

Great Lakes Dredge & Dock CORP
Form DEF 14A
October 04, 2007
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

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

Great Lakes Dredge & Dock Corporation
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

Great Lakes Dredge & Dock Corporation
2122 York Road
Oak Brook, Illinois 60523
(630) 574-3000

October 3, 2007

Dear Stockholders:

You are cordially invited to attend the 2007 annual meeting of stockholders of Great Lakes Dredge & Dock Corporation (the Company), to be held on Wednesday, November 7, 2007, beginning at 10:00 A.M. Central Standard Time at the Doubletree Hotel, 1909 Spring Road, Oak Brook, Illinois 60523.

Information about the meeting and the various matters on which the stockholders will vote is included in the Notice of Meeting and Proxy Statement which follow. Also included is a proxy card and postage-paid return envelope. Please sign, date and mail the enclosed proxy card in the return envelope provided, as promptly as possible, whether or not you plan to attend the meeting. A copy of the Company's Annual Report to Stockholders for the year ended December 31, 2006 is also enclosed for your review.

I look forward to greeting you personally at the meeting.

Sincerely,

Douglas B. Mackie
President and Chief Executive Officer

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

NOVEMBER 7, 2007

TO THE STOCKHOLDERS OF GREAT LAKES DREDGE & DOCK CORPORATION:

Notice is hereby given that the annual meeting of stockholders of Great Lakes Dredge & Dock Corporation (the Company) will be held on Wednesday, November 7, 2007, beginning at 10:00 A.M. Central Standard Time at the Doubletree Hotel, 1909 Spring Road, Oak Brook, Illinois 60523 for the following purposes:

1. To elect two directors to serve for three-year terms or until their respective successors are elected and qualified;
2. To approve the Great Lakes Dredge & Dock Corporation 2007 Long-Term Incentive Plan;
3. To ratify Deloitte & Touche LLP as the independent auditor of the Company for the fiscal year ending December 31, 2007; and
4. To transact such other business as may properly come before the meeting or any adjournments thereof.

Only holders of record of common stock as of the close of business on September 28, 2007 are entitled to notice of and to vote at the meeting and any adjournments thereof.

In accordance with Delaware law, a list of the holders of common stock entitled to vote at the 2007 annual meeting will be available for examination by any stockholder for any purpose germane to the annual meeting, during ordinary business hours, for at least 10 days prior to the annual meeting, at the offices of the Company, located at 2122 York Road, Oak Brook, Illinois 60523.

You Are Cordially Invited To Attend The Meeting. Whether Or Not You Plan To Attend The Meeting, Please Complete, Date And Sign The Enclosed Proxy And Return It Promptly In The Enclosed Envelope, Which Needs No Postage If Mailed In The United States. If You Later Desire To Revoke Your Proxy, You May Do So At Any Time Before It Is Exercised.

By Order of the Board of Directors,

Deborah A. Wensel
Secretary

Oak Brook, Illinois
October 3, 2007

TABLE OF CONTENTS

<u>INFORMATION ABOUT THE ANNUAL MEETING AND VOTING</u>	1
<u>PROPOSAL 1 - ELECTION OF DIRECTORS</u>	4
<u>Board of Directors and Corporate Governance</u>	12
<u>PROPOSAL 2 - APPROVAL OF THE GREAT LAKES DREDGE & DOCK CORPORATION 2007 LONG-TERM INCENTIVE PLAN</u>	15
<u>PROPOSAL 3 - RATIFICATION OF INDEPENDENT AUDITOR</u>	23
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	24
<u>Security Ownership of Certain Beneficial OWNERS and Management</u>	24
<u>CHANGE OF CONTROL OF THE COMPANY</u>	27
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	28
<u>Executive Compensation</u>	31
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	38
<u>MATTERS RELATED TO INDEPENDENT PUBLIC ACCOUNTANTS</u>	42
<u>MISCELLANEOUS</u>	44

Great Lakes Dredge & Dock Corporation
2122 York Road
Oak Brook, Illinois 60523
(630) 574-3000

PROXY STATEMENT
FOR
ANNUAL MEETING OF STOCKHOLDERS

To Be Held On November 7, 2007

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

We are sending you our proxy materials in connection with the solicitation of the enclosed proxy by the Board of Directors of Great Lakes Dredge & Dock Corporation (the "Company") for use at the 2007 annual meeting of stockholders and at any adjournments thereof.

Attending the Annual Meeting

The 2007 annual meeting will be held on Wednesday, November 7, 2007, at 10:00 A.M. Central Standard Time, at the Doubletree Hotel, 1909 Spring Road, Oak Brook, Illinois 60523 to consider the matters set forth in the Notice of Annual Meeting of Stockholders. This Proxy Statement and the form of proxy enclosed are being mailed to stockholders with the Company's Annual Report to Stockholders commencing on or about October 3, 2007.

Stockholders Entitled to Vote

Only stockholders of record of the common stock, par value \$0.0001 per share, of the Company at the close of business on September 28, 2007 will be entitled to vote at the 2007 annual meeting. As of that date, a total of 58,459,824 shares of common stock were outstanding, each share being entitled to one vote. There is no cumulative voting.

Quorum

The presence at the 2007 annual meeting, in person or by proxy, of the holders of a majority of the shares of the outstanding common stock will constitute a quorum for the transaction of business at the annual meeting. If, however, a quorum is not present or represented at the annual meeting, the stockholders entitled to vote thereat, present in person or represented by proxy, will have the power to adjourn the annual meeting, without notice other than announcement at the annual meeting, until a quorum shall be present or represented.

Shares owned by the Company are not voted and do not count for quorum purposes. In order to assure the presence of a quorum at the annual meeting, please vote your shares in accordance with the

instructions described below, even if you plan to attend the annual meeting. Abstentions and broker non-votes are counted as present for purposes of establishing a quorum. A broker non-vote occurs when a broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the broker or nominee does not have discretionary voting power and has not received instructions from the beneficial owner.

Street Name Holders and Record Holders

If you own shares through a broker, the registered holder of those shares is the broker or its nominee. Such shares are often referred to as held in street name, and you, as the beneficial owner of those shares, do not appear in our stock register. For street name shares, there is a two-step process for distributing our proxy materials and tabulating votes. Brokers inform us how many of their clients own common stock in street name, and the broker forwards our proxy materials to those beneficial owners. If you receive our proxy materials, including a voting instruction card, from your broker, you should vote your shares by following the procedures specified on the voting instruction card. Shortly before the annual meeting, your broker will tabulate the votes it has received and submit a proxy card to us reflecting the aggregate votes of the street name holders. If you plan to attend the annual meeting and vote your street name shares in person, you should contact your broker to obtain a broker's proxy card and bring it to the annual meeting.

If you are the registered holder of shares, you are the record holder of those shares, and you should vote your shares as described below under How Record Holders Vote.

How Record Holders Vote

You can vote at the annual meeting in person or by proxy. We recommend that you vote by proxy even if you plan to attend the annual meeting. You can always attend the annual meeting and revoke your proxy by voting in person.

There are three ways to vote by proxy:

By telephone You can vote by touch tone telephone by calling toll-free 1 (866) 894-0537, 24 hours a day, 7 days a week, and following the instructions on our proxy card;

By Internet You can vote by Internet by going to the website www.continentalstock.com and following the instructions on our proxy card; or

By mail You can vote by mail by completing, signing, dating and mailing our enclosed proxy card.

By giving us your proxy, you are authorizing the individuals named on our proxy card, the proxies, to vote your shares in the manner you indicate. You may (i) vote for the election of all of our director nominees, (ii) withhold authority to vote for all of our director nominees, or (iii) vote for the election of one or more of our director nominees and withhold authority to vote for the other nominee(s), by so indicating on the proxy card. You may vote FOR or AGAINST or ABSTAIN from voting on the proposal to approve the Great Lakes Dredge & Dock Corporation 2007 Long-Term Incentive Plan. You may vote FOR or AGAINST or ABSTAIN from voting on the ratification of Deloitte & Touche LLP as the independent auditor of the Company for the fiscal year ending December 31, 2007.

If you vote by proxy without indicating your instructions, your shares will be voted FOR the election of our two director nominees, the approval of the Great Lakes Dredge & Dock Corporation 2007 Long-Term Incentive Plan and the ratification of Deloitte & Touche LLP as the independent auditor of the Company for the fiscal year ending December 31, 2007.

Revocation of Proxies

A stockholder may revoke a proxy at any time prior to its exercise (i) by giving to the Company's Secretary a written notice of revocation of the proxy's authority, (ii) by submitting a duly elected proxy bearing a later date, or (iii) by attending the annual meeting and voting in person.

Who to Contact with Questions

Please contact Morrow & Co., Inc., the solicitation agent, at the phone number or address listed below with any questions regarding the annual meeting.

Morrow & Co., Inc.
470 West Avenue 3rd Floor
Stamford, CT 06902
Banks and Brokerage Firms, please call (203) 658-9400
Stockholders, please call (800) 607-0088

The Vote Necessary for Action to be Taken

Proposal 1. The nominees for director for three-year terms will be elected provided that they receive the affirmative vote of a plurality of the shares present at the annual meeting, whether in person or by proxy. This means that, if a quorum is present, the two persons receiving the greatest number of votes will be elected to serve as directors. As a result, withholding authority to vote for a director nominee, abstentions, and broker non-votes with respect to the election of directors will not affect the outcome of the election of directors.

Proposal 2. The Great Lakes Dredge & Dock Corporation 2007 Long-Term Incentive Plan will be approved provided it receives the affirmative vote of a majority of the shares present at the annual meeting, whether in person or by proxy. Abstentions will be treated as being present and entitled to vote on the matter and, therefore, will have the effect of votes against the proposal. A broker non-vote is treated as not being entitled to vote on the matter and, therefore, is not counted for purposes of determining whether the proposal has been approved.

Proposal 3. Deloitte & Touche LLP will be ratified as the independent auditor of the Company for the fiscal year ending December 31, 2007 provided it receives the affirmative vote of a majority of the shares present at the annual meeting, whether in person or by proxy. Abstentions will be treated as being present and entitled to vote on the matter and, therefore, will have the effect of votes against the proposal. A broker non-vote is treated as not being entitled to vote on the matter and, therefore, is not counted for purposes of determining whether the proposal has been approved.

Other Matters

As of the date of this Proxy Statement, the Board of Directors of the Company does not know of any business that will be presented for consideration at the 2007 annual meeting other than the matters described in this Proxy Statement. If any other matters are properly brought before the annual meeting, the persons named in the enclosed form of proxy will vote the proxies in accordance with their best judgment.

PROPOSAL 1 - ELECTION OF DIRECTORS

Set forth below are the names, ages, positions and biographies of the directors, executive officers and other key employees of the Company as of October 1, 2007:

Name	Age	Position
Douglas B. Mackie	55	President, Chief Executive Officer and Director
Richard M. Lowry	52	Executive Vice President and Chief Operating Officer
Deborah A. Wensel	46	Senior Vice President and Chief Financial Officer
Steven W. Becker	46	Vice President - Plant Equipment and Chief Mechanical Engineer
J. Christopher Gillespie	47	Vice President - Special Projects Manager
Bradley T.J. Hansen	54	Vice President - Division Manager
Kyle D. Johnson	46	Vice President - Chief Contract Manager
John F. Karas	46	Vice President - Chief Estimator
Steven F. O Hara	52	Vice President - Division Manager
William F. Pagendarm	58	Vice President - Division Manager
David E. Simonelli	50	Vice President - Chief Site Manager
William H. Hanson	51	Vice President - US Business Development
Jonathan W. Berger	48	Non-executive Director
Bruce J. Biemeck	58	Non-executive Director
Peter R. Deutsch	49	Non-executive Director
Douglas S. Grissom	40	Non-executive Director
Nathan D. Leight	48	Non-executive Director
Thomas S. Souleles	39	Non-executive Director
Jason G. Weiss	37	Non-executive Director

The Board of Directors of the Company is currently composed of eight members divided into three classes. The members of each class are elected to serve three-year terms with the term of office of each class ending in successive years. Douglas S. Grissom and Jonathan W. Berger are the directors in the class whose term expires at the 2007 annual meeting. The Board of Directors has nominated Mr. Grissom and Mr. Berger for re-election and the two nominees have indicated a willingness to serve. The members of the two other classes of directors will continue in office for their existing terms. Upon the expiration of the term of a class of directors, the nominees for such class will generally be elected for three-year terms at the annual meeting of stockholders held in the year in which such term expires. A plurality of the shares of common stock present and voting at the annual meeting is necessary to elect the nominees for director.

The persons named as proxies in the enclosed form of proxy will vote the proxies received by them for the election of Douglas S. Grissom and Jonathan W. Berger, unless otherwise directed. In the event that any of the nominees become unavailable for election at the annual meeting, the persons named as proxies in the enclosed form of proxy may vote for a substitute nominee in their discretion as recommended by the Board of Directors.

Nominees

Douglas S. Grissom, Director

(Nominee for new term at 2007 annual meeting of stockholders. Current term expires at the 2007 annual meeting of stockholders.)

