

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

**FORM 10-Q/A
(Amendment No. 1)**

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

**For the quarterly period ended September 30, 2021
OR**

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

For the transition period from to

Commission file number 1-13926

DIAMOND OFFSHORE DRILLING, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

76-0321760
(I.R.S. Employer
Identification No.)

**15415 Katy Freeway
Houston, Texas
77094**
(Address of principal executive offices)
(Zip Code)

(281) 492-5300
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act: None

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

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

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

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

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

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of November 1, 2021 Common stock, \$0.0001 par value per share 100,074,948 shares

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A (or this Amendment) amends the Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2021 originally filed by Diamond Offshore Drilling, Inc., a Delaware corporation, with the Securities and Exchange Commission (or SEC) on November 8, 2021 (or the Original Filing). Unless the context indicates otherwise, references to “we”, “us”, “our” and the “company” refer to Diamond Offshore Drilling, Inc. and its subsidiaries. We are filing this Amendment solely to (a) amend Item 5 of Part II of the Original Filing to include information concerning our 2021 short-term incentive program that was inadvertently omitted from the Original Filing and (b) amend Item 6 of Part II of the Original Filing to include (i) an additional material contract, as Exhibit 10.4, and (ii) new certifications of our Chief Executive Officer and Chief Financial Officer, as Exhibits 31.1 and 31.2, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (or the Exchange Act). Because no financial statements have been included in this Amendment and this Amendment does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted. We are not furnishing new certifications under Section 906 of the Sarbanes-Oxley Act of 2002 because no financial statements are being filed with this Amendment. The complete text of Item 5 of Part II has been set forth in its entirety in accordance with Rule 12b-15 under the Exchange Act.

Except as described above, no other changes have been made to the Original Filing. The Original Filing continues to speak as of the date of the Original Filing, and we have not updated the disclosures contained therein to reflect any events occurring subsequent to the filing of the Original Filing other than as expressly indicated in this Amendment. Accordingly, this Amendment should be read in conjunction with the Original Filing and our other filings made with the SEC subsequent to November 8, 2021, including any amendments to those filings.

DIAMOND OFFSHORE DRILLING, INC.

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PART II. OTHER INFORMATION

ITEM 5. Other Information.

2021 Short-Term Incentive Program

On August 30, 2021, the Compensation Committee of our Board of Directors approved a 2021 short-term incentive program (which we refer to as our 2021 Incentive Plan) covering eight of our executives, including all of our executive officers at such time. The 2021 Incentive Plan provides the executives the opportunity to earn cash compensation defined as a percentage of their base salaries that is contingent on achievement of a specified company financial performance goal, in addition to applicable award caps.

Under the 2021 Incentive Plan, individual target awards were equal to a fixed percentage of base salary. The 2021 target awards for our executive officers are set forth in the table below:

<u>Name</u>	<u>2021 Target (%)</u>
Bernie Wolford, Jr.	100
Dominic A. Savarino	50
David L. Roland	50
Scott L. Kornblau	50
Ronald Woll	70

Performance under the 2021 Incentive Plan was measured for the period from July 1, 2021 through December 31, 2021, and potential payments under the plan were prorated to reflect the six-month performance period.

The Compensation Committee established a performance goal for the participating executives under the 2021 Incentive Plan expressed as an amount of target adjusted free cash flow, to be calculated as follows:

Contract Drilling Revenue
Less Direct Rig Costs
Less Indirect Overhead
Less Shorebase
Less G&A
Less Maintenance Capex.

The committee selected the above financial performance measure for 2021 because the measure generally tracks our financial performance and establishes a clear and consistent link between our executive cash incentive compensation and our company's performance. In addition, the committee provided for adjustments to the above formula to remove the positive or negative impact of unusual or one-time events that would obscure the core operational performance of our company. Consequently, the above calculation of adjusted free cash flow excludes revenue, costs and expenses incurred in connection with (a) changes in applicable laws, regulations or accounting principles; (b) third-party advisors and consultants related to restructuring and/or strategic alternative activities; (c) the disposal or addition of a business segment or material asset; (d) the company's employee incentive programs; (e) movement of revenue and expenses and other deferral and amortizations; (f) other items the company typically normalizes out of GAAP results; and (g) events or conditions determined in consultation with the Compensation Committee to be extraordinary or unusual in nature, infrequent in occurrence, out of the company's control, or may negatively impact adjusted free cash flow (or FCF) during the performance period for a future benefit to the company outside of the performance period.

