dental plan coverage if, by law or other restrictions outside the control of the Company, continued coverage under the Company's health plans is not permitted.

(c) If the Executive is terminated without Cause at any time during the Employment Term, the Executive will receive vesting credit for any unvested equity awards through the end of the Severance Period.

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. For the avoidance of doubt, Executive shall not be eligible for Severance Pay if his employment ends because the Company or Executive provides notice of nonrenewal of the Employment Term pursuant to **Section 1.1**.

3.4 Change in Control. If, contemporaneous with or within eighteen months after a Change in Control (as defined below), the Company terminates the Executive's employment other than for Cause, Executive will be eligible to receive, in lieu of those payments provided under **Sections 3.3(a), (b)(i) or (b)(ii)**, as applicable: (a) 1.5 times his then current Base Pay; and (b) the pro rata portion of the annual bonus and the 401(k) Lost Benefit Plan benefits earned through the termination date as described in **Section 3.3(b)(iii)** (together, the "**Change in Control Payment**"), subject to the requirements set forth in **Section 3.6**. The Base Pay portion of 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 Executive's termination of employment (on or after the date of the Change in Control). In addition, Executive will be eligible for the continued health plan coverage described in **Section 3.3(b)(iv)** and will receive 18 months vesting credit consistent with and subject to the limitations of **Section 3.5**.

For purposes of this Agreement, a "**Change in Control**" of the Company 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 Company

entitled to vote generally in the election of directors (the “**Company 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 Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, holders of capital stock of the Company as of the date hereof or an affiliate thereof, any corporation owned, directly or indirectly, by the Company’s stockholders in substantially the same proportions as their ownership of stock of the Company); *provided, however* that any acquisition from the Company 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 Company Voting Securities; or

(ii) Within any twelve (12) month period that includes or is after the Effective 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 Company’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 Company of a reorganization, merger or consolidation, or sale or other disposition of all or substantially all of the assets of the Company 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 Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries (the “**Parent Corporation**”), is represented, directly or indirectly by Company Voting Securities outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Company 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 Company Voting Securities, (B) no Person (excluding any employee benefit plan (or related trust) of the Company 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 Company 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 Company's stockholders of a complete liquidation or dissolution of the Company.

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: (i) passive ownership of less than two percent of the stock of the purchasing company; or (ii) 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 (i) and (ii)).

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. Additional Vesting. In addition to any amounts otherwise payable to Executive upon a separation from service, if Executive incurs any of the events below, he will be granted additional vesting, as described below:

(a) **Death or Disability.** If Executive dies or becomes permanently disabled (as determined under the Company's long-term disability plan in which Executive participates), Executive will receive an additional vesting credit under each of the Company's employee benefit plans that have vesting requirements. Such additional vesting credit shall begin with the date of death or disability period, as applicable, and will equal the greater of (i) 18 months vesting credit and (ii) the amount of additional vesting credit that would be provided without regard to this **Section 3.5(a)** under any other Company policy or agreement with Executive.

(b) **Retirement after 4.5 Years of Service.** If Executive retires at any time after providing services as the President and Chief Financial Officer of the Company for at least 4.5 years, Executive will receive full vesting of any of his outstanding equity awards; *provided* that Executive must provide the Company at least 12 months advance notice of his intent to retire.

If the Company determines that the Executive cannot receive such additional vesting credit under the terms of any such employee benefit plan because, for example, Executive is not actually providing any services to the Company, the Company may provide the value of such additional vesting under an alternate arrangement, such as through the purchase of an individual insurance policy that provides similar benefits or, if applicable, through a nonqualified pension or profit sharing plan.

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. Executive must deliver the executed separation agreement within the minimum time period required by law or, if none, within 14 days after the Executive receives the separation agreement from the Company. Such release will become effective on the date the revocation period of the ADEA claims release expires without the Executive revoking such claims (the "**Release Effective Date**"). Any obligation of the Company to provide the Severance Pay shall cease: (i) upon Executive's death; (ii) if Executive materially breached or breaches his contractual obligations to the Company, including those set forth in **Article IV** or **Article V** herein, or in the release agreement; or (iii) if, after Executive's termination, the Company discovers facts and circumstances that would have justified a termination for Cause.