Mr. Grissom became a director of Great Lakes upon completion of the acquisition by Madison Dearborn Capital Partners IV, L.P. (MDCP IV) in December 2003 and remained a director of the Company following the merger with a subsidiary of Aldabra Acquisition Corporation (Aldabra). Mr. Grissom is a Managing Director at Madison Dearborn Partners, LLC (MDP), the ultimate parent of MDCP IV. Mr. Grissom received an A.B. from Amherst College and an M.B.A. from the Harvard Graduate School of Business Administration. Prior to joining MDP, Mr. Grissom was with Bain Capital, Inc. in private equity, McKinsey & Company, Inc., and Goldman, Sachs & Co. Mr. Grissom concentrates on investments in the communications sector and currently serves on the Board of Directors of Asurion Corporation, Cbeyond Communications, Inc., Intelsat Holdings Ltd., and the Children's Inner City Educational Fund.

Jonathan W. Berger, Director

(Nominee for new term at 2007 annual meeting of stockholders. Current term expires at 2007 annual meeting of stockholders.)

Mr. Berger became a director of the Company following the Aldabra merger. He was a member of Aldabra's Board of Directors from its inception until the completion of the merger. Mr. Berger has been associated with Navigant Consulting, Inc., a New York Stock Exchange-listed consulting firm, since December 2001, and is the managing director and co-practice area leader for the corporate finance practice. He has also been president of Navigant Capital Advisors, LLC, Navigant Consulting, Inc.'s registered broker-dealer, since October 2003. Mr. Berger is a director on the Board of Aldabra 2 Acquisition Corp. From January 2000 to March 2001, Mr. Berger was president of DotPlanet.com, an Internet services provider. From August 1983 to December 1999, Mr. Berger was employed by KPMG, LLP, an independent public accounting firm, and served as a partner from August 1991 to December 1999 where he was in charge of the corporate finance practice for three of those years. Mr. Berger received a B.S. from Cornell University and an M.B.A. from Emory University. Mr. Berger is a certified public accountant. Mr. Berger is the cousin of Nathan D. Leight.

**Directors Whose Term Will Continue
Following the 2007 Annual Meeting**

Bruce J. Biemeck, Director

*(Term expires at 2009 annual meeting of
stockholders)*

Mr. Biemeck became a director of the Company following the Aldabra merger. Since April 1999, Mr. Biemeck has been a private real estate investor and developer and has acted as an independent consultant. From 1994 to April 1999, Mr. Biemeck was Senior Vice President, Chief Financial Officer and Treasurer of Great Lakes Dredge & Dock Corporation. Mr. Biemeck received a Bachelor of Science degree from St. Louis University and an M.B.A from the University of Chicago and is a Certified Public Accountant and member of the Financial Executives Institute.

Peter R. Deutsch, Director

*(Term expires at 2008 annual meeting of
stockholders)*

Mr. Deutsch became director of the Company following the Aldabra merger. He was a member of Aldabra's Board of Directors from its inception until the completion of the merger. Mr. Deutsch is an attorney in private practice. Mr. Deutsch was a member of the United States House of Representatives from January 1993 until January 2005 representing the 20th Congressional District of Florida. He served on the House Energy and Commerce Committee from January 1994 until January 2005. He was the Ranking Democrat on the Oversight and Investigations Subcommittee during the 104th, 107th and 108th Congresses. Mr. Deutsch was the Ranking Democrat in the investigations of Enron Corporation, Martha Stewart Living Omnimedia Inc., Bridgestone/Firestone Tires and the conflict of interest abuses at the National Institute of Health. He was also a member of the subcommittees on Telecommunications and the Internet, the Environment and Hazardous Materials and Consumer Trade and Protection. Prior to serving in Congress, Mr. Deutsch served in the Florida House of Representatives from November 1982 until November 1992 where he served on the Veterans Affairs Committee, the Health Care Committee, the Criminal Justice Committee, and as Chairman of the Insurance Committee. Mr. Deutsch received a B.S. from Swarthmore College and a J.D. from Yale University Law School.

Nathan D. Leight, Director

(Term expires at 2008 annual meeting of stockholders)

Mr. Leight became a director of the Company following the Aldabra merger. He was Aldabra's chairman of the Board from its inception until completion of the merger. Mr. Leight is the co-founder and a managing member of Terrapin Partners LLC, a co-founder and a managing member and the chief investment officer of Terrapin Asset Management, LLC, and a co-founder and a managing member and the chief investment officer of TWF Management Company, LLC. Terrapin Partners, established in August 1998, is a private investment management firm focusing on private equity investing. Terrapin Asset Management focuses on the management of multi-manager hedge fund portfolios and as of September 1, 2007, managed more than \$500 million of assets. TWF Management Company focuses on the management of a water industry-focused hedge fund, and as of September 1, 2007 managed approximately \$50 million. Mr. Leight is currently Chairman of the Board of Aldabra 2 Acquisition Corp. From September 1998 to March 1999, Mr. Leight served as the interim chief executive officer of e-STEEL LLC, and from January 2000 to May 2002, he served as interim chief executive officer of VastVideo, Inc. From February 1995 to August 1998, Mr. Leight was employed by Gabriel Capital LP, a hedge fund with assets exceeding \$1 billion, and from February 1995 to August 1997 he served as its chief investment officer. From December 1991 to February 1995, Mr. Leight served as a managing director of Dillon Read & Co., where he oversaw the firm's proprietary trading department. Mr. Leight received a B.A. from Harvard College (cum laude). Mr. Leight is the cousin of Jonathan W. Berger.

Douglas B. Mackie, President and Chief Executive Officer, Director

(Term expires at 2008 annual meeting of stockholders)

Mr. Mackie has been President, Chief Executive Officer and a director of the Company since 1995. He joined the Company in 1978 as Corporate Counsel. In 1987 he was named Senior Vice President. Mr. Mackie earned an M.B.A. from the University of Chicago and a J.D. from Northern Illinois University. He is a former President of the Dredging Contractors of America.

Thomas S. Souleles, Director

(Term expires at 2009 annual meeting of stockholders)

Mr. Souleles became a director of Great Lakes upon completion of the acquisition by MDCP IV in December 2003 and remained a director of the Company following the Aldabra merger. Mr. Souleles is a Managing Director of MDP. Mr. Souleles received an A.B. from Princeton University, a J.D. from Harvard Law School and an M.B.A. from the Harvard Graduate School of Business Administration. Mr. Souleles concentrates on investments in the basic industries sector and currently serves on the Boards of Directors of Astoria Generating Holdings, LLC; Forest Products Holdings, LLC (d.b.a. Boise Cascade); Magellan GP, LLC; Magellan Midstream Holdings GP, LLC; Packaging Corporation of America; The Children's Memorial Medical Center; and the Board of Trustees of the National Multiple Sclerosis Society, Greater Illinois Area Chapter.

Jason G. Weiss, Director

(Term expires at 2009 annual meeting of stockholders)

Mr. Weiss became a director of the Company following the Aldabra merger. He was Aldabra's chief executive officer, secretary and a member of Aldabra's Board of Directors from Aldabra's inception until the completion of the merger. Mr. Weiss is the co-founder and a managing member of Terrapin Partners, Terrapin Asset Management and TWF Management Company. Mr. Weiss is Chief Executive Officer and a director of Aldabra 2 Acquisition Corp. From March 1999 to December 1999, Mr. Weiss served as the chief executive officer of PaperExchange.com, Inc., and from December 1999 to March 2000 he served as executive vice president of strategy. He also served as a managing member of e-STEEL LLC from September 1998 to March 1999. Mr. Weiss also served as a managing member of American Classic Sanitation, LLC from August 1998 to December 2000 and from January 2004 to March 2004. He also served as its chief executive officer from August 1998 to December 1999. Mr. Weiss received a B.A. from the University of Michigan and a J.D. from Harvard Law School.

Executive Officers and Other Key Employees

Douglas B. Mackie, President and Chief Executive Officer, Director

See description set forth above under Directors Whose Term Will Continue Following the 2007 Annual Meeting.

*Richard M. Lowry, Executive Vice
President and Chief Operating Officer*

Mr. Lowry has been the Executive Vice President and Chief Operating Officer of the Company since 1995. He joined the Company in 1978 as a Project Engineer and has since held positions of increasing responsibility in the engineering and operations areas of the Company. In 1990 he was named Senior Vice President and Chief Engineer. He is a member of the Society of American Military Engineers. Mr. Lowry received a Bachelors Degree (Honors) in Civil Engineering from Brighton Polytechnic in England.

*Deborah A. Wensel, Senior Vice President, Chief
Financial Officer and Treasurer*

Ms. Wensel has been the Chief Financial Officer and Treasurer of the Company since April 1999 and was named Senior Vice President in 2002. Ms. Wensel joined the Company in 1987 as Accounting and Financial Reporting Supervisor. In 1989, she was named Controller and Chief Accounting Officer. She is the current Treasurer of the Dredging Contractors of America. Ms. Wensel is a Certified Public Accountant and also has an M.B.A. from the University of Chicago.

*Steven W. Becker, Vice President Plant
Equipment and Chief Mechanical Engineer*

Mr. Becker has managed the Equipment Maintenance and Mechanical Engineering Departments since 1995. He joined the Company in 1984 as a Field Engineer and holds a Bachelors degree in Mechanical Engineering from the University of Illinois.

*J. Christopher Gillespie, Vice President Special
Projects Manager*

Mr. Gillespie was named Vice President and Special Projects Manager in 1997. He joined the Company in 1987 as a Project Engineer and previously served as a Commissioned Officer in the U.S. Army Corps of Engineers. Mr. Gillespie earned a B.S. in Civil Engineering from the U.S. Military Academy at West Point and a graduate degree in Environmental Engineering from the University of Tulane. He is a member of the Society of American Military Engineers.

*Bradley T. J. Hansen, Vice President & Division
Manager Hydraulic*

Mr. Hansen has been a Vice President and Division Manager of the Company since 1994. He joined the Company in 1977 as an Area Engineer. He was named Vice President & General Superintendent of the Company in 1991. Mr. Hansen earned a B.S. in Civil Engineering from Louisiana State University. He is a member of the American Society of Civil Engineers.

*Kyle D. Johnson, Vice President Chief
Contract Manager*

Mr. Johnson has been Vice President and Production Engineering/Special Projects Manager since 1997. Prior to joining the Company in 1983, he was a Project Manager with Healy Tibbits Builders. Mr. Johnson earned a B.S.E. in Ocean Engineering from Purdue University and a graduate degree in Construction Engineering & Management from Stanford University. He is a member of the American Society of Civil Engineers.

John F. Karas, Vice President Chief Estimator

Mr. Karas has been Vice President and Chief Estimator since 1992. He joined the Company in 1983 as Project Engineer in the Hopper Division. Mr. Karas earned a Bachelors degree in Finance from University of Notre Dame. He is a member of the Western Dredging Association.

*Steven F. O Hara, Vice President & Division
Manager Clamshell*

Mr. O Hara has been a Vice President and Division Manager of the Company since 1988. He joined the Company in 1978 as Cost Accountant. He is a member of the Society of American Military Engineers. Mr. O Hara received a B.S. from the University of Illinois.

*William F. Pagendarm, Vice President &
Division Manager Hopper*

Mr. Pagendarm has been a Vice President and Division Manager of the Company since 1985. He joined the Company in 1979 as Project Superintendent. Mr. Pagendarm is a former President and Chairman of the Western Dredging Association. He is also a former President of the World Dredging Association. Mr. Pagendarm holds a Bachelors degree in Civil Engineering from University of Notre Dame and an M.B.A. from the University of Chicago.

*David E. Simonelli, Vice President Chief Site
Manager*

Mr. Simonelli was named Vice President and Special Projects Manager in 1996, and became Chief Site Manager in 2007. He joined the Company in 1978 as a Project Engineer and has since managed many of the Company's large domestic and international projects. Mr. Simonelli earned a B.S. in Civil and Environmental Engineering from University of Rhode Island. He is a member of the Hydrographic Society and the American Society of Civil Engineers.

*William H. Hanson, Vice President US Business
Development*

Mr. Hanson has been a Vice President of the Company since 2006. Mr. Hanson joined the Company in 1988 as an Area Engineer in its Staten Island Division Office. He earned a B.S. in Ocean Engineering from Texas A&M University in 1979. Mr. Hanson began his career with the US Army Corps of Engineers in Galveston, Texas and Los Angeles, California, and then with Connolly Pacific Company in Long Beach, California. Mr. Hanson is currently the President of the Eastern Dredging Association and is a board member of several industry trade associations.

The Company's Board of Directors has the power to appoint officers. Each officer will hold office for the term determined by the Board and until such person's successor is chosen and qualified or until such person's death, resignation or removal.

Two of the directors of the Company, Jonathan W. Berger and Nathan D. Leight, are cousins.

The investor rights agreement by and among Aldabra, the Company, MDCP IV, certain Aldabra stockholders and certain of the Company's stockholders provides that MDCP IV has the right to nominate the number of directors to the Company's Board that is proportional to the voting power represented by the shares of the Company's capital stock owned by MDCP IV, until such time as MDCP IV owns less than 5% of the voting power of the capital stock of the Company. See Certain Relationships and Related Transaction Agreements with Related Persons Investor Rights Agreement.

Vote Required and Recommendation

The nominees for director for three-year terms will be elected provided that they receive the affirmative vote of a plurality of the shares present at the annual meeting, whether in person or by proxy. This means that, if a quorum is present, the two persons receiving the greatest number of votes will be elected to serve as directors. As a result, withholding authority to vote for a director nominee, abstentions, and broker non-votes with respect to the election of directors will not affect the outcome of the election of directors.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF THE NOMINEES.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our Board currently has an audit committee, a compensation committee, and a nominating and corporate governance committee. The following table provides membership information as of December 31, 2006 for each of our Board committees:

Name	Audit	Compensation	Nominating
Jonathan W. Berger	X*		
Bruce J. Biemeck	X		
Peter R. Deutsch	X		
Douglas S. Grissom		X	X*
Thomas S. Souleles		X*	X
Jason G. Weiss		X	
Nathan D. Leight			X

* Denotes Committee Chairperson

Below is a description of each committee of our Board of Directors.

