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

FORM 8-K

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

Date of Report: (Date of earliest event reported): January 27, 2017

Diamond Offshore Drilling, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13926
(Commission
file number)

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

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

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

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

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

Executive Retention Plan

On January 27, 2017, the Board of Directors (the “Board”) of Diamond Offshore Drilling, Inc. (the “Company”) adopted an executive retention plan (the “Retention Plan”) upon the recommendation of the Compensation Committee of the Board (the “Committee”). The Committee has awarded retention payments under the Retention Plan to three Company executives designated by the Committee. The Retention Plan and the retention agreement (“Retention Agreement”) between each such executive and the Company provide that the Company will pay each such executive (a) a 2018 Retention Payment if such executive remains actively employed in Good Standing in accordance with the Retention Plan through January 1, 2018 and further through the payment of the 2018 Retention Payment and (b) a 2019 Retention Payment if such executive remains actively employed in Good Standing in accordance with the Retention Plan through January 1, 2019 and further through the payment of the 2019 Retention Payment. The Retention Plan provides that an executive will be deemed to be in “Good Standing” if he or she (i) has remained actively employed by the Company and/or its subsidiary from the date of his or her Retention Agreement through the payment date, not on a leave of any kind (other than a legally protected leave) and not subject to any performance improvement plan and (ii) has remained at all times in full compliance with all agreements between him or her and the Company and/or its subsidiaries and all policies of the Company and/or its subsidiaries. If earned, the 2018 Retention Payment will be paid in a lump sum in cash on or before March 1, 2018 and the 2019 Retention Payment will be paid in a lump sum in cash on or before March 1, 2019.

Retention Payments

The Committee awarded each executive named below a 2018 Retention Payment and a 2019 Retention Payment in the respective amounts set forth below, in each case on the terms and subject to the conditions of the Retention Plan and such executive’s Retention Agreement:

Executive	2018 Retention Payment	2019 Retention Payment
Marc Edwards	\$ 1,500,000	\$ 1,500,000
Ronald Woll	\$ 750,000	\$ 750,000
Kelly Youngblood	\$ 440,000	\$ 440,000

The foregoing description of the Retention Plan and Retention Agreements does not purport to be complete and is qualified in its entirety by the full text of the Retention Plan and form of Retention Agreement, copies of which are filed as Exhibits 10.1 and 10.2 and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits

(d) *Exhibits.*

<u>Exhibit number</u>	<u>Description</u>
10.1	Diamond Offshore Executive Retention Plan
10.2	Form of Retention Agreement

SIGNATURES

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

Date: January 31, 2017

DIAMOND OFFSHORE DRILLING, INC.

By: /s/ DAVID L. ROLAND

David L. Roland

Senior Vice President, General Counsel and Secretary

**DIAMOND OFFSHORE
EXECUTIVE RETENTION PLAN**

Section 1. Purpose.

The purpose of this Plan is to motivate and reward certain executives of the Company, identified herein as the Participants, to continue in the service of the Company by providing each Participant who remains actively employed by the Company in Good Standing until the time of payment with a Payment, thereby advancing the interests of the Company and its stockholders. The Compensation Committee, in consultation with the Board of Directors of the Company, has determined that an eligible Participant shall be entitled to receive the Retention Payments, as described further below, in the event the Participant remains an active employee of the Company in Good Standing at all times through the respective payment dates, subject to the terms and conditions of this Plan and the respective Retention Agreement. The payment of any Payment under this Plan shall be subject to the satisfaction in full of all of the terms and conditions stated in this Plan and the Retention Agreement.

Section 2. Definitions.

For purposes of this Plan, the following terms shall have the following meanings:

2.1 “2018 Retention Payment” shall mean, with respect to any Participant, the 2018 retention payment as reflected in such Participant’s Retention Agreement.

2.2 “2019 Retention Payment” shall mean, with respect to any Participant, the 2019 retention payment as reflected in such Participant’s Retention Agreement.

2.3 “Company” shall mean Diamond Offshore Drilling, Inc. and/or its Subsidiaries.