3.7 Timing of Payments; Section 409A. Pursuant to Section 409A, to the extent that Executive is a Specified Employee as of the date of termination, the Severance Pay set forth in **Section 3.3** or Change in Control Payments set forth in **Section 3.4** shall commence six months after the date of termination (the "**Six-Month Delay**"). Payments to which Executive would otherwise be entitled during the Six Month Delay will be accumulated and paid on the first day of the seventh month following the date of termination; *provided, however*, that:

(i) To the maximum extent permitted under Section 409A and Treas. Reg. §1.409A-1(b)(9)(v)(D) (or any similar or successor provisions), within ten (10) days of the date of termination, the Company will pay the Executive an amount equal to the applicable dollar amount under Code Section 402(g)(1)(B) for the year in which the date of termination occurs; *provided* that the amount paid under this sentence will count toward, and will not be in addition to, the total amount of Severance Pay or Change in Control Payments.

(ii) After the payment described in **Section 3.7(i)** above, to the maximum extent permitted under Section 409A and Treas. Reg. §1.409A-1(b)(9)(iii) (or any similar or successor provisions), during the first month of the Six-Month Delay, the Company will pay the Executive an amount equal to the lesser of (i) the total Severance Pay provided under **Section 3.3** or Change in Control Payments provided under **Section 3.4**, or (ii) two times the lesser of (A) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which the date of termination occurs, and (B) the sum of the Executive's annualized compensation based upon the annual rate of pay for services provided to the Company for the taxable year of the Executive preceding the taxable year of the Executive in which the Executive's date of termination occurs (adjusted for any increase during that year that was expected to continue

indefinitely if the Executive had not had a date of termination); *provided* that amounts paid under this sentence will count toward, and will not be in addition to, the total payment amount required to be made to the Executive by the Company under **Section 3.3** or **3.4**. All payments made pursuant to this **Section 3.7(ii)** will be made at the time and in the manner provided under **Section 3.3** or **3.4**, as applicable.

(iii) In the event that the Company's independent registered public accounting firm or the Internal Revenue Service determines that any payment, coverage or benefit due or owing to the Executive pursuant to this Agreement is subject to the additional tax imposed by Section 409A or any successor provision thereof or any interest or penalties, including interest imposed under Section 409(A)(1)(B)(i)(I), incurred by the Executive as a result of the application of such provision, the Company agrees to cooperate with Executive to execute any amendment to the provisions hereof reasonably necessary but only (A) to the minimum extent necessary to avoid application of such tax and (B) to the extent that the Company would not, as a result, suffer any adverse consequences (including, without limitation, accelerating the payment or provision of any benefit described herein).

For purposes of this Agreement, "**Specified Employee**" has the meaning given that term in Section 409A and Treas. Reg. 1.409A-1(c)(i) (or any similar or successor provisions) as determined in accordance with the Company's policy for determining Specified Employees.

For purposes of this Agreement, all payments of "deferred compensation," as defined in Section 409A, due to the Executive's "termination of employment" shall be payable upon the Executive's "separation from service," as defined by Treas. Reg. §1.409A-1(h).

Notwithstanding any provision of this Agreement to the contrary, this Agreement is intended to be exempt from or, in the alternative, comply with Section 409A and the interpretive guidance in effect thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions. The Agreement shall be construed and interpreted in accordance with such intent.

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, 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 the 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 the Executive other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this **Section 3.8**, the Company will effect such reduction by reducing the lump sum cash payment related to Base Salary (a "Reduction"). In the event that, after such Reduction any payment or benefit intended to be provided under this Agreement or otherwise is still required to be reduced pursuant to this **Section 3.8**, the Company will effect such reduction by reducing other consideration due to Executive.

3.9 Removal from any Boards and Positions. If Executive's employment is terminated for any reason under this Agreement, this Agreement will constitute his resignation from (i) if a member, the board of directors of the Company as well as any Affiliate or any other board to which he has been appointed or nominated by or on behalf of the Company, (ii) any position with the Company or any Affiliate, including, but not limited to, as an officer of the Company or any of its Affiliates, and (iii) any fiduciary positions with respect to the Company's benefit plans.

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 he obtained during the course of his employment by the Company is the property of the Company or such other GLDD Entity. The Executive will never, directly or indirectly, disclose, publish or use any Confidential Information of which the Executive has become aware, whether or not such information was developed by him. 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 the 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: (i) 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; (ii) becomes publicly available through no fault of the Executive; or (iii) has been published in a form generally available to the public before the Executive proposes to disclose, publish, or use such information.