Audit Committee. The audit committee is comprised of Messrs. Berger, Biemeck and Deutsch, each of whom has been determined to be an independent director according to the rules and regulations of the SEC and The NASDAQ Stock Market. Additionally, Mr. Berger and Mr. Biemeck are each an audit committee financial expert, as such term is defined in Item 401(h) of Regulation S-K. The audit committee charter requires that all of its members be independent directors, as such term is defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules.

The audit committee is responsible for: (i) monitoring the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting and legal compliance; (ii) monitoring the independence and performance of the Company's independent auditor and monitoring the performance of the Company's internal audit function; (iii) hiring and firing the Company's auditor and approving any non-audit work performed for the Company; and (iv) providing an avenue of communication among the independent auditor, management and the Board of Directors of the Company. The audit committee did not meet in fiscal 2006. A copy of our audit committee charter can be found on our corporate website at www.gldd.com.

Compensation Committee. The compensation committee is comprised of Messrs. Grissom, Souleles and Weiss. The compensation committee is responsible for: (i) reviewing and approving corporate goals and objectives relevant to the compensation of the Company's chief executive officer, evaluating the chief executive officer's performance in light of these goals and approving the chief executive officer's compensation level based on this evaluation; (ii) screening and recommending to the Board individuals qualified to become chief executive officer; (iii) establishing total compensation for the Board and approving total compensation for senior executives, including oversight of all senior executive benefit plans; (iv) overseeing the Company's general cash-based and equity-based incentive plans; and (v) producing a compensation committee report on executive compensation as required by the SEC to be included in the Company's annual proxy statement. The compensation committee did not meet during fiscal 2006. A copy of our compensation committee charter can be found on our corporate website at www.gldd.com.

Corporate Governance and Nominating Committee. The corporate governance and nominating committee is comprised of Messrs. Grissom, Souleles and Leight. The corporate governance and nominating committee is responsible for: (i) developing and recommending qualification standards and other criteria for selecting new directors, identifying individuals qualified to become Board members consistent with qualification standards and other criteria approved by the Board and recommending to the Board such individuals as nominees to the Board for its approval; (ii) overseeing evaluations of the Board, individual Board members and the Board committees; and (iii) overseeing the Company's compliance with ethics policies and considering matters of corporate governance. The corporate governance and nominating committee will consider nominees for election or appointment to the Board that are recommended by stockholders, provided that a complete description of the nominees' qualifications, experience and background, together with a statement signed by each nominee in which he or she consents to act as such, accompanies the recommendations, provided further that nominations by stockholders must be made in accordance with the Company By-Laws. See *Proposals for the 2008 Annual Meeting* below. Such recommendations should be submitted in writing to the attention of the Corporate Governance and Nominating Committee, c/o Corporate Secretary, Great Lakes Dredge & Dock Corporation, 2122 York Road, Oak Brook, IL 60523 and should not include self-nominations. The corporate governance and nominating committee recommended Mr. Grissom and Mr. Berger to the Board as director nominees for election at the 2007 annual meeting of stockholders. Mr. Grissom was also nominated at the request of MDCP IV. See *Proposal 1- Election of Directors*. The corporate governance and nominating committee did not meet during the fiscal 2006. A copy of our corporate governance and nominating committee charter can be found on our corporate website at www.gldd.com.

Other Committees. The Company's Board of Directors may establish other committees as it deems necessary or appropriate from time to time.

Attendance at Board and Committee Meetings. Our current Board of Directors was elected on December 26, 2006 in connection with the completion of the Aldabra merger and did not meet in fiscal 2006. The former Board of Directors of Aldabra held five telephonic meetings in fiscal 2006, and 100% of the Directors of the former Aldabra Board were present at each such meeting.

Director Independence

The Board has determined that Messrs. Berger, Biemeck, Deutsch, Grissom and Souleles are independent directors, as such term is defined in Rule 4200(a)(15) of the NASDAQ Marketplace Rules. Prior to July 19, 2007, we were a controlled company within the meaning of The NASDAQ Marketplace Rules. In connection with the exercise of the Company's warrants, MDCP IV ceased to own 50% or more of our outstanding common stock. Our compensation committee and our nominating and corporate governance committee will be comprised solely of independent directors within one year from ceasing to be a controlled company.

In reaching the conclusion that Mr. Berger is independent, the Board of Directors considered the fact that he is the cousin of Mr. Leight. In reaching the conclusion that Mr. Biemeck is independent, the Board of Directors considered the fact that he served as chief financial officer of Great Lakes from 1994 to 1999. The Board of Directors concluded that these relationships did not impact the independence of these directors.

Code of Ethics

The Company has adopted a written code of ethics that applies all of its employees, including its principal executive officer, principal financial officer, controller, and persons performing similar functions. The Company's code of ethics can be found on its website at www.gldd.com. The Company intends to

make all required disclosures concerning any amendment to, or waivers from, its code of ethics in a Current Report on Form 8-K.

Stockholder Communications with the Board of Directors

The Company has not adopted a formal process for stockholder communications with its Board. Nevertheless, every effort has been made to ensure that the views of stockholders are heard by the Board or individual directors, as applicable, and that appropriate responses are provided to stockholders in a timely manner. The Company believes it is responsive to stockholder communications, and to date, the Company has not considered it necessary to adopt a formal process for stockholder communications with the Board. Nevertheless, during the upcoming year the Board will continue to monitor whether it would be appropriate to adopt a such a process.

14

PROPOSAL 2 - APPROVAL OF THE GREAT LAKES DREDGE & DOCK CORPORATION 2007 LONG-TERM INCENTIVE PLAN

The Board of Directors of the Company (the Board) is submitting to the stockholders for approval at the Annual Meeting the Great Lakes Dredge & Dock Corporation 2007 Long-Term Incentive Plan (the Plan).

On September 18, 2007, the Board adopted the Plan, subject to approval by the stockholders. The Plan enables the Company to make stock-based and non-stock awards to its eligible employees, consultants, and non-employee directors who share the responsibility for the management, growth, and protection of the business of the Company or who, in the opinion of the compensation committee of the Board, provides services yielding significant benefits to the Company. The Plan provides for the grant of (i) incentive stock options, (ii) non-qualified stock options, (iii) stock appreciation rights, (iv) performance units, (v) restricted stock awards, (vi) restricted stock units, or (vii) any combination of the foregoing. The purpose of the Plan is to provide competitive incentives that will enable the Company to attract, retain, motivate, and reward persons who render services that benefit the Company or other enterprises in which the Company has a significant interest. The purpose is also to give such persons an interest parallel to the interests of the Company's stockholders generally.

It is necessary to submit the Plan to stockholders for approval at this time in order to satisfy the requirements of Section 162(m) of the Internal Revenue Code (Section 162(m)). Public companies are generally prohibited from taking a federal income tax deduction for compensation paid to certain executive officers in excess of \$1 million per year, unless the compensation meets an exception under Section 162(m), such as the exception for performance-based compensation. In order to qualify for that exception, compensation must, among other things, be paid under a plan that has been approved by the stockholders of the company. No award granted under the plan may be exercised until after the stockholders have approved the plan. If approved by the stockholders, the Plan will terminate when all shares of common stock that may be issued under the Plan have been issued, unless the Board terminates it sooner. No Incentive Stock Option may be granted under the Plan subsequent to 2017.

Approval of the Plan requires the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote. If the majority of the stockholders approve the Plan, the Company plans to register the offer and sale of 5,800,000 additional shares of common stock on a registration statement on Form S-8.

The following discussion of the principal features of the Plan is qualified in its entirety by reference to the full text of the Plan, which is set forth in Exhibit A attached hereto.

Plan Summary

Shares subject to the Plan. The Plan reserves 5,800,000 shares of the Company's common stock. Not more than 1,000,000 shares may be issued or transferred pursuant to Incentive Stock Options. Also, not more than 3,000,000 of the total number of shares that may be issued pursuant to the Plan may be issued pursuant to awards that are not appreciation-only awards. For this purpose, appreciation-only awards generally means stock options and stock appreciation rights, the exercise price of which is equal to at least 100% of fair market value on the date of grant of the stock options or stock appreciation rights. Further, no participant will be granted an option or options under the Plan for an aggregate number of shares in excess of 1,160,000.

Shares that cease to be issuable or that revert to the Company under an award because of the termination, expiration, cancellation or forfeiture of the award, because the shares that otherwise would have vested or distributed are withheld and applied to satisfy applicable withholding tax obligations, or because of the optionee's failure to satisfy the terms and conditions of the award will not count against the

foregoing total number of shares which may be issued pursuant to the Plan and may again be made subject to awards under the Plan.

If, in connection with an acquisition by the Company or a subsidiary of the Company, the Company assumes stock options or other stock incentive obligations of the acquired company or grants stock options or other stock incentives in substitution for stock options or other stock incentive obligations of the options and other stock incentives that are assumed or substituted by the Company will not count against the foregoing total number of shares which may be issued pursuant to the Plan or against the other limits on awards under the Plan.

Repricing Prohibited. The Plan does not permit the exercise price of outstanding stock options to be reduced, whether by canceling the options and granting new options in replacement thereof or otherwise, except to reflect stock splits and other changes in capitalization or corporate structure.

Limitations. The maximum number of shares of common stock with respect to which awards may be granted to any participant during any calendar year under the Plan is 580,000 shares.

The maximum amount of money that any employee or other eligible person may receive in payment of dollar-denominated awards that are granted to such person in any one calendar year is \$1,000,000 (or the equivalent thereof in shares of common stock). Dollar-denominated awards are performance unit awards and any other incentive awards the value of which is based on a specified amount of money (other than an amount of money equal to the fair market value of a specified number of shares of common stock). Dollar-denominated awards may be paid in the form of money or shares of common stock or a combination of the two.

Administration. The Plan is to be administered by the compensation committee of the Board or such similar or successor committee appointed by the Board (the Committee). Within the parameters set forth in the Plan, the Committee determines who are eligible participants, selects the eligible participants who are to receive awards, determines the type of awards to grant (including whether an award is to qualify as performance-based compensation), determines the number of shares of common stock and amount of money to be subject to each award, determines the terms and conditions of the awards (including the exercise price of options), and determines any adjustments to be made for stock splits and other changes in capitalization or corporate structure. The Committee interprets the Plan and is authorized to make all determinations and decisions thereunder.

The Plan also authorizes the Committee, after a stock option or other award has been granted, and without consideration, to waive any term or condition that could have been omitted from the award when it was granted, and, with the written consent of the affected participant, may amend the award to include or exclude any term or condition that could have been included or excluded from the award when it was granted.

Persons eligible to participate in the Plan. The persons eligible to participate in the Plan consist of any person who shares the responsibility for the management, growth, or protection of the business of the Company or any affiliate or who, in the opinion of the Committee, provides services yielding significant benefits to the Company or any affiliate. All employees, consultants, and non-employee directors are eligible to participate. The number of employees who are eligible to be selected to participate in the Plan at the present time is approximately 50. The Company currently has no consultants who are eligible to be selected to participate in the Plan. The number of non-employee directors who are eligible to be selected to participate in the Plan at the present time is seven.

Awards

Award Agreements. Each award granted under the Plan will be evidenced by an award agreement in a form approved by the Committee. The award agreement is subject to the Plan and will incorporate the express terms and conditions, if any, required under the Plan and any specified by the Committee.

Stock options. Incentive stock options (ISOs) may be granted only to employees of the Company or its subsidiaries. Non-qualified stock options may be granted to any person eligible to participate in the Plan, whether or not such person is an employee of the Company or a subsidiary.

The price at which a share of common stock may be purchased under each ISO and non-qualified stock option will be at least 100% of the fair market value of a share of common stock on the date the option is granted (or in the case of an optionee who, at the time such ISO is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, not less than 110% of the fair market value of a share of common stock on the date the ISO is granted).

The aggregate fair market value of the shares for which ISOs granted to any employee may be exercisable for the first time by such employee during any calendar year (under all stock option plans of the Company and its subsidiaries) may not exceed \$100,000, unless the Internal Revenue Code (the Code) is amended to allow a higher dollar amount. If a portion of an ISO exceeds the \$100,000 limitation, only such excess shall be treated as a non-qualified stock option.

Options may be granted for such lawful consideration as the Committee may determine when the options are granted. Such consideration may include, without limitation, money or other property, tangible or intangible, or labor or services received or to be received by or performed for the benefit of the Company. For example, in the discretion of the Committee, options may be granted in lieu of compensation that would otherwise be paid in cash, or in consideration of an optionee continuing to render services for the Company for a specified period of time after the date on which the option is granted. Options may become exercisable in full at the time of grant or at such other time or times and in such installments as the Committee may determine. Options may be exercised during such periods before and after the date on which the optionee ceases to be a service provider as the Committee may determine. However, no ISO may be exercised after the tenth anniversary of the date on which the option was granted and no non-qualified stock option may be exercised after the expiration of ten years and six months from the award date. No ISO which is granted to any optionee who, at the time such option is granted, owns stock possessing more than ten percent of the total combined voting power of all classes of stock of his or her employer corporation or of its subsidiary corporation, shall be exercisable after the expiration of five years from the date such option is granted; provided that, if on the date an option would expire, the exercise of the option would violate applicable securities laws, the expiration date applicable to the option shall be extended to a date that is thirty calendar days after the date the exercise of the option would no longer violate applicable securities laws.