2.4 “Compensation Committee” shall mean the Compensation Committee of the Board of Directors of the Company.

2.5 “Good Standing” shall mean the Participant:

(i) has remained actively employed by the Company from the date of the applicable Retention Agreement through the payment date, not on a leave of any kind (other than a legally protected leave) and not subject to any performance improvement plan; and

(ii) has remained at all times in full compliance with all agreements between the Participant and the Company and all policies of the Company.

2.6 “Participant” shall mean an employee of the Company who has been designated to participate in the Plan by the Compensation Committee and has received and executed a Retention Agreement.

2.7 “Payment” shall mean the 2018 Retention Payment and/or the 2019 Retention Payment, as applicable.

2.8 “Person” shall mean any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

2.9 “Plan” shall mean this Diamond Offshore Executive Retention Plan.

2.10 “Retention Agreement” shall mean an agreement between the Company and a Participant setting forth terms and conditions with respect to such Participant’s Retention Payments. Such agreement shall be in such form or forms as the Compensation Committee shall determine.

2.11 “Retention Payments” shall mean, with respect to any Participant, the 2018 Retention Payment, if any, and/or the 2019 Retention Payment, if any, as applicable, with respect to such Participant.

2.12 “Subsidiary” shall mean any entity in which the Company directly or indirectly owns more than 50% of the outstanding equity or other ownership interests.

Section 3. Administration.

This Plan shall be administered by the Compensation Committee. The Compensation Committee shall have full authority, in its sole and absolute discretion, to construe and interpret this Plan and the Retention Agreements entered into pursuant to this Plan and (i) to select the Participants; (ii) to determine the Retention Payments for each Participant to be set forth in such Participant’s Retention Agreement; (iii) to determine the other terms and conditions of each Participant’s Retention Agreement; (iv) to determine whether all conditions precedent to the Retention Payments have been satisfied, including, but not limited to, whether the employee has been employed in Good Standing through the payment date; (v) to exercise its discretion with respect to the powers and rights granted to it as set forth in this Plan; and (vi) generally, to exercise such powers, to perform such acts and to take any and all action as deemed necessary or advisable to promote the best interests of the Company with respect to this Plan. All decisions and determinations by the Compensation Committee in the exercise of this power shall be final, binding and conclusive upon the Company, the Participants and all other Persons having any interest therein.

To the extent that this Plan and the Retention Agreements are assigned to a successor employer, the Compensation Committee’s role as described in Section 3 shall be replaced by an appropriate body as designated by the successor employer, and the Company shall have no further liability with respect to this Plan and the Retention Agreements.

Section 4. Retention Agreements.

The Compensation Committee shall cause the Company to prepare and execute a Retention Agreement for each Participant.

4.1 Retention Payments. Each Retention Agreement shall set forth the terms and conditions pursuant to which the Retention Payments shall be payable. Notwithstanding any provision herein to the contrary, the Company shall have no obligation to make a payment thereunder in the event that (i) in the case of the 2018 Retention Payment, the Participant's employment with the Company terminates for any reason prior to the date of payment of such 2018 Retention Payment, the Participant is not in Good Standing through the date of payment or the Participant has on or before such date of payment served notice to terminate his or her employment, and (ii) in the case of the 2019 Retention Payment, the Participant's employment with the Company terminates for any reason prior to the date of payment of such 2019 Retention Payment, the Participant is not in Good Standing through the date of payment or the Participant has on or before such date of payment served notice to terminate his or her employment.

4.2 General. Upon execution by the Company and a Participant, each Retention Agreement shall be a binding obligation of the Company and such Participant.

Section 5. Assignments.

This Plan shall be binding upon and shall inure to the benefit of the Company and its successors and assigns, and the Company shall have the right to assign its obligations under this Plan and any Retention Agreements, in whole or in part, to any successor employer or its affiliates, in which case the Company shall have no further liability with respect to the assigned obligations pursuant to this Plan and the Retention Agreements.

Section 6. Effective Date; Amendments.