The performance targets for the six-month performance period under the 2021 Incentive Plan were as follows (with linear interpolation applied between the points):

	<u>% of FCF Target</u>	<u>% of Bonus Target</u>
Threshold	85%	50%
Target	100%	100%
Stretch	115%	150%

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Target payout amounts for our executive officers under the 2021 Incentive Plan were as follows:

<u>Name</u>	<u>2021 Incentive Plan Target Payments (\$)</u>
Bernie Wolford, Jr.	456,438
Dominic A. Savarino	110,000
David L. Roland	101,400
Scott L. Kornblau	102,500
Ronald Woll	180,470

Advance Notice for Stockholder Proposals

As previously reported, on the Effective Date and in accordance with the Plan, the Company adopted the Seconded Amended and Restated Bylaws (or the Bylaws) which included changes to the procedures by which stockholders may recommend nominees to the board of directors of the Company. Advance notice is required for stockholders to nominate directors or to submit proposals for consideration at meetings of stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to the Secretary of the Company prior to the meeting at which the action is to be taken. The Bylaws specify in detail the requirements as to form and content of all stockholder notices.

This summary is qualified in its entirety by reference to the full text of the Bylaws, which are filed as Exhibit 3.2 to this report and are incorporated herein by reference.

The Company's board of directors has set January 21, 2022 as the date of the Company's upcoming annual meeting of stockholders (or the Annual Meeting). The exact time and place of the Annual Meeting will be specified in the Company's notice of annual meeting and related proxy statement for the Annual Meeting. The board of directors also established the close of business on December 3, 2021 as the record date for determining stockholders entitled to notice of, and to vote at, the Annual Meeting.

The Company last held an annual meeting of stockholders on May 13, 2020. As such, under the Company's Bylaws, for stockholder proposals and director nominations to be presented at the Annual Meeting, the Company must receive written notice in proper form at the Company's principal executive offices no later than November 18, 2021. The notice must comply with and include all of the information required by the Company's Bylaws. Any proposal or nomination submitted after such deadline will be considered untimely.

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ITEM 6. Exhibits.

Exhibit No.	Description of Exhibit
3.1	<u>Third Amended and Restated Certificate of Incorporation of Diamond Offshore Drilling, Inc. (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on April 29, 2021).</u>
3.2	<u>Second Amended and Restated Bylaws of Diamond Offshore Drilling, Inc. (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed on April 29, 2021).</u>
10.1	<u>Specimen Time-Vesting Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on September 3, 2021).</u>
10.2	<u>Specimen Executive Performance-Vesting Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed on September 3, 2021).</u>
10.3	<u>Supplemental Severance Plan (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed on September 3, 2021).</u>
10.4*	<u>Form of 2021 Short-Term Incentive Plan Participation Letter.</u>
31.1*	<u>Rule 13a-14(a) Certification of the Chief Executive Officer dated as of May 2, 2022.</u>
31.2*	<u>Rule 13a-14(a) Certification of the Chief Financial Officer dated as of May 2, 2022.</u>
32.1	<u>Section 1350 Certification of the Chief Executive Officer and Chief Financial Officer (previously furnished as Exhibit 32.1 to the Original Filing).</u>
101.INS	Inline XBRL Instance Document— the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (incorporated by reference to Exhibit 101.INS to the Original Filing).
101.SCH	Inline XBRL Taxonomy Extension Schema Document (incorporated by reference to Exhibit 101.SCH to the Original Filing).
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document (incorporated by reference to Exhibit 101.CAL to the Original Filing).
101.LAB	Inline XBRL Taxonomy Label Linkbase Document (incorporated by reference to Exhibit 101.LAB to the Original Filing).
101.PRE	Inline XBRL Presentation Linkbase Document (incorporated by reference to Exhibit 101.PRE to the Original Filing).
101.DEF	Inline XBRL Definition Linkbase Document (incorporated by reference to Exhibit 101.DEF to the Original Filing).
104*	The cover page of this Quarterly Report on Form 10-Q/A (Amendment No. 1) for the quarter ended September 30, 2021, formatted in Inline XBRL.

* Filed or furnished herewith.