The purchase price of the shares subject to an option may be paid in money or, if so provided in the option agreement, (a) in shares of common stock, (b) by requesting that the Company withhold such number of shares of stock then issuable upon exercise of the option, (c) by waiver of compensation due or accrued to the participant for services, and (d) subject to compliance with Section 402 of the Sarbanes-Oxley Act of 2002, by the immediate sale through a stockbroker of that number of the shares being acquired pursuant to the option exercise sufficient to pay the purchase price. The Committee is also authorized to permit participants who are not executive officers or directors of the Company to pay the purchase price of shares under an option by means of a promissory note executed by the optionee in favor of the Company and secured by a pledge of the shares being acquired. Any such note would contain terms approved by the Committee, may but need not bear interest (except in the case of ISOs, in which case the note must bear interest), and would mature in ten years or less.

The Plan provides that, after an option has been granted, the Committee may, without consideration, accelerate the date on which the option becomes exercisable or, if granted for a term of less than ten years, extend the term ending on or before the tenth anniversary of the date on which the option was granted.

An option granted under the Plan will be exercisable, during the optionee's lifetime, only by the optionee and would not be transferable by the optionee except to a designated beneficiary by will or the laws of descent and distribution. However, the Committee may in its discretion authorize holders of a non-qualified stock option to transfer the award during his or her lifetime, without the receipt of consideration, to members of his or her immediate family or family trusts, partnerships, or other legal entities for estate planning purposes.

Stock appreciation rights. Stock appreciation rights or SARs, are rights to receive shares of common stock that have a fair market value on the date of exercise of the SARs equal to the excess of the fair market value of one share of common stock on that date, over the exercise price of the SARs, multiplied by the number of SARs exercised. The exercise price of SARs that are linked to a stock option (Tandem SARs) is equal to the exercise price of the option, unless when the Tandem SARs are granted, the Committee specifies a different exercise price (which may not be less than the fair market value of the common stock on the date of grant of the option to which the SARs are linked, in the case of an ISO, or par value, in the case of a non-qualified stock option). If a Tandem SAR is granted after the grant of a related option, or if an option is granted after the grant of the Tandem SAR, the later granted award will have the same exercise price as the earlier granted award, but the exercise price for the later granted award may be less than the fair market value of the stock at the time of such grant. The exercise price of SARs that are not linked to a stock option (so-called Freestanding SARs) is equal to the fair market value of a share of common stock on the date on which the Freestanding SARs are granted. The holder of a SAR is not required to pay any money to exercise a SAR. The holder of SARs may be paid money in lieu of all or any part of the shares to which the holder of SARs is entitled upon exercise of the SARs. Only the number of shares of common stock that are issued in payment of SARs will be charged against the total number of shares that may be issued under the Plan.

Incentive awards, including performance units, restricted stock awards, and restricted stock units. Under the Plan, the Committee may provide for the Company to distribute an amount of money or shares of common stock, or to agree to distribute an amount of money or shares of common stock in the future, subject to such terms and conditions (including forfeiture restrictions) as the Committee may impose, in lieu of compensation that may have been earned by past services, or as a supplement to compensation earned by past services (in either event Incentive Awards). The amount of any Incentive Award may be equal to a specified number of shares (or the fair market value of a specified number of shares), or a specified amount of money not based on the fair market value of a specified number of shares. Payment for Incentive Awards that are earned may be made in the form of money or in shares of common stock valued at their fair market value on the payment date.

Incentive Awards may be made in the form of Performance Unit Awards, Restricted Stock Awards, or Restricted Stock Units, which are specific types of Incentive Awards, or may be made in any other form approved by the Committee. For example, if the Committee were to pay a participant's annual bonus in shares under the Plan rather than in cash, the distribution of such shares would qualify as an Incentive Award under the Plan.

Performance Unit Awards are rights to receive a specified amount of money (other than an amount of money equal to the fair market value of a specified number of shares of common stock) at a future time or times if a specified performance goal is attained and any other terms and conditions specified by the Committee are satisfied. Partial achievement of the specified performance goal may result in part of the Performance Units being earned. Performance Units that are earned may both be settled in the form of either shares of common stock or money or a combination of money and shares. Performance Unit Awards

may be earned if death, disability, or another circumstance or event specified by the Committee occurs, whether or not the performance goals have been fully attained or are thereafter fully attained.

Restricted Stock Awards and Restricted Stock Unit Awards are shares of common stock that are issued to an eligible person prior to the person satisfying continued service and/or other performance objectives or contingencies specified by the Committee at the time of grant. The shares awarded will be non-transferable and forfeitable to the Company until such objectives or contingencies are satisfied, unless the Committee provides otherwise, but upon issuance of the shares, the service provider will become a stockholder of the Company with full dividend and voting rights except to the extent that the Committee provides otherwise. An award agreement may provide that the participant may elect to defer the delivery of restricted stock and of the dividend equivalents until the date or dates specified in the election. Upon satisfaction of any objectives or contingencies specified by the Committee, stock certificates evidencing the shares will be delivered to the participant free and clear of any restrictions, without the payment of any cash consideration by the participant.

Performance goals. The Committee may grant any award under the Plan as an award that qualifies as performance-based compensation, or as an award that does not qualify as performance-based compensation. Except for appreciation-only awards, awards that qualify as performance-based compensation, including but not limited to Performance Share Awards and Performance Unit Awards that qualify as such, will be paid on account of the attainment of a pre-established, objective performance goal over a period of at least one year that is based on one more or more of the following financial measures and that are intended to qualify under Section 162(m): (i) net earnings; (ii) operating earnings or income; (iii) earnings growth; (iv) net income; (v) net income applicable to shares; (vi) gross revenue or revenue by pre-defined business; (vii) revenue backlog; (viii) margins realized on delivered shares; (ix) cash flow, including operating cash flow, free cash flow, discounted cash flow return on investment, and cash flow in excess of cost of capital; (x) earnings per share; (xi) return on stockholders' equity; (xii) stock price; (xiii) return on common stockholders' equity; (xiv) return on capital; (xv) return on assets; (xvi) economic value added (income in excess of cost of capital), (xvii) customer satisfaction, (xviii) cost control or expense reduction; or (xix) ratio of operating expenses to operating revenues. The performance goals may be based upon attaining levels of performance under one or more measures described above in absolute terms or relative to the performance of a peer group, and may be based on consolidated results or the results of the Company, a subsidiary, a business unit, a product line, or a product.

Following the end of a performance period applicable to a performance goal, the Committee will determine the value of the performance-based compensation awards granted for the period based on the attainment of the pre-established objective performance goals.

To the extent permissible under section 162(m) of the Code, awards that are intended to qualify as performance-based compensation may be paid in the event that death, disability, a Change in Control or another circumstance or event specified by the Committee occurs, whether or not the performance goal has been or is thereafter fully attained.

Change in Control or Other Significant Event

The Committee has the discretion to provide in an Award Agreement that, in the event of a Change in Control, (a) each outstanding option will immediately become vested and exercisable in full, (b) the restrictions on each share of Restricted Stock, Restricted Stock Unit, or Performance Unit will lapse, and (c) each outstanding SAR will become vested and exercisable in full.

In general, under the Plan, a Change in Control will be deemed to occur if (i) the beneficial ownership of securities representing more than 25% of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors is accumulated, held,

or acquired by a person; (ii) individuals who constitute the Board cease for any reason to constitute at least a majority of the Board (except that if the individual assumed office as a result of an actual or threatened solicitation of proxies or consents by persons other than the Board); (iii) the consummation by the Company of a reorganization, merger or consolidation, or other disposition of all or substantially all of the assets of the Company or the acquisition of assets or stock of another entity, or (iv) approval by the stockholders of a complete liquidation or dissolution of the Company. In no event will a Change in Control be deemed to have occurred with respect to a participant if a participant is part of a purchasing group that consummates the Change in Control transaction. In the event that the Change in Control is a merger or consolidation in which the Company is not the surviving corporation or which results in the acquisition of substantially all of the Company's outstanding common stock by a single person or entity or by a group of persons acting in concert, or in the event of a sale or transfer of all or substantially all of the Company's assets (a Covered Transaction), the Committee will have the discretion to provide for the termination of all outstanding options and SARs as of the effective date of the Covered Transaction; provided that, no option or SAR will be so terminated (without the consent of the Service Provider) prior to the expiration of twenty days following the later of the date on which the option became fully exercisable and the date on which the participant received written notice of the Covered Transaction.

Under the Plan, the Committee may but need not permit options and SARs to be exercised following termination of the service provider's employment or other applicable service that benefits the Company, a subsidiary, or another enterprise in which the Company has a significant interest, or following the participant's death or disability, whether or not the option or SARs would otherwise be exercisable following such event. The Committee may also provide for Incentive Awards, including Performance Unit Awards, Restricted Stock Awards, and Restricted Stock Units to become non-forfeitable, fully earned and payable following such an event, whether or not the awards would otherwise be non-forfeitable, earned, or payable. The Committee may also permit an option or SAR to be exercisable, after any such event, for any period specified by the Committee, but not beyond its fixed expiration date.

Amendment and Termination of the Plan

The Board may amend the Plan at any time and in any respect without stockholder approval, unless required by Delaware or federal law, the Code, or the rules of the NASDAQ. The Board may also terminate the Plan at any time. However, no amendment or termination of the Plan may adversely affect any awards that were granted before the date of such amendment or termination without consent of the holder of such award. The Board does not have the power to amend, modify, exchange or substitute options if such amendment, modification, exchange, or substitution would violate Code Section 409A (it is not an extension of a stock right if the expiration of the option is tolled while the option is unexercisable because an exercise would violate applicable securities laws, provided that the period during which the option may be exercised is not extended more than thirty days after the exercise of the option first would no longer violate applicable securities laws).

Certain Federal Income Tax Considerations

The following is a general description of the United States federal income tax consequences to participants and the Company related to stock options, performance units, restricted stock, restricted stock units, stock appreciation rights, and other awards that may be granted under the Plan. The Plan is not qualified under the Internal Revenue Code Section 401(a). This discussion only applies to U.S. citizens and/or residents and does not purport to cover all tax consequences relating to awards granted under the Plan.

Non-qualified stock options. A participant generally will not recognize income, and the Company will not be entitled to a deduction from income, at the time of grant of a non-qualified stock option. When the

option is exercised, the participant will recognize ordinary income equal to the difference, if any, between the aggregate exercise price paid and the fair market value, as of the date the option is exercised, of the shares received. The participant's tax basis in shares acquired upon exercise will equal the exercise price paid plus the amount recognized by the participant as ordinary income. The Company generally will be entitled to a federal income tax deduction in the tax year in which the option is exercised, equal to the ordinary income recognized by the participant as described above. If the participant holds shares acquired through exercise of a non-qualified stock option for more than one year after the exercise of the option, the gain or loss realized upon the sale of those shares generally will be a long-term capital gain or loss. The participant's holding period for shares acquired upon the exercise of an option will begin on the date of exercise.

Incentive stock options. A participant generally will not recognize income, and the Company will not be entitled to a deduction from income, at the time of grant of an incentive stock option. If the option is exercised during employment, or within three months thereafter (or one year in the case of a permanently and totally disabled employee), the participant generally will not recognize any income and the Company will not be entitled to a deduction. However, the excess of the fair market value of the shares on the date of exercise over the option price generally is included in computing the participant's alternative minimum taxable income.

Generally, if the participant disposes of shares acquired by exercise of an incentive stock option within either two years after the date of grant or one year after the date of exercise, the participant will recognize ordinary income, and the Company will be entitled to a deduction, equal to the excess of the fair market value of the shares on the date of exercise over the option price (limited generally to the gain on the sale). The balance of any gain or loss will be treated as a capital gain or loss to the participant. If shares are disposed of after the two year and one year periods described above expire, the Company will not be entitled to any deduction, and the entire gain or loss for the participant will be treated as a long-term capital gain or loss.

Performance units. Performance units generally are subject to tax at the time of payment. The Company will generally have (at the time the participant recognizes income) a corresponding deduction.

Restricted stock. Restricted stock subject to a substantial risk of forfeiture results in income recognition equal to the excess of the fair market value of shares over the purchase price (if any) only at the time the restrictions lapse (unless the Participant elects to accelerate recognition as of the date of grant through an election under Code Section 83(b)). The Company generally will have (at the time the participant recognizes income) a corresponding deduction.

Restricted stock units. Restricted stock units generally are subject to tax at the time of payment and the Company generally will have a corresponding deduction when the participant recognizes income.

Stock appreciation rights. A participant generally will not recognize income, and the Company will not be entitled to a deduction from income, at the time of grant of a stock appreciation right. When the stock appreciation right is exercised, the participant will recognize ordinary income equal to the difference between the aggregate grant price and the fair market value, as of the date the stock appreciation right is exercised, of our common stock. The participant's tax basis in shares acquired upon exercise of a stock-settled stock appreciation right will equal the amount recognized by the participant as ordinary income. The Company generally will be entitled to a federal income tax deduction in the year in which the stock appreciation right is exercised, equal to the ordinary income recognized by the participant as described above. If the participant holds shares acquired through exercise of a stock-settled stock appreciation right for more than one year after the exercise of the stock appreciation right, the gain or loss realized upon the sale of those shares will be a long-term capital gain or loss. The participant's holding period for shares acquired upon the exercise of a stock-settled stock appreciation right will begin on the date of exercise.