4.2 Noncompetition. During the Employment Term and for the 18-month period following the termination of the Employment Term for any reason (the "**Restricted Period**"), the 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 or demolition or any other business engaged in by the Company; *provided, however,* that this restriction shall not prohibit the 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 North America, Central America, South America, the Caribbean, the Middle East, Africa, India, Australia, and Asia. Notwithstanding anything in this **Article IV** to the contrary, the 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 he is interested in pursuing or in which he may wish to engage, and (ii) request that the Company agree that the opportunity so described would not violate this **Section 4.3**. Within a reasonable time, the Company will send the Executive a written response, indicating whether or not the Company consents to the Executive engaging in the opportunity described in his 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: (i) 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 month period prior to the solicitation, hire or engagement, or (ii) 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: (i) 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 (ii) 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 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.

5.2 Executive Assistance. During Executive's employment with the Company and for a period of 12 months after the termination of such employment, Executive shall, upon reasonable notice, furnish the Company with such information as may be in Executive's possession or control, and cooperate with the Company in any reasonable manner that the

Company may request, including without limitation conferring with the Company with regard to any litigation, claim, or other dispute in which the Company is or may become a party. The Company shall reimburse Executive for all reasonable out-of-pocket expenses incurred by Executive in fulfilling Executive's obligations under this **Section 5.2**. The Company will make any such reimbursement within 30 days of the date the Executive 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 or the last address on file in the records of the Company.

If to the Company:

Great Lakes Dredge & Dock Corporation
2122 York Road
Oak Brook, IL 60523
Attn: Kathleen M. LaVoy, Assistant General Counsel
fax: (630) 574-3007
email: kmlavoy@gldd.com
telephone: (630) 574-3468

with a copy to:

Ross D. Emmerman
Neal Gerber & Eisenberg LLP
Two North LaSalle Street
Chicago, IL 60602-3801
fax: (312) 429-3574
email: remmerman@ngelaw.com
telephone: (312) 269-8051

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 his address set forth on the signature page.

6.2 Company Stock Retention. During the Employment Term, Executive must retain all shares of Company stock he receives as compensation from the Company; *provided, however*, that Executive from time to time may sell such shares to the extent that the aggregate value of the shares of Company stock he owns (together with his spouse and any trusts of which he or his spouse are the beneficial owner) after the conclusion of such sale exceeds four times his then current Base Salary; with such aggregate value being determined using the closing price for the Company's stock on the NASDAQ global market (or other U.S. national market on which the Company's stock is then trading) on the day immediately preceding such sale, with any unvested shares (and options) being valued at zero.

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 the 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 the Executive from any of the terms or conditions thereof, will be effective unless in writing and signed by the Chairman or Lead Director of the Company's Board. 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; Consent to Jurisdiction; 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 Executive's employment hereunder, the parties: (i) agree to submit to the exclusive jurisdiction of the federal or state courts located in Cook County, Illinois; (ii) waive any objection to personal jurisdiction or venue in such jurisdiction, and agree not to plead or claim forum non conveniens; and (iii) waive their respective rights to a jury trial of any claims and causes of action, and agree to have any matter heard and decided solely by the court.

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 contains 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. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by each of the parties hereto.

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/ Jason Weiss

Name: Jason Weiss

Title: Director

BRUCE J. BIEMECK

/s/ Bruce J. Biemeck



News from Great Lakes Dredge & Dock Corporation

For further information contact:
Katie Hayes, Investor Relations @ 630-574-3772

GREAT LAKES DREDGE & DOCK CORPORATION
ANNOUNCES EXECUTIVE MANAGEMENT CHANGES

Oak Brook, Illinois – September 7, 2010 – Great Lakes Dredge & Dock Corporation (NASDAQ:GLDD)– the largest provider of dredging services in the United States and a major provider of commercial and industrial demolition services – today announced changes to its executive management effective immediately. Douglas B. Mackie, President and Chief Executive Officer, has decided with the Board of Directors to resign his positions and become Chairman Emeritus and Senior Advisor to the Company. Mr. Mackie will remain a director of Great Lakes.

The Board has appointed Jonathan Berger as Chief Executive Officer of the Company. Mr. Berger has served as a member of the Company’s Board of Directors since December 2006 and served as Chair of the Audit Committee. Mr. Berger will remain a director, but will no longer serve on the Audit Committee.

Mr. Berger was a Partner in KPMG’s Corporate Finance practice from 1991 thru 1999 and was a Managing Director and Co-head of Navigant Consulting, Inc. (NYSE:NCI) Corporate Finance practice from 2001 to 2009. Currently, Mr. Berger is a Director and Chair of the Audit and Compensation Committees of Boise, Inc. (NYSE:BZ). He is a Certified Public Accountant and holds an MBA from Emory University.