6.1 This Plan is effective as of January 1, 2017.

6.2 This Plan, and all awards made hereunder, may be amended or modified upon the approval of the Compensation Committee, provided that no such amendment or modification shall be effective with respect to any Participant or any Participant's Retention Agreement if such amendment or modification is adverse to such Participant unless such Participant consents in writing to such modification or amendment.

Section 7. General.

7.1 This Plan and the granting of Retention Payments, as well as the other obligations of the Company under this Plan, shall be subject to, and is intended to comply with, all applicable federal and state laws, rules and regulations. The place and administration of this Plan shall be conclusively deemed to be within the State of Texas and the validity, construction, interpretation, administration and effect of this Plan, and the rights of any and all Persons having or claiming to have an interest therein or thereunder shall be governed by, and determined exclusively and solely in accordance with, the laws of the State of Texas, to the extent not superseded by applicable federal law. If any provisions of this Plan shall be held unlawful or otherwise invalid or unenforceable in whole or in part, the unlawfulness, invalidity or unenforceability shall not affect any other provisions of this Plan or part thereof, each of which shall remain in full force and effect.

7.2 Notwithstanding any provision herein to the contrary, no provision in this Plan or in the Retention Agreement shall be interpreted to obligate the Company to retain a Participant in its employ for any period of time or to interfere with or limit in any way the right of the Company to terminate such Participant's employment. Nothing contained in this Plan and no action taken pursuant to the provisions of this Plan shall create or be considered to create a trust or fund of any kind or fiduciary relationship between the Company or any successor employer or any of its affiliates and any Participant or any of its other employees or a security interest of any kind in any property of the Company or any successor employer or any of its affiliates in favor of any Participant herein or any other Person.

7.3 The Company shall withhold from any amount payable hereunder to a Participant such amount as shall be sufficient to satisfy all Federal, state, local, and foreign withholding tax requirements relating thereto.

7.4 No Participant or any other party claiming an interest in amounts earned under the Plan shall have any interest whatsoever in any specific asset of the Company. To the extent that any party acquires a right to receive payments under the Plan, such right shall be equivalent to that of an unsecured general creditor of the Company.

7.5 Participants will not be eligible to accelerate or defer payments of Retention Payments under this Plan for any reason.

7.6 It is intended that payments under this Plan meet the short-term deferral exception under Internal Revenue Code Section 409A (including, but not limited to, any future amendments to Code section 409A, and any other Internal Revenue Service ("IRS") or other governmental rulings, regulations or interpretations (collectively, "Section 409A"). If not exempt, the payments and benefits payable pursuant to this Plan and any Retention Agreement are intended to comply with Section 409A, to the extent the requirements of Section 409A are applicable hereto, and the provisions of this Plan and any Retention Agreement shall be construed and administered in a manner consistent with that intention. In furtherance thereof, if payment or provision of any amount or benefit hereunder that is subject to Section 409A at the time specified herein would subject such amount or benefit to any additional tax under Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or provision of such amount or benefit could be made without incurring such additional tax. In addition, to the extent that any IRS guidance issued under Section 409A would result in the Participant being subject to the payment of interest or any additional tax under Section 409A, the Company shall, to the extent reasonably possible and as allowed by applicable treasury regulations, amend this Plan in order to avoid the imposition of any such interest or additional tax under Section 409A, which amendment shall have the minimum economic effect necessary and be reasonably determined in good faith by the Company. Without limiting the foregoing, the terms "terminates" or "termination of employment" or similar terms used in this Plan shall be interpreted to mean to occur when a "separation of service" occurs as defined under Section 409A.

**DIAMOND OFFSHORE
EXECUTIVE RETENTION PLAN**

RETENTION AGREEMENT

THIS RETENTION AGREEMENT (this "Agreement"), made as of _____, by and between Diamond Offshore Drilling, Inc. (the "Company") and [name of executive] (the "Executive"), sets forth the terms of the Executive's Retention Payments as provided under the Diamond Offshore Executive Retention Plan (the "Plan"). For the purpose of this Agreement, all capitalized terms used but not otherwise defined in this Agreement shall have the definition ascribed to them in the Plan.