Annual and long-term incentive awards. Annual and long-term incentive awards generally are subject to tax at the time of payment. The Company generally will have (at the time the participant recognizes income) a corresponding deduction.

Compliance with Section 409A of the Internal Revenue Code. The American Jobs Creation Act of 2004, enacted on October 22, 2004, revised the federal income tax law applicable to certain types of awards that may be granted under the Long-Term Stock Incentive Plan. To the extent applicable, it is intended that the Plan and any grants made under the Plan comply with the provisions of Section 409A of the Internal Revenue Code. The Company intends to administer the Plan and any grants made thereunder in a manner consistent with the requirements of Section 409A, and to make such amendments (including retroactive amendments) to the Plan and any other grants made thereunder as required by Section 409A on a timely basis. Any reference to Section 409A will also include any proposed temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of Treasury of the Internal Revenue Service.

INDIVIDUALS RECEIVING AN AWARD OF OPTIONS, PERFORMANCE UNITS, RESTRICTED STOCK, RESTRICTED STOCK UNITS, STOCK APPRECIATION RIGHTS, INCENTIVE AWARDS OR ANY COMBINATION THEREOF SHOULD CONSULT WITH THEIR PERSONAL TAX ADVISOR REGARDING FEDERAL, STATE AND LOCAL CONSEQUENCES OF PARTICIPATING IN THE PLAN.

New Plan Benefits

As of the date of this proxy statement, no awards have been approved under the Plan. The Committee has not yet determined the amount of the awards that will be received by any employee, consultant, non-employee director, or independent contractor of the Company under the Plan if it is approved.

On October 1, 2007, the NASDAQ reported a closing price of \$8.98 for our common stock.

Vote Required and Recommendation

The Plan will be approved provided it receives the affirmative vote of a majority of the shares present at the annual meeting, whether in person or by proxy. Abstentions will be treated as being present and entitled to vote on the matter and, therefore, will have the effect of votes against the proposal. A broker non-vote is treated as not being entitled to vote on the matter and, therefore, is not counted for purposes of determining whether the proposal has been approved.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR APPROVAL OF THE GREAT LAKES DREDGE & DOCK CORPORATION 2007 LONG-TERM INCENTIVE PLAN

PROPOSAL 3 - RATIFICATION OF INDEPENDENT AUDITOR

The audit committee of the Board has appointed Deloitte & Touche LLP as the independent registered public accounting firm to audit the Company's consolidated financial statements for the fiscal year ending December 31, 2007. During fiscal year 2006, Deloitte & Touche LLP served as the Company's independent registered public accounting firm and also provided certain tax and other audit-related services. See Matters related to Independent Public Accountants' Professional Fees. Representatives of Deloitte & Touche LLP are expected to attend the annual meeting, where they will be available to respond to appropriate questions and, if they desire, to make a statement.

Vote Required and Recommendation

Deloitte & Touche LLP will be ratified as the independent auditor of the Company for the fiscal year ending December 31, 2007 provided it receives the affirmative vote of a majority of the shares present at the annual meeting, whether in person or by proxy. Abstentions will be treated as being present and entitled to vote on the matter and, therefore, will have the effect of votes against the proposal. A broker non-vote is treated as not being entitled to vote on the matter and, therefore, is not counted for purposes of determining whether the proposal has been approved.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE INDEPENDENT AUDITOR OF THE COMPANY FOR THE FISCAL YEAR ENDING DECEMBER 31, 2007.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires the Company's directors and executive officers and all persons who beneficially own more than 10% of the outstanding shares of the Company's common stock to file with the SEC initial reports of ownership and reports of changes in ownership of the Company's common stock. Executive officers, directors and greater than 10% beneficial owners are also required to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on our review of the forms furnished to us, we believe that all filing requirements applicable to our executive officers, directors and persons who own more than 10% of our common stock were complied with in fiscal 2006, except that (i) Mr. J. Christopher Gillespie filed a late Form 4, a Statement of Changes in Beneficial Ownership, with respect to a purchase of shares on December 27, 2006, which Form was filed on January 3, 2007 and with respect to a sale of shares on July 13, 2007, which Form was filed on July 17, 2007; and (ii) Mr. Steven W. Becker filed a late Form 4, a Statement of Changes in Beneficial Ownership, with respect to a purchase of shares on July 16, 2007, which Form was filed on July 20, 2007.

Security Ownership of Certain Beneficial OWNERS and Management

The following table is based on 58,459,824 shares of common stock outstanding as of October 1, 2007, and sets forth certain information with respect to the beneficial ownership of the Company's common stock as of the same date by (i) each person whom we know to own beneficially more than five percent of the outstanding shares of the Company's common stock; (ii) each of the Company's directors and named executive officers; and (iii) all of the Company's directors and executive officers as a group. Unless otherwise stated, each of the persons in the table has sole voting and investment power with respect to the securities beneficially owned.

	Beneficially Owned Number of Shares of Common Stock	Percentage of Common Stock
MDCP IV(1)(2)	14,328,918	24.51 %
FMR Corp.(3)	7,766,809	13.29 %
Hound Partners LLC, Hound Performance LLC and Jonathan Auerbach(4)	5,246,850	8.98 %
Douglas B. Mackie(5)(6)	504,712	*
Richard M. Lowry(5)	418,215	*
Deborah A. Wensel(5)(7)	131,018	*
David E. Simonelli(5)	63,783	*
Kyle Johnson(5)	44,803	*
Thomas S. Souleles(1)(8)		
Douglas C. Grissom(1)(8)		
Nathan Leight(9)	1,819,000	3.1 %
Jason Weiss(10)	1,112,750	1.9 %
Jonathan Berger(11)	20,400	*
Peter Deutsch(12)	21,800	*
Bruce J Biemeck(13)	2,500	*
All directors and executive officers as a group	4,376,462	7.49 %

* Denotes less than 1%.

(1) The address for each of MDCP IV and Messrs. Souleles and Grissom is c/o Madison Dearborn Partners, LLC, 70 W. Madison Street, Suite 3800, Chicago, Illinois 60602.

(2) Includes: (i) 14,257,572 shares directly owned by MDCP IV and (ii) 71,346 shares directly owned by Special Co-Invest Partners I (Co-Invest). Madison Dearborn Partners IV, L.P. (MDP IV) is the general partner of MDCP IV. John A. Canning, Jr., Paul J. Finnegan and Samuel M. Menco are the sole members of a limited partner committee of MDP IV (which is the general partner of MDCP IV) that have the power, acting by majority vote, to vote or dispose of the shares held by MDCP IV. William S. Kirsch, as the managing general partner of Co-Invest, has the power to vote or dispose of the shares held by Co-Invest. The address for each of MDCP IV, MDP IV, and Co-Invest is c/o Madison Dearborn Partners, LLC, 70 W. Madison Street, Suite 3800, Chicago, Illinois 60602.

(3) Includes: (i) 7,302,391 shares beneficially owned by Fidelity Management & Research Company (Fidelity), a wholly-owned subsidiary of FMR Corp. (FMR) and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. The address for Fidelity is 82 Devonshire Street, Boston, Massachusetts 02109. Edward C. Johnson 3d, the Chairman of FMR, and FMR, through its control of Fidelity, and the funds each has sole power to dispose of the 7,302,391 shares owned by the funds. (ii) 291,418 shares beneficially owned by Pyramis Global Advisors Trust Company, a wholly-owned subsidiary of FMR and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934. The address for Pyramis is 53 State Street, Boston, Massachusetts 02109. Edward C. Johnson 3d, the Chairman of FMR, and FMR, through its control of Pyramis, each has sole dispositive power over the 291,418 shares and sole power to vote or to direct the voting of 256,318 of the shares owned by the institutional accounts managed by Pyramis. (iii) 173,000 shares beneficially owned by Fidelity International Limited (FIL), which provides investment advisory and management services to a number of non-U.S. investment companies and certain institutional investors. The address for FIL is Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda. Partnerships controlled predominantly by members of the family of Edward C. Johnson 3d, Chairman of FMR and FIL, or trusts for their benefit, own shares of FIL voting stock with the right to cast approximately 47% of the total votes which may be cast by all holders of FIL voting stock. The information contained in this footnote (3) was derived from the Schedule 13G filed by FMR and various affiliated entities with the Securities and Exchange Commission on September 10, 2007.

(4) Jonathan Auerbach is the managing member of Hound Performance, LLC (Hound Performance) and Hound Partners, LLC (Hound Partners LLC), investment management firms that serve as the general partner and investment manager, respectively, to Hound Partners, LP (Hound Partners LP) and Hound Partners Offshore Fund, LP (Hound Offshore). Hound Partners LP may be deemed to be the beneficial owner of, and has the shared power to vote, dispose, or direct the voting or disposition of, 2,608,885 shares of common stock of Great Lakes Dredge & Dock Corporation. Hound Offshore may be deemed to be the beneficial owner of, and has the shared power to vote, dispose, or direct the voting or disposition of, 2,637,965 shares of common stock of Great Lakes Dredge & Dock Corporation. Hound Performance and Hound Partners LLC, as the general partner and investment manager, respectively, to Hound Partners LP and Hound Offshore, together with Jonathan Auerbach, as managing member of Hound Performance and Hound Partners LLC, may be deemed to be the beneficial owners of, and each has the shared power to vote, dispose, or direct the voting or disposition of, 5,246,850 shares of common stock of Great Lakes Dredge & Dock Corporation. The principal business address of Hound Partners, LLC, Hound Performance, LLC, and Jonathan Auerbach is 101 Park Avenue, 48th Floor, New York, New York 10178.

(5) The address for each of Messrs. Mackie, Lowry, Simonelli, Johnson and Ms. Wensel is c/o Great Lakes Dredge & Dock Corporation, 2122 York Road, Oak Brook, Illinois 60523.

(6) Includes: (i) 94,767 shares held by Mr. Mackie's children directly and shares held in trust for Mr. Mackie's children, and (ii) 12,000 common shares held by the wife of Mr. Mackie.

(7) Shares are held by the Deborah A Wensel Living Trust, for which Ms. Wensel serves as trustee.

(8) Each of Messrs. Souleles and Grissom is a managing director of MDP, the general partner of MDP IV, which in turn is the general partner of MDCP IV. As a result, Messrs. Souleles and Grissom may be deemed to share beneficial ownership of the shares owned by MDCP IV. Each of Messrs. Souleles and Grissom disclaims beneficial ownership of the shares held of record by MDCP IV, except to the extent of any pecuniary interest therein.

(9) Includes: (i) 367,250 shares of common stock held by the Leight Family 1998 Irrevocable Trust, a trust established for the benefit of Mr. Leight's family, (ii) 52,000 shares of common stock held by the Terrapin Partners Employee Partnership, (iii) 4,000 shares of common stock held by various family trusts, (iv) 33,000 shares of common stock held by the wife of Mr. Leight and (v) 1,362,750 shares of common stock held by Mr. Leight. Terrapin Partners LLC is the general partner of Terrapin Partners Employee Partnership and Mr. Leight is the co-manager of Terrapin Partners LLC. The Terrapin Partners Employee Partnership intends to distribute its shares to its beneficiaries at a later date. To the extent such shares are not distributed to the current beneficiaries, they will be distributed to other Terrapin Partners LLC employees. The business address for Mr. Leight is c/o Terrapin Partners LLC, 540 Madison Avenue, 17th Floor, New York, New York 10022.

(10) Includes: (i) 584,466 shares of common stock held by the JGW Grantor Retained Annuity Trust 2006 dated June 15, 2006, a trust established for the benefit of Mr. Weiss' family, (ii) 52,000 shares of common stock held by the Terrapin Partners Employee Partnership, (iii) 400 shares of common stock held by various family trusts and IRAs and (iv) 475,884 shares of common stock held by the Jason G. Weiss Revocable Trust dated August 2, 2000. Terrapin Partners LLC is the general partner of Terrapin Partners Employee Partnership and Mr. Weiss is the co-manager of Terrapin Partners LLC. The Terrapin Partners Employee Partnership intends to distribute its shares to its beneficiaries at a later date. To the extent such shares are not distributed to the current beneficiaries, they will be distributed to other Terrapin Partners LLC employees. Does not include 92,150 shares of common stock held by the JGW Trust dated August 18, 2000, a trust established for the benefit of Mr. Weiss' family. Mr. Weiss disclaims beneficial ownership of the shares held by the JGW Trust because they were irrevocably transferred to the trust and Mr. Weiss is not the trustee. The business address for Mr. Weiss is c/o Terrapin Partners LLC, 540 Madison Avenue, 17th Floor, New York, New York 10022.

(11) The business address for Mr. Berger is c/o Navigant Consulting, Inc., 1180 Peachtree Street, N.E., Suite 1900 Atlanta, Georgia 30309.

(12) The business address for Mr. Deutsch is P.O. Box 817689, Hollywood, Florida 33081.

(13) The business address for Mr. Biemeck is 39851 N. Old Stage Road, Cave Creek, AZ 85331.