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 thereunto duly authorized.

DIAMOND OFFSHORE DRILLING, INC.
(Registrant)

Date: May 2, 2022

By: /s/ Dominic A. Savarino
Dominic A. Savarino
Senior Vice President and Chief Financial Officer



[Executive Name]
Personal & Confidential

September 1, 2021

Dear [Executive]:

SUBJECT: 2021 Short-Term Incentive (“STI”) Participation Letter

You are a valuable member of Diamond Offshore and your continued employment is important to the Company’s future success. As such, you have been designated as a participant in the 2021 Executive Short-Term Incentive Plan (the “Plan”). This letter provides a summary of the Plan, so please read carefully.

I. Plan Summary

The Compensation Committee recently approved the Plan for the Company’s executive leadership team members. The Plan target amount will be calculated on the participant’s salary prior to the August 2021 salary reduction. Additional details are outlined below.

- A. **Program Duration:** Six-month performance period, effective July 1, 2021 to December 31, 2021.
- B. **Performance Goal:** Adjusted Free Cash Flow for the six-month performance period. The specific Threshold, Target and Stretch goals are set forth in Table 1 on Exhibit A.
- C. **Payout Details:** Payout amount is based on the achievement of the Performance Goal; the actual Plan payment may vary from 0 % to 150% of the Plan Target payment. You will be entitled to a Plan payment only upon achievement of results equal to or greater than the Threshold level of the Performance goal as described in Table 1. Promptly after the end of the performance period and as soon as financial results are available, the Compensation Committee will review the applicable performance goal achievement level and approve the Plan amount payable to each participant.
- D. **Payment Timing:** If no Change in Control (CIC) of the Company occurs prior to December 31, 2021, payment will occur as soon as administratively possible upon Compensation Committee approval, but no later than 10 business days following committee approval.
- E. **Termination Provisions if no CIC:** In the absence of a CIC occurring prior to December 31, 2021, if a participant is terminated by the Company without Cause or his employment is terminated as the result of his death or Disability, in each case before December 31, 2021, then the participant will be eligible to receive a Plan payout prorated from July 1, 2021 to the date of termination consistent with achievement against the Plan’s performance goals.
- F. **CIC Provisions:** If a CIC occurs prior to December 31, 2021, any participant who is terminated by the Company or the combined company without Cause or whose employment is terminated as the result of his death or Disability, in each case before 31 December 2021, will not be eligible for a Plan payout. If a CIC occurs prior to December 31, 2021, any participant who is not terminated by the Company or the combined company without Cause before December 31, 2021 or whose employment is not terminated as the result of his death or Disability before December 31, 2021, will remain eligible for a Plan payout consistent with achievement against the Plan’s performance goals.



G. Other Terminations: Any participant who is terminated with Cause at any time or who voluntarily resigns before December 31, 2021 will not be eligible for a Plan payout.

II. Bonus Payment

Outlined are your Plan award details.

Person Name	Title	Base Salary	2021 Short-Term Incentive*		
			Threshold-Target-Stretch		
			Annual Short Term Incentive Threshold (50%)	Annual Short Term Incentive Target (100%)	Annual Short Term incentive Stretch (150%)
[Executive Name]	[Executive Title]	[xx]	[xx]	[xx]	[xx]

* Prorated bonus over six-month period, July 2021 to Dec 2021.

Congratulations on participating in the 2021 Executive Short-Term Incentive Plan.

Regards,
/s/ Bernie Wolford, Jr.

Bernie Wolford, Jr.
President & CEO

Personal & Confidential



Exhibit A

[Performance goal threshold levels and calculation] [Omitted]

I, Bernie Wolford, Jr., certify that:

1. I have reviewed this Amendment No. 1 to Quarterly Report on Form 10-Q/A for the quarter ended September 30, 2021 of Diamond Offshore Drilling, Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: May 2, 2022

/s/ Bernie Wolford, Jr.

Bernie Wolford, Jr.

Chief Executive Officer

I, Dominic A. Savarino, certify that:

1. I have reviewed this Amendment No. 1 to Quarterly Report on Form 10-Q/A for the quarter ended September 30, 2021 of Diamond Offshore Drilling, Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: May 2, 2022

/s/ Dominic A. Savarino

Dominic A. Savarino
Chief Financial Officer