1. Retention Payments. The Executive is entitled to the following Retention Payment, subject to the terms and conditions as set forth in this Agreement and the Plan:

Retention Payment. The Retention Payment consists of up to two payments: the 2018 Retention Payment (eligible to be paid in 2018) and the 2019 Retention Payment (eligible to be paid in 2019).

- a. 2018 Retention Payment. The 2018 Retention Payment is an amount equal to \$ _____. Provided the Executive remains actively employed in Good Standing with the Company from the date of this Agreement through January 1, 2018 and further through the payment of the 2018 Retention Payment, the Executive will receive the 2018 Retention Payment. If earned, the 2018 Retention Payment shall be paid in a single lump sum payment no later than March 1, 2018.
- b. 2019 Retention Payment. The 2019 Retention Payment is an amount equal to \$ _____. Provided the Executive remains actively employed in Good Standing with the Company from the date of this Agreement through January 1, 2019 and further through the payment of the 2019 Retention Payment, the Executive will receive the 2019 Retention Payment. If earned, the 2019 Retention Payment shall be paid in a single lump sum payment no later than March 1, 2019.
2. Successors: Binding Agreement. The Plan and this Agreement shall be binding upon and shall inure to the benefit of the Company and its successors and assigns, and the Company shall have the right to assign its obligations under the Plan and this Agreement, in whole or in part, to any successor employer or its affiliates, in which case the Company shall have no further liability with respect to the assigned obligations pursuant to the Plan and this Agreement.
3. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company and for which the Executive may qualify, nor shall anything herein limit or reduce such rights as the Executive may have under any other agreements with the Company.

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4. No Guaranteed Employment. The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is “at will” and may be terminated by either the Executive or the Company at any time. The terms of this Agreement and the Plan are not intended to and should not be construed as providing a guarantee of employment for a specific term or length of time.
 5. Consent. By executing this Agreement, the Executive hereby approves and consents to the terms of the Agreement.
 6. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and the Company or, in the event of assignment, the successor employer. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.
 7. Section 409A Considerations. All of the payments and benefits payable pursuant to this Agreement are intended to comply with, or be exempt from, Section 409A to the extent the requirements of Section 409A are applicable hereto, and the provisions of this Agreement shall be construed and administered in a manner consistent with that intention. Notwithstanding anything herein to the contrary, (i) if at the time of Executive’s termination of employment with the Company, Executive is a “specified employee” as defined in Section 409A, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Executive) to the extent necessary to comply with the requirements of Section 409A until the first business day that is more than six (6) months following Executive’s termination of employment with the Company (or the earliest date as is permitted under Section 409A) and (ii) if any other payments of money or other benefits due to Executive hereunder could cause the application of an accelerated or additional tax under Section 409A, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Section 409A, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by the Compensation Committee or the Company’s Board of Directors, that does not cause such an accelerated or additional tax. In the event that payments under this Agreement are deferred pursuant to this paragraph in order to prevent any accelerated tax or additional tax under Section 409A, then such payments shall be paid at the time specified hereunder without any interest thereon. For purposes of Section 409A, each payment made under this Agreement shall be designated as a “separate payment” within the meaning of Section 409A. Without limiting the foregoing, the terms “terminates” or “termination of employment” or similar terms used in the Plan shall be interpreted to mean to occur when a “separation of service” occurs as defined under Section 409A.

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8. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas without giving effect to the conflict of laws principles thereof. Any action brought by any party to this Agreement shall be brought and maintained in a court of competent jurisdiction in the State of Texas and Executive and the Company hereby consent to the personal jurisdiction in the State of Texas of all such actions.
 9. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.
 10. Entire Agreement. This Agreement (together with the Plan) constitutes the entire agreement between the parties hereto and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof except that any non-solicitation, confidentiality and/or return of property agreements between the parties are not superseded but expressly preserved by this Agreement.
 11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has executed this Agreement as of the day and year first above written.

DIAMOND OFFSHORE DRILLING, INC.

By: _____
Name:
Title:

EXECUTIVE