CHANGE OF CONTROL OF THE COMPANY

On December 26, 2006, GLDD Acquisitions Corp. (Acquisitions Corp.) merged with Aldabra. Aldabra was a blank check company formed for the purpose of raising capital through an initial public offering with the intent to use the proceeds to merge with a business to build long term value. Under the terms of the Agreement and Plan of Merger entered into on June 20, 2006, the stockholders of Acquisitions Corp. received 28,906,189 shares of Aldabra stock in exchange for all common and preferred stock outstanding of Acquisitions Corp. Aldabra then merged into an indirect wholly-owned subsidiary and, in connection with this holding company merger, the stockholders of Aldabra, including the former Acquisitions Corp. stockholders, received stock in a new holding company that was subsequently renamed Great Lakes Dredge & Dock Corporation.

Immediately following the Aldabra transactions described above, MDCP IV beneficially owned approximately 67% of our outstanding common stock. As of October 1, 2007, MDCP IV owned approximately 24.5% of our outstanding common stock. The investor rights agreement provides that MDCP IV shall have the right to designate a number of directors proportionate to its voting power. See Certain Relationships and Related Transaction Agreements with Related Persons Investor Rights Agreement.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

On December 26, 2006, as a result of the Aldabra merger, the Company became a public company and the common stock became listed on The Nasdaq Global Market. For virtually all of fiscal 2006, however, the Company was a private company and its Board of Directors consisted of three representatives affiliated with MDCP IV, a controlling stockholder, and Douglas B. Mackie, the Company's President and Chief Executive Officer. Prior to the Aldabra merger, the Board of Directors had a compensation committee comprised of the three non-employee directors, all of whom were affiliated with MDCP IV. In fiscal 2006, the compensation committee negotiated compensation arrangements with the chief executive officer, chief financial officer and chief operating officer and the compensation paid to these executive officers reflects the negotiations between these executive officers and MDCP IV.

Following the Aldabra Merger, the Board of Directors appointed a compensation committee comprised of Messrs. Souleles, Weiss and Grissom. The compensation committee, of which Mr. Souleles is Chairman, is responsible for the oversight, implementation and administration of all of the executive compensation plans and programs. As a blank check company formed for the purpose of completing a business combination, none of Aldabra's executive officers received compensation for services rendered to Aldabra, except for reasonable out-of-pocket business expenses incurred by them in connection with certain activities on Aldabra's behalf such as identifying and investigating possible target businesses and business combinations. Other than the \$7,500 per-month administrative fee and reimbursable out-of-pocket expenses payable to Terrapin Partners, no compensation or fees of any kind, including finders and consulting fees, were paid to any of the founders or to any of their respective affiliates for services rendered to Aldabra prior to or with respect to the business combination.

The compensation committee determines all of the components of compensation of the chief executive officer, and, in consultation with the chief executive officer, determines the compensation of the remaining executive officers. To date, the Company has not engaged in the benchmarking of executive compensation but may do so in the future.

Throughout this analysis, our chief executive officer and chief financial officer during fiscal 2006, as well as other individuals included in the Summary Compensation Table below, are referred to as the named executive officers.

Compensation Policies and Practices

The primary objectives of the Company's executive compensation program are to:

- Attract and retain the best possible executive talent,
- Achieve accountability for performance by linking annual cash awards to achievement of measurable performance objectives, and
- Align executives' incentives with stockholder value creation.

The Company's executive compensation programs are designed to encourage executive officers to operate the business in a manner that enhances stockholder value. A substantial portion of the executive's overall compensation is tied to the Company's financial performance, specifically operating earnings and EBITDA. The compensation philosophy provides for a direct relationship between compensation and the achievement of Company goals and seeks to include management in upside rewards. Executive compensation consists of base salary and annual cash bonus incentives.

Base Salary. Base salary is established based on the experience, skills, knowledge and responsibilities required of the executive officers in their roles. When establishing the 2006 base salaries of the executive officers, a number of factors were considered, including the years of service of the individual, the individual's duties and responsibilities, the ability to replace the individual, and market data on similar positions with competitive companies as information becomes available to the Company informally through recruitment, search consultants in connection with recent hiring efforts and through the directors' experience with other companies. The Company seeks to maintain base salaries that are competitive with the marketplace to allow the Company to attract and retain executive talent.

Salaries for executive officers are reviewed on an annual basis, at the time of a promotion or other change in level of responsibilities, as well as when competitive circumstances may require review. Increases in salary are based on evaluation of factors such as the individual's level of responsibility and performance.

Annual Cash Bonus Incentive. The chief executive officer, chief financial officer and chief operating officer of the Company are eligible to receive annual cash bonuses equal to a percentage of their annual salary based upon the Company's achievement of a Dredging EBITDA target, as described in the following table. EBITDA under our annual cash bonus plan is calculated as earnings before interest income, taxes, depreciation and amortization. Extraordinary and non-recurring items maybe added back by the compensation committee.

Actual Dredging EBITDA (as defined)	Bonus Award - CEO and COO	Bonus Award - CFO
=90% of Budgeted EBITDA	35% of annual salary	23.75% of annual salary
=Budgeted EBITDA	70% of annual salary	47.5% of annual salary
=120% of Budgeted EBITDA	140% of annual salary	95% of annual salary

Between each EBITDA threshold, the bonus pool is interpolated based upon actual EBITDA. The compensation committee set Targeted Dredging EBITDA for 2006 at \$43.5 million. For 2006, the Company achieved 115% of Targeted Dredging EBITDA and paid bonuses of 124% to the chief executive officer and chief operating officer and 84% to the chief financial officer of annual salary. The compensation committee retains discretion to adjust Targeted Dredging EBITDA. For 2006, the compensation committee added back charges related to the class action lawsuit for Hurricane Katrina and additional insurance premiums required due to new solvency requirements for Insurance Mutuals in the U.S. and Europe in calculating Targeted Dredging EBITDA, as the compensation committee did not believe such charges were indicative of the Company's operating performance for the year.

Annual performance bonuses are awarded to management employees (other than the chief executive officer, chief financial officer and chief operating officer) based on Company performance and individual performance. In fiscal 2006, management employees were eligible to receive bonuses based upon the achievement of Targeted Dredging EBITDA. The compensation committee responsible for administering the plan. A bonus pool is established based upon Budgeted EBITDA as follows:

Actual Dredging EBITDA (as defined)	Bonus Pool
<70% of Budgeted EBITDA	No bonus pool
=70% of Budgeted EBITDA	6.75% of eligible salaries
=100% of Budgeted EBITDA	13.5% of eligible salaries
=130% of Budgeted EBITDA	27% of eligible salaries

Between each EBITDA threshold, the bonus pool is interpolated based upon actual EBITDA. For 2006, a bonus pool of 20% of eligible salaries was established based upon the achievement of 115% of Budgeted EBITDA. Individual bonus payments from the pool are discretionary.

Long Term Incentive Awards. Since MDCP IV's acquisition of GLDD Acquisitions Corp. in 2003, the Company has not issued any stock options or restricted stock. However, in connection with MDCP IV's acquisition, each executive officer was given the opportunity to purchase equity in GLDD Acquisitions Corp. on the same terms as MDCP IV. These equity interests were converted into common stock in connection with the Aldabra merger. The compensation committee believes that the substantial equity ownership of management further encourages executive officers to operate the business in a manner that enhances stockholder value. While incentive equity has not historically comprised a portion of executive compensation arrangements, the Board believes strongly that incentive equity will align the interests of management, employees and the stockholders, and therefore is seeking approval of the Great Lakes Dredge & Dock Corporation 2007 Long-Term Incentive Plan at the annual meeting. See Proposal 2 - To Approve The Great Lakes Dredge & Dock Corporation 2007 Long-Term Incentive Plan.

Other Programs. The named executive officers are also provided with life and medical insurance, 401(k) matching and a car allowance program. The Company also sponsors a 401(k) lost benefit plan, which provides an additional bonus to executive officers who are unable to obtain the maximum tax-deferred benefits allowed by the Company's 401(k) plan due to IRS limits. Executive officers receive additional compensation due to dollar limitations on benefits and contributions under the Internal Revenue Service Code to the Company's 401(k) plan. Section 402(g)(3) of the IRS Code limits elective deferrals into the company's qualified 401(k) plan. Section 415(c)(1)(A) limits the total annual contribution into the plan.

The Company's 401(k) plan allows employees to contribute up to 6% of their salary and bonus and the Company will match the contribution dollar for dollar. However, as indicated, the IRS limits the annual elective deferrals by an employee to a qualified plan. This amount was \$15,000 for 2006. The Company therefore provides additional compensation to make up for the lost tax benefit and Company match on the difference of 6% of the executive's salary and bonus over the maximum contribution allowed by the IRS elective deferral limits. This amount is then grossed up and paid as cash compensation to the executive.

The Company also may provide a profit share contribution to an employee as a percentage (between 0% and 10%) of the employee's salary. However, the IRS limits the total annual contribution for an employee into a qualified plan. This amount was \$44,000 for 2006. The Company therefore provides additional compensation to make up for the lost profit sharing amount which cannot be contributed because the executive has hit the maximum annual contribution amount allowed by the IRS limitations. This amount is also grossed up and paid as cash to the executive.

The Company does not sponsor any defined benefit plans or deferred compensation plans.

Executive Compensation

Summary Compensation Table

The following table summarizes the total compensation earned in 2006 by the Named Executive Officers.

Name and Principal Position	Year	Salary	Bonus(1)	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (3)	Total
Douglas B. Mackie, President and Chief Executive Officer	2006	\$ 400,000				497,548		170,344	\$ 1,067,892
Deborah A. Wensel, Senior Vice President Chief Financial Officer and Treasurer	2006	\$ 239,000				201,729		77,760	\$ 518,489
Richard M. Lowry, Executive Vice President and Chief Operating Officer	2006	\$ 385,000				478,890		160,669	\$ 1,024,559
David E. Simonelli, Vice President Chief Site Manager	2006	\$ 165,000	83,750					42,000	\$ 290,750
Kyle D. Johnson, Vice President Chief Contract Manager	2006	\$ 151,500	80,000					39,516	\$ 271,016

- (1) Represents discretionary cash bonuses paid to the named executive officers.
- (2) Represents cash bonuses paid under the annual cash bonus plan based upon the achievement of EBITDA-based targets for 2006. Such bonuses were paid in 2007.
- (3) The dollar value of the amounts shown in this column for 2006 includes the following:

Name	Car Allowance	Lost Benefit(a)	Company Contributions to 401(k) Plan	Total
Douglas B. Mackie	\$ 13,200	128,144	29,000	170,344
Deborah A. Wensel	\$ 12,000	36,760	29,000	77,760
Richard M. Lowry	\$ 12,000	119,669	29,000	160,669
David E. Simonelli	\$ 8,400	4,600	29,000	42,000
Kyle D. Johnson	\$ 8,400	2,116	29,000	39,516

- (a) See the description of the 401(k) lost benefit plan above.

Grant of Plan Based Awards Table

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards	Threshold (\$)	Target (\$)	Maximum (\$)
Douglas B. Mackie	Feb-06			280,000	560,000
Deborah A. Wensel	Feb-06			113,525	227,050
Richard M. Lowry	Feb-06			269,500	539,000
David E. Simonelli					
Kyle D. Johnson					

Executive Employment Arrangements

On July 2, 2007 Great Lakes entered into new employment agreements with Douglas B. Mackie, President and Chief Executive Officer, Richard M. Lowry, Executive Vice President and Chief Operating Officer, and Deborah A. Wensel, Senior Vice President and Chief Financial Officer (each, an Executive). Each employment agreement provides for an initial term of three years with automatic renewal for successive one-year terms, unless sooner terminated by either party giving 90 days written notice prior to the end of the then-current term.

Base Salary and Benefits. The employment agreements provide for 2007 base salaries (Base Salaries) for Messrs. Mackie and Lowry and Ms. Wensel of \$432,000, \$416,000 and \$267,000, respectively, subject to annual increase by the Board. Each Executive is entitled to participation in the Company's annual performance bonus plans, long-term compensation plans (including the Annual Cash Bonus Plan), and any equity-based compensation plans applicable to senior management and other benefits generally available to senior management.

Termination for any Reason. The Company is responsible for the following payments upon the Executive's termination for any reason: (i) earned but unpaid Base Salary through the date of termination; (ii) any annual incentive bonus, or other form of incentive compensation, for which the performance measurement period has ended and the Executive has become eligible for payment but which is unpaid at the time of termination; (iii) any accrued but unpaid vacation; (iv) any amounts payable under the Company's executive benefit plans (other than any severance or termination pay plan) in accordance with the terms of those plans, except as may be required under Code Section 401(a)(13); and (v) any unreimbursed business expenses. Additionally, Mr. Lowry and Ms. Wensel would be entitled to continued health benefits during the COBRA continuation period, and Mr. Mackie and his spouse would each be eligible for continued health benefits until they become eligible for Medicare coverage.

Voluntary Termination of Employment for Other than Good Reason. Upon termination for other than Good Reason (as defined below), the Executive would be entitled to a pro-rata portion of the target bonus under the Company's annual incentive plan for the year in which such termination occurs.