Deborah A. Wensel, Senior Vice President, Chief Financial Officer and Treasurer, also has decided with the Board of Directors to resign her positions. Ms. Wensel will assist in the transition as a consultant to the Company through the end of the year.

The Board has appointed Bruce J. Biemeck as President and Chief Financial Officer. Mr. Biemeck has served as a member of the Company’s Board of Directors since December 2006 and most recently served as Lead Director, Chair of the Compensation Committee and a member of the Audit Committee and Nominating and Corporate Governance committee. Mr. Biemeck will remain a director, but will no longer serve as Lead Director or on any Board committees.

Mr. Biemeck has deep institutional knowledge of Great Lakes’ business, having served as the Company’s Senior Vice President, Chief Financial Officer and Treasurer from 1991 to 1999. Since 1999, Mr. Biemeck has been a private real estate investor and developer and has acted as an independent consultant. He received a B.S. from St. Louis University and an M.B.A. from the University of Chicago. He is a Certified Public Accountant.

Commentary

Newly appointed CEO and Director Jonathan Berger commented, “With these changes, Great Lakes is poised to take advantage of market opportunities and execute on the strategic plan being developed by the Board and Management. With these moves we have been able to provide experienced, familiar leadership, while enhancing management with strong skills in strategic planning and mergers and acquisitions to grow Great Lakes. We recognize the strong and steady leadership Mr. Mackie has provided this Company over the last 15 years. Under his leadership, Great Lakes has experienced growth in revenue and profits, grown its fleet to respond to market needs and enhanced the Company’s safety record. Doug led the transition of the Company to private equity ownership in the 1980s as well as back to public ownership in 2006. In the early 1990s, Doug’s foresight led Great lakes to expand into foreign dredging markets, which have accounted for over 20% of annual revenues over the last five years. This has proven to help immensely with the cyclical nature of the domestic dredging markets. We are pleased Doug has agreed to stay active with the Company as a senior advisor and Board member for Great Lakes and look forward to continuing to work with him.

Mr. Berger continued. “I also thank Deb for her many contributions to the Company while serving as CFO since 1999 and previously, in increasingly responsible financial roles. During her years of service, Deb effectively managed the Company’s finances, including the administration, successful negotiation and financing of numerous transactions, through both private equity ownership and the transition back to public ownership through its 2006 initial public offering and listing on NASDAQ. We wish her well in the next stage of her career and look forward to working with her in the coming months during our transition.”

Doug Mackie stated, “I am grateful to the employees of Great Lakes, who through their dedication and efforts, have helped make our growth and leadership the pride of the industry. I have great confidence in the new management team and look forward to working with them in an advisory capacity to meet our goals for the future.”

Mr. Berger concluded, “Great Lakes recently announced a strong first half with the expectation for full year results which exceed 2009 results. We have experienced solid results in recent periods, reduced debt and generated cash which will provide for future plans and needs for our dredging and demolition operations, as well as enhance our ability to finance expansion. Our strategic vision remains to seek growth opportunities in our existing businesses as well as outside of our existing business base. Our new management team will serve a critical role in executing our strategic plan that is being developed to meet our growth objectives. Our team looks forward to exploring future growth opportunities both inside and outside our core markets.”

Conference Call Information

The Company will conduct a conference call to discuss the executive management changes, which will be held Wednesday, September 8th at 10:00 a.m. C.D.T. The call in number is 866-314-5232 and passcode is 27303656. The call can also be heard on the Company’s website, www.gldd.com under Events and Presentations on the investor

relations page. Information related to the conference call will also be available on the investor relations page of the Company's website. The conference call will be available by replay for two weeks, by calling 888-286-8010 and providing passcode 56413875.

The Company

Great Lakes Dredge & Dock Corporation is the largest provider of dredging services in the United States and the only U.S. dredging company with significant international operations, averaging 30% of its dredging revenues over the last three years. The Company is also one of the largest U.S. providers of commercial and industrial demolition services. Additionally, the Company owns a 50% interest in a marine sand mining operation in New Jersey which supplies sand and aggregate used for road and building construction. Great Lakes has a 120-year history of never failing to complete a marine project and owns the largest and most diverse fleet in the U.S. industry, comprised of over 180 specialized vessels.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release 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, 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," "will," "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 associated with Great Lakes leverage, fixed price contracts, dependence on government contracts and funding, bonding requirements and obligations, international operations, government regulation, restrictive debt covenants and fluctuations in quarterly operations, and those factors, risks and uncertainties that are described in Item 1A of its Annual Report on Form 10-K for the year ended December 31, 2009, 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 press release 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.