Good Reason means the occurrence of any of the following without the Executive's consent: (i) a material reduction or a material adverse alteration in the nature of the Executive's position, responsibilities or authorities or the assigning duties to the Executive that are materially inconsistent with those of the Executive's position for similar companies in similar industries; (ii) the Executive's becoming the holder of a lesser office or title than that previously held or altering the Executive's reporting requirements (iii) any material breach of this Agreement by the Company which causes an adverse change to the terms and conditions of the Executive's employment; (iv) the Company's requiring the Executive to relocate his principal business office to a location not within fifty (50) miles of the Company's principal business office located in Oak Brook, Illinois; (v) any reduction in the aggregate of the Executive's bonus opportunity, salary and benefits, other than a reduction in bonus opportunity or benefits generally applicable to executive employees; or (vi) any failure to nominate or elect the Executive in his current office or as a Director of the Company's Board. A resignation is not deemed to occur for Good Reason unless the Executive provides notice to the Company, and such resignation occurs, within 90 days after the event or condition giving rise thereto. Upon receiving notice from the Executive, the Company has a period of thirty (30) days during which it may remedy the event or condition.

Termination of Employment for Death or Disability. Upon the Executive's termination of employment by reason of death or disability (as defined in the agreement), the Executive (or his estate) is entitled receive a pro rata portion of any bonus payable under the Company's annual incentive plan for the year in which such termination occurs based on the highest of (i) the actual annual bonus paid for the fiscal year immediately preceding such termination, (ii) the target bonus for the fiscal year in which such termination occurs, or (iii) the actual bonus attained for the fiscal year in which such termination occurs.

Termination without Cause, or Voluntary Termination for Good Reason. In the event of the Executive's termination by Great Lakes without Cause (as defined below) or by the Executive for Good Reason, Mr. Mackie or Mr. Lowry would be entitled to a lump sum of two multiplied by the sum of the Executive's Base Salary and Annual Bonus. For this purpose, Annual Bonus will be determined as the highest of (i) the actual bonus paid for the fiscal year immediately preceding such termination, (ii) the target bonus for the fiscal year in which such termination occurs, or (iii) the actual bonus for the fiscal year in which such termination occurs. Ms. Wensel is entitled to the same termination pay, but calculated at one and one-half (1.5) times sum of Base Salary and Annual Bonus. Additionally, the Executive would be entitled to continued coverage under the Company's medical, dental, life, disability, 401(k), profit sharing and other executive benefit plans for a set period (24 months for Messrs. Mackie and Lowry, and 18 months for Ms. Wensel) after the date of termination (the Benefits Continuation Period), at the same cost to the Executive as in effect on the date of the Executive's termination, as well as access to professional outplacement services. The Benefits Continuation Period applies for purposes of determining the Executive's age and service with the Company with respect to (i) eligibility, vesting and the amount of benefits under the Company's executive benefit plans, and (ii) the vesting of any outstanding stock options, restricted stock or other equity based compensation awards.

Under the employment agreements, Cause means: (i) the Executive's willful and continued failure to substantially perform his material duties as an executive of the Company (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to the Executive by the Board, (ii) the Executive's willful misconduct, which is demonstrably and materially injurious to the Company, monetarily or otherwise, (iii) the Executive's engaging in egregious misconduct involving serious moral turpitude to the extent that his creditability and reputation no longer conforms to the standard of senior executive officers of the Company, (iv) the Executive's conviction of, or plea of guilty or nolo contendere to, a felony, (v) the Executive's material breach of a material written policy of the Company, (vi) the Executive's failure to reasonably cooperate with any audit or investigation involving the Company or its business practices or (vii) the Executive's material breach of this Agreement.

Change in Control. If within two years of a Change in Control (as defined below), the Company terminates Mr. Mackie's or Mr. Lowry's employment other than for Cause or either such Executive voluntarily terminates his employment for Good Reason, the Company will pay Mr. Mackie or Mr. Lowry, as applicable, two and one-half (2.5) times the sum of (i) such Executive's Base Salary in effect on the date of termination of employment and (ii) the Annual Bonus. Ms. Wensel is entitled to a payment upon a Change of Control equal to two times the sum of her Base Salary and Annual Bonus. Following termination upon a Change in Control, each Executive would be eligible to receive continued benefits during the applicable Benefits Continuation Period, and as well as access to professional outplacement services.

For purposes of the employment agreements with the Executives, 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:

- The beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act)) of securities representing more than twenty-five percent (25%) 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) (listed below) will not be a Change in Control, and provided further, that immediately prior to such accumulation, holding or acquisition, such Person was not a direct or indirect beneficial owner of twenty-five percent (25%) or more of the Company Voting Securities;

- Individuals who, as of July 2, 2007, 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 of Directors;
- 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
- 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 the Executive, if the Executive is part of a purchasing group that consummates the Change in Control transaction. The Executive will be deemed part of a purchasing group if the Executive is an equity

participant in the purchasing company or group (except: (i) passive ownership of less than two percent (2%) 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)).

Confidentiality and Non-Competition. Each Executive is subject to provisions restricting disclosure of non-public information. During the terms of their employment agreements and for two years thereafter (or, if such termination arises under circumstances where Mr. Mackie or Mr. Lowry is entitled to payments as a result of a Change of Control, during the period of his employment and for a period of 30 months thereafter), Messrs. Mackie and Lowry are prohibited from directly or indirectly carrying on, engaging or having a financial interest in any business which is in material competition with the business of the Company. During the term of her employment agreement and for 18 months thereafter (or, if such termination arises under circumstances where Ms. Wensel is entitled to payments as a result of a Change of Control, during the period of her employment and for a period of 24 months thereafter), Ms. Wensel is prohibited from directly or indirectly carrying on, engaging or having a financial interest in any business which is in material competition with the business of the Company.

Other Potential Post-Employment Payments

Below is the estimated amount that each of Messrs. Mackie and Lowry and Ms. Wensel would be entitled to receive upon termination of their employment pursuant to the terms of their employment agreement.

Potential Payments upon Termination or Change in Control

Name	Benefit	Termination without Cause or for Good Reason		Voluntary Termination		Death or Disability		Change in Control	
		\$		\$		\$		\$	
Douglas B. Mackie	Base salary	\$	800,000	\$	400,000	\$	400,000	\$	1,000,000
	Bonus		995,096		497,548		497,548		1,243,870
	Benefits(1)		356,704		128,144		128,144		446,630
	Stock awards(2)								1,308,359
Deborah A. Wensel	Base salary		358,000		239,000		239,000		478,000
	Bonus		302,594		291,729		201,779		403,458
	Benefits(1)		127,583		36,760		36,760		170,111
	Stock awards(2)								496,646
Richard M. Lowry	Base salary		770,000		385,000		385,000		962,500
	Bonus		957,780		478,000		478,890		1,197,225
	Benefits(1)		337,221		119,669		119,669		422,277
	Stock awards(2)								1,308,359

(1) Benefits include auto, 401(k) lost benefit, medical and dental, profit sharing, 401(k) match, and life and disability insurance. The total amounts include the following:

Name	Benefit	Termination without Cause or for Good Reason		Voluntary Termination, Death or Disability		Change in Control	
		\$		\$		\$	
Douglas B. Mackie	401(k) Lost benefit	\$	256,288		128,144		320,360
	Profit sharing		28,000				35,750
	401(k) match		31,000				38,750
Deborah A. Wensel	401(k) Lost benefit		55,140		36,760		73,520
	Profit sharing		21,000				28,000
	401(k) match		23,250				31,000
Richard M. Lowry	401(k) Lost benefit		239,338		119,669		299,173
	Profit sharing		28,000				35,750
	401(k) match		31,000				38,750

(2) All stock awards vest upon a sale of the company as defined in the management equity agreements. See Certain Relationships and Related Party Transactions Agreements with Related Persons Management Equity Agreement.

In addition, Messrs. Simonelli and Johnson would be entitled to severance compensation if the executive is terminated by the Company for any reason other than cause, death or permanent disability. Severance payments are based on years of service. Based on their years of service, Mr. Johnson would receive five months of severance pay and Mr. Simonelli would receive six months of severance pay. Payments would be made by the Company on a semi-monthly basis, but could be paid in a lump sum if

agreed to by the Compensation Committee. If terminated on December 31, 2006, Mr. Simonelli and Mr. Johnson would have received approximately \$82,500 and \$50,500, respectively, as severance. Upon a sale of the Company (as defined in the management equity agreements), Mr. Simonelli's and Mr. Johnson's unvested stock would have vested and been valued at \$165,835 and \$116,883, respectively, as of December 31, 2006. See "Certain Relationships and Related Party Transactions" "Agreements with Related Persons" "Management Equity Agreement."

Compensation of Directors

None of our directors received any compensation for their services as directors in 2006. In 2007, those directors who are not employees of the Company will receive \$60,000 per year, payable quarterly. Messrs. Grissom, Souleles, Leight and Weiss have declined any such fees.

Compensation Committee Report

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

The Compensation Committee of the Board of Directors:

Thomas S. Souleles

Douglas S. Grissom

Jason G. Weiss

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is an officer or employee, or former officer or employee, of the Company or any of its subsidiaries. No interlocking relationship existed during the fiscal year ended December 31, 2006 between our Board of Directors or compensation committee and the Board of Directors or compensation committee of any other company, nor has any such interlocking relationship existed in the past.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Agreements with Related Persons

Management Equity Agreement. In connection with the Aldabra merger, the management investors entered into an amended and restated management equity agreement. The shares of common stock held by our management stockholders were 60% vested as of the date of the merger with the remainder vesting 50% on December 22, 2007; and 50% on December 22, 2008; provided that, as of each such date the executive is and has continued to be employed by the Company or any of its subsidiaries. If an executive ceases to be employed by the Company or its subsidiaries prior to the vesting dates, the cumulative percentage of such executive's vesting shares to become vested shall be determined on a pro rata basis according to the number of days elapsed since the immediately preceding vesting date (or in the event of a termination before December 22, 2007, since December 22, 2006). In no event shall any vesting shares vest after the date that an executive ceases to be employed by the Company or one of its subsidiaries.

In the event of a sale of the Company, all of an executive's unvested shares shall become vested; provided that, as a condition to such vesting, the executive shall, if requested by the purchaser and for no additional consideration, agree to continue employment for up to 12 months following such sale so long as such executive's compensation package and job description immediately following such sale is reasonably similar in scope, remuneration, location and responsibility as prior to such event. For purposes of the management equity agreement, a sale of the Company means the sale of the Company to an independent third party or affiliated group of independent third parties pursuant to which such party or parties acquire (i) capital stock (or rights to acquire capital stock) of the Company possessing the voting power (or the right to acquire capital stock of the Company possessing the voting power) to elect a majority of the Company's Board of Directors (whether by merger, consolidation or sale or transfer of the company's capital stock) or (ii) substantially all of the Company's assets determined on a consolidated basis.

In the event an executive ceases to be employed by the Company or one of its subsidiaries for any reason, all of such executives unvested shares shall be subject to repurchase by the Company. The purchase price for such unvested shares shall be the lower of the fair market value (FMV) and the original cost of such shares. In no event shall the Company have the right to repurchase vested shares.

Notwithstanding the foregoing, an executive terminated without cause whose unvested shares are repurchased by the Company (the Called Shares) shall be entitled to a purchase price adjustment if: (i) within six months thereafter the Company engages in a merger, consolidation, acquisition, liquidation or public offering of common stock (other than (1) an offering on Form S-8 or any successor forms or any other registration statement relating to a special offering to the Company's employees or (2) a registration statement relating to a unit offering); and (ii) the per share consideration or net proceeds received by the executives in such transaction or offering exceeds the FMV used in calculating the purchase price of the Called Shares (adjusted downward to reflect what the per share consideration or net proceeds for the Called Shares would have been had the Called Shares been outstanding on the date of the closing such transaction or offering). In such event, the executive shall be entitled to receive an amount per Called Share equal to such excess multiplied by the applicable FMV price percentage within 30 days after the closing of any such transaction or offering.

For purposes of the management equity agreement, the following terms shall have the meanings as set forth below:

- Cause means the executive's (i) act or acts of dishonesty, moral turpitude or criminality, (ii) continued failure to perform such executive's duties as an employee or (iii) willful or deliberate violations of such executive's obligations to the Company that result in injury to the Company.

- FMV price percentage means 20% multiplied by the number of full years elapsed between the effective time of the merger and the termination date for such executive.

The invested shares held by our management stockholders are subject to certain transfer restrictions. Specifically, the only permitted transfers of shares are those made pursuant to laws of descent and distribution or to an executive's family group (meaning such executive's spouse and descendants). Transferees of such shares shall be subject to the transfer restrictions as set forth in the management equity agreement.

Investor Rights Agreement. In connection with the Aldabra merger, Aldabra, the Company, MDCP IV, certain Aldabra stockholders and certain of the Company's stockholders entered into an investor rights agreement. The investor rights agreement provides for certain registration rights with respect to shares held by the Aldabra stockholders who are party to the investor rights agreements (the Aldabra Registrable Securities), shares held by MDCP IV (the MDP Registrable Securities) and to shares held by certain other of the Company's stockholders party to the investor rights agreement (the Other Registrable Securities). Holders of at least a majority of MDP Registrable Securities, or Aldabra Registrable Securities after February 17, 2008, will have the right to demand registration under the Securities Act of all or any portion of their registrable securities subject to certain amount and time limitations. Holders of the MDP Registrable Securities may demand three long-form registrations and an unlimited number of short-form registrations, while holders of the Aldabra Registrable Securities may only demand one long-form registration and one short-form registration. Additionally, whenever the Company proposes to register any of its securities under the Securities Act and the registration form to be used may be used for the registration of registrable securities, holders of Aldabra Registrable Securities, MDP Registrable Securities or Other Registrable Securities will have the right to request the inclusion of their registrable securities in such registration. The investor rights agreement also provides that MDCP IV has the right to designate the number of directors to the Company's Board of Directors that is proportionate to its voting power within the Company, as represented by the number of the Company's shares owned by MDCP IV. Holders of more than 25% of MDP Registrable Securities will have certain information and inspection rights with respect to the Company.

Additionally, the investor rights agreement set forth affirmative and negative covenants to which the Company was subject to as long as MDCP IV owned more than 25% of the voting power of the Company. The negative covenants restricted the Company and/or its subsidiaries from conducting certain activities or taking certain actions, including, without limitation, making distributions on its capital stock, redemptions, purchase or acquisitions of its equity securities, issuance of debt or convertible or exchangeable debt securities, mergers and acquisitions, asset sales, liquidations, recapitalizations, non-ordinary business activities, change of organizational documents, and change of arrangements with its officers, directors, employees and other related persons. The affirmative covenants provided that, without the prior written consent of MDCP IV, the Company and/or its subsidiaries were required to perform certain activities, which included, without limitation, preservation of its corporate existence and material licenses, authorizations and permits necessary to the conduct of its business, maintenance of its material properties, discharge of certain statutory liens, performance under material contracts, compliance with applicable laws and regulations, preservation of adequate insurance coverage, and maintenance of proper books of record and account.

Escrow of Aldabra Founders Shares. All of the shares of the Company's common stock that were issued to the founders of Aldabra, including Messrs. Leight, Deutsch and Weiss and their respective affiliates, in exchange for their Aldabra common stock that was issued prior to Aldabra's initial public offering, were placed in escrow with Continental Stock Transfer & Trust Company, as escrow agent, until the earliest of:

- February 17, 2008; or
- the consummation of a liquidation, merger, stock exchange or other similar transaction which results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property subsequent to our consummating a business combination with a target business.

During the escrow period, these shares cannot be sold, but the holders of these shares will retain all other rights as stockholders, including, without limitation, the right to vote their shares of common stock and the right to receive cash dividends, if declared. If dividends are declared and payable in shares of common stock, such dividends will also be placed in escrow.

Family Relationships

In March of 2007, the Company hired Kathleen J. Mackie as Assistant General Counsel of the Company. Ms. Mackie is the daughter of Douglas B. Mackie.

Review, Approval or Ratification of Transactions with Related Persons

Related Party Transaction Policies and Procedures. All interested transactions with related parties are subject to the Company's Related Party Transaction Policies and Procedures (the Related Party Transaction Policy), which is set forth in writing. The audit committee is responsible for applying the Related Party Transaction Policy. For purposes of the Related Party Transaction Policy, the terms interested transaction and related parties are defined as follows:

- interested transaction means any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (i) the aggregate amount involved will or may be expected to exceed \$100,000 in any calendar year; (ii) the Company is a participant; and (iii) any related party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than ten percent (10%) beneficial owner of another entity).
- related party means any (i) person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and proxy statement, even if they do not presently serve in that role) an executive officer, director or nominee for election as a director; (ii) greater than five percent (5%) beneficial owner of the Company's common stock; or (iii) immediate family member of any of the foregoing. Immediate family member includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person's home (other than a tenant or employee).

In determining the propriety of an interested transaction with a related party, the audit committee will take into account, among other factors it deems important, whether the interested transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related party's interest in the transaction.

The Company's Board of Directors has delegated to the chairman of the audit committee the authority to pre-approve or ratify (as applicable) any interested transaction with a related party in which the aggregate amount involved is expected to be less than \$500,000.

The audit committee has reviewed the following transactions and determined that each such transaction shall be deemed to be pre-approved or ratified under the terms of the Related Party Transaction Policy:

- *Employment of executive officers.* Any employment by the Company of an executive officer of the Company if:
 - the related compensation is required to be reported in the Company's proxy statement under Item 402 of the Securities and Exchange Commission's (SEC's) compensation disclosure requirements (generally applicable to named executive officers); or
 - the executive officer is not an immediate family member of another executive officer or director of the Company, the related compensation would be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements if the executive officer was a named executive officer, and the Company's Compensation Committee approved (or recommended that the Company's Board of Directors approve) such compensation.
- *Director compensation.* Any compensation paid to a director if the compensation is required to be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements.
- *Certain transactions with other companies.* Any transaction with another company at which a Related Person's only relationship is as an employee (other than an executive officer), director or beneficial owner of less than ten percent (10%) of that company's shares, if the aggregate amount involved does not exceed the greater of \$1,000,000 or two percent (2%) of that company's total annual revenues.
- *Certain Company charitable contributions.* Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a Related Person's only relationship is as an employee (other than an executive officer) or a director, if the aggregate amount involved does not exceed the greater of \$1,000,000 or two percent (2%) of the charitable organization's total annual receipts.
- *Transactions where all stockholders receive proportional benefits.* Any transaction where the Related Person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a *pro rata* basis (e.g. dividends).

The entering into of the amended and restated management equity agreement and the investor rights agreement were approved by our entire Board of Directors in connection with the Aldabra merger. Prior to the Aldabra merger, we did not have an independent audit committee, as we were a privately-held company.

MATTERS RELATED TO INDEPENDENT PUBLIC ACCOUNTANTS

Deloitte & Touche LLP has been appointed by the audit committee to be our independent registered public accounting firm for the fiscal year ending December 31, 2007. Stockholders are being asked to ratify the appointment of Deloitte & Touche LLP at the annual meeting pursuant to Proposal 3.

Professional Fees

The Company paid the following professional fees to its principal independent accountants, Deloitte & Touche LLP, for the years ended December 31, 2006 and 2005:

	Paid for the year ending December 31,	
	2006	2005
	in thousands	
Audit Fees(1)	\$ 962.0	\$ 638.3
Audit-Related Fees(2)		20.0
Tax Fees(3)	36.4	100.0
All Other Fees(4)		
Total	\$ 998.4	\$ 758.3

- (1) Audit fees for services related to the Company's annual audits and quarterly reviews performed in accordance with generally accepted accounting standards. Also included is \$228 in fees related to the Aldabra transactions.
- (2) The audit-related fees also include fees for audit of the Company's two 401(k) employee benefit plans in 2005.
- (3) Tax fees primarily include fees for tax planning and compliance related to the Company's international operations, individual tax advice and return preparation for expatriate employees, and other tax advice related to specific non-routine transactions.
- (4) The Company paid no fees to its principal independent accountants for other services.

Pre-Approval Policy for Independent Accountant Services

The audit committee has established a policy to pre-approve all audit and permissible non-audit services provided by Great Lakes' independent accountants. From time to time, however, circumstances may arise when it may become necessary to engage the independent accountants for additional services not contemplated in the original pre-approval. In those instances, the audit committee may also pre-approve services on a case-by-case basis. The audit committee may delegate pre-approval authority to one or more of its members. For the year ended December 31, 2006, the audit committee pre-approved all such audit and non-audit services, including tax services, provided by the independent accountants.

Report of the Audit Committee of the Board of Directors

With respect to fiscal 2006, the audit committee has: (i) reviewed and discussed the audited financial statements with management; (ii) discussed with its independent auditor, Deloitte & Touche LLP (Deloitte) the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and (iii) received the written disclosures and the letter from Deloitte required by Independence Standards Board Standard No. 1 (Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees), as adopted by the Public Company Accounting Oversight Board in Rule 3600T, and has discussed with Deloitte its independence.

Based on the foregoing review and discussions, the audit committee recommended to the Board of Directors that the audited financial statements be included in the Company's 2006 Annual Report on Form 10-K.

The audit committee did not meet during the fiscal year ended December 31, 2006.

The Audit Committee of the Board of Directors:

Jonathan W. Berger, Chairman
Bruce J. Biemeck
Peter R. Deutsch

43

MISCELLANEOUS

Solicitation of Proxies

The Company is paying the costs for the solicitation of proxies, including the cost of preparing and mailing this Proxy Statement. Proxies are being solicited primarily by mail, but in addition, the solicitation by mail may be followed by solicitation in person, or by telephone or facsimile, by regular employees of the Company without additional compensation. The Company will reimburse brokers, banks and other custodians and nominees for their reasonable out-of-pocket expenses incurred in sending proxy materials to the Company's stockholders. The Company has also engaged Morrow & Co., Inc. to assist in the solicitation of proxies for a fee of approximately \$6,500, plus re-imbusement for out-of-pocket expenses.

Proposals for the 2008 Annual Meeting

Pursuant to federal securities laws, any proposal by a stockholder to be presented at the 2008 annual meeting of stockholders and to be included in the Company's proxy statement must be received at the Company's executive office at 2122 York Road, Oak Brook, Illinois 60523, no later than the close of business on August 8, 2008. Proposals should be sent to the attention of the Company's Secretary. Pursuant to the Company's By-laws, in order for a stockholder's nominee for election as a director or any other business to be properly brought before an annual meeting of stockholders, the stockholder must give written notice of such stockholder's intent to bring a matter before the annual meeting no earlier than July 10, 2008, and no later than August 8, 2008. If the 2008 annual meeting is called for a date that is not within 30 days of the anniversary of the 2007 annual meeting, written notice of such stockholder's intent to bring a matter before the annual meeting must be received not later than the close of business on the tenth day following the date on which the first public disclosure of the date of the annual meeting is made. Each such notice should be sent to the attention of the Company's Secretary, and must set forth certain information with respect to the stockholder who intends to bring such matter before the meeting and the business desired to be conducted, as set forth in greater detail in the Company's By-laws.

General

The Company's Annual Report to Stockholders for the fiscal year ended December 31, 2006 is being mailed to stockholders together with this Proxy Statement. The Annual Report to Stockholders is not part of the soliciting materials.

Other Matters

The Board knows of no other matters that will be presented for consideration at the 2007 annual meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

Deborah A. Wensel
Secretary

October 3, 2007

VOTE BY INTERNET OR TELEPHONE

QUICK * * * EASY * * * IMMEDIATE

Great Lakes Dredge & Dock Corporation

Voting by telephone or Internet is quick, easy and immediate. As a stockholder of Great Lakes Dredge & Dock Corporation, you have the option of voting your shares electronically through the Internet or on the telephone, eliminating the need to return the proxy card. Your electronic vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated and returned the proxy card. Votes submitted electronically over the Internet or by telephone must be received by 7:00 p.m., Eastern Standard Time, on November 6, 2007.

Vote Your Proxy on the Internet:

Go to www.continentalstock.com.

Have your proxy card available when you access the above website. Follow the prompts to vote your shares.

Vote Your Proxy by Phone:

Call 1 (866) 894-0537.

Use any touch-tone telephone to vote your proxy. Have your proxy card available when you call. Follow the voting instructions to vote your shares.

PLEASE DO NOT RETURN THE PROXY CARD IF YOU ARE VOTING ELECTRONICALLY OR BY PHONE

Vote Your Proxy by mail:

Mark, sign, and date your proxy card, then detach it, and return it in the postage-paid envelope provided.

FOLD AND DETACH HERE AND READ THE REVERSE SIDE

PROXY

Please mark your vote like this X

WHEN PROPERLY EXECUTED, THIS PROXY WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR EACH OF THE FOLLOWING PROPOSALS.

Table with columns: FOR the nominee listed to the left, WITHHOLD AUTHORITY to vote for the nominee listed to the left, FOR, AGAINST, ABSTAIN. Row 1: Election of two directors nominated by the Board of Directors. Row 2: 2. To approve the Great Lakes Dredge & Dock Corporation 2007 Long-Term Incentive Plan.

Edgar Filing: Great Lakes Dredge & Dock CORP - Form DEF 14A

01 Douglas S.
Grissom, and

02 Jonathan W.
Berger

o o

FOR **AGAINST** **ABSTAIN**
o o o

3. To ratify the appointment of Deloitte and Touche LLP as the independent auditor of the Company for the fiscal year ending December 31, 2007.

4. In his or her discretion, upon such other matters as may properly come before the meeting.

Said attorneys and proxies, or their substitutes (or if only one, that one), at said meeting, or any adjournments thereof, may exercise all of the powers hereby given. Any proxy heretofore given is hereby revoked.

Receipt is acknowledged of the Notice of Annual Meeting of Stockholders, the Proxy Statement accompanying such Notice and the Annual Report to Stockholders for the fiscal year ended December 31, 2006.

COMPANY ID:

PROXY NUMBER:

ACCOUNT NUMBER:

Signature

Signature

Date

, 2007.

Note: If shares are held jointly, both holders should sign. Attorneys, executors, administrators, trustees, guardians or others signing in a representative capacity should give their full titles. Proxies executed in the name of a corporation should be signed on behalf of the corporation by its president or other authorized officer.

FOLD AND DETACH HERE AND READ THE REVERSE SIDE

GREAT LAKES DREDGE & DOCK CORPORATION

PROXY

Annual Meeting of Shareholders

November 7, 2007

(Solicited On Behalf Of the Board of Directors)

The undersigned stockholder of Great Lakes Dredge & Dock Corporation hereby constitutes and appoints Douglas B. Mackie and Deborah A. Wensel, each of them acting singly, as the attorney and proxy of the undersigned, with full power of substitution and revocation, to vote for and in the name, place and stead of the undersigned at the 2007 annual meeting of stockholders of Great Lakes Dredge & Dock Corporation (the Company) to be held at the Doubletree Hotel, 1909 Spring Road, Oak Brook, Illinois 60523 on Wednesday, November 7, 2007 at 10:00 A.M. Central Standard Time, and at any adjournments thereof, the number of votes the undersigned would be entitled to cast if present.

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

