
Section 1: 8-K (FORM 8-K)

**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): November 22, 2016 (November 17, 2016)

ATWOOD OCEANICS, INC.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction
of incorporation)

1-13167
(Commission
File Number)

74-1611874
(I.R.S. Employer
Identification No.)

**15011 Katy Freeway, Suite 800,
Houston, Texas**
(Address of principal executive offices)

77094
(Zip Code)

Registrant's telephone number, including area code: (281) 749-7800

N/A
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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.

Approval of Forms of Long-Term Incentive Awards

On November 17, 2016, the compensation committee (the “Committee”) of the board of directors of Atwood Oceanics, Inc. (the “Company”) approved forms of Notice of Performance Unit Grant (“PSU Agreement”), Notice of Restricted Stock Unit Award (“RSU Agreement”), Notice of Cash-Settled Performance Unit Grant (“Cash-Settled PSU Agreement”), Notice of Cash-Settled Restricted Stock Unit Award (“Cash-Settled RSU Agreement”) and Notice of Nonemployee Director Restricted Stock Unit Award (“Director RSU Agreement”), which forms of awards will govern the terms of certain long-term incentive awards to be granted to the Company’s directors and executive officers, as applicable, under the Atwood Oceanics, Inc. 2013 Long-Term Incentive Plan (the “Plan”).

The PSU Agreement and Cash-Settled PSU Agreement each provide for vesting upon the completion of a three-year performance period which consists of four measurement periods with 50% of the award measured annually over three one-year performance periods and 50% of the award measured at the end of the three-year performance period. The amount in which the grantee vests at the completion of the three-year performance period ranges from 0% to 200% and is determined by comparing the Company’s total shareholder return relative to the total shareholder return of a pre-selected peer group for each of the measurement periods, subject to the grantee’s continuous service through such determination date. Awards under the PSU Agreement are settled in the Company’s common stock and awards under the Cash-Settled PSU Award Agreement are settled in cash based on the fair market value of the shares of the Company’s common stock.

Under the RSU Agreement and Cash-Settled RSU Agreement, each grantee is awarded a number of non-transferable restricted stock units. The restricted stock units vest, subject to certain conditions, in substantially equal installments on each anniversary date of the date of grant during the three-year period beginning on the date of grant. Awards under the RSU Agreement are settled in the Company’s common stock and awards under the Cash-Settled RSU Award Agreement are settled in cash based on the fair market value of the shares of the Company’s common stock.

Awards under the Cash-Settled RSU Agreement and Cash-Settled PSU Agreement are subject to cash award limits under the Plan. In the event that the amount payable under the Cash-Settled RSU Agreement and Cash-Settled PSU Agreement exceed such limits, such excess amount, without interest, will be payable on the first day of the next taxable year in which the deduction would be permitted under Section 162(m) of the Internal Revenue Code and any such amount will be applied toward and result in an appropriate reduction of other cash awards payable in that year that are subject to a shareholder-approved limit under Section 162(m) of the Internal Revenue Code.

Under the Director RSU Agreement, each nonemployee director is awarded a number of non-transferable restricted stock units. The restricted stock units vest, subject to certain conditions, in substantially equal installments on each monthly anniversary date of the date of grant during the twelve-month period beginning on the date of grant. Awards under the Director

RSU Agreement are settled in the Company's common stock within 15 days following the earlier of expiration of such twelve-month period and the nonemployee director's separation of service. If a director's service terminates for any reason, any unvested restricted stock units shall be automatically forfeited on the date of termination of service.

The foregoing description of the forms of the PSU Agreement, the RSU Agreement, the Cash-Settled PSU Agreement, the Cash-Settled RSU Agreement and the Director RSU Agreement is not complete and is qualified in its entirety by reference to the full text of such forms, which are filed as Exhibit 10.1, Exhibit 10.2, Exhibit 10.3, Exhibit 10.4 and Exhibit 10.5, respectively, to this Current Report on Form 8-K and incorporated by reference into this Item 5.02.

Item 9.01 Financial Statements and Exhibits.

(d) EXHIBITS

- 10.1 Form of Notice of Performance Unit Grant.
- 10.2 Form of Notice of Restricted Stock Unit Award.
- 10.3 Form of Notice of Cash-Settled Performance Unit Grant.
- 10.4 Form of Notice of Cash-Settled Restricted Stock Unit Award.
- 10.5 Form of Notice of Nonemployee Director Restricted Stock Unit Award.

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.

ATWOOD OCEANICS, INC.
(Registrant)

By: /s/ Mark W. Smith
Mark W. Smith
Senior Vice President and Chief Financial Officer

Date: November 22, 2016

[\(Back To Top\)](#)

Section 2: EX-10.1 (EX-10.1)

Exhibit 10.1



[Date]

TO:

FROM:

RE: Performance Unit Grant

Atwood Oceanics, Inc. (the “Company”) hereby grants to you, effective as of _____ (the “Date of Grant”), _____ performance units (each a “Performance Unit”) (the “Target Amount”) under the Atwood Oceanics, Inc. 2013 Long-Term Incentive Plan (the “Plan”), subject to the Terms and Conditions of Performance Unit Grant, attached hereto as Appendix A (the “Terms and Conditions”). The Performance Units represent the opportunity to receive a number of shares of Common Stock based on the “Payout Percentage” as defined in the Terms and Conditions. The number of Performance Units that become “Earned Performance Units”, as defined in the Terms and Conditions, will be between 0% and 200% of the Target Amount. The number of Performance Units is subject to adjustment as provided in Section 11 of the Plan.

Except as otherwise provided in Sections 3 or 4 of the Terms and Conditions, the Performance Units shall vest on the “Determination Date”, as defined in the Terms and Conditions; provided you remain continuously employed by the Company, its subsidiary or an affiliate throughout the three-year period following the Date of Grant.

The grant of Performance Units is governed by the terms and conditions of the Plan, any rules and regulations adopted by the Compensation and Human Resources Committee of the Board of Directors of the Company, and the Terms and Conditions which form a part of this award letter to you (the “Notice”). The Prospectus related to this offering can be referenced on myAtwood under Controlled Documents on the Human Resources site.

Sincerely,

**ATWOOD OCEANICS, INC.
2013 LONG-TERM INCENTIVE PLAN**

**TERMS AND CONDITIONS OF
PERFORMANCE UNIT GRANT**

The performance units (the "Performance Units") granted to you on the "Date of Grant" set forth in the award letter to you (the "Award Letter") by Atwood Oceanics, Inc. (the "Company") are subject to the 2013 Long-Term Incentive Plan (the "Plan"), these Terms and Conditions, including Exhibit A hereto, and any rules and regulations adopted by the Committee. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan and the Award Letter.

1. Determination of Earned Performance Units. The exact number of Performance Units that shall actually be earned by and issued to you shall be based upon the achievement by the Company of the performance standards as set forth in Exhibit A hereto over the three-year period beginning on _____ and ending on _____ (the "Total Performance Period"). The determination by the Committee with respect to the achievement of such performance standards shall be made as soon as administratively practicable following the Total Performance Period after all necessary Company and peer information is available. The specific date on which such determination is formally made and approved by the Committee is referred to as the "Determination Date". After the Determination Date, the Company shall notify you of the number of Performance Units, if any, that have become "Earned Performance Units" in accordance with Exhibit A and the corresponding number of shares of Common Stock to be issued to you in satisfaction of the award, subject to withholding as described in Section 11 below. The shares of Common Stock shall be issued to you on March 15 following the expiration of the Total Performance Period (the "Settlement Date").

The performance standards and the number of Performance Units which may be earned are based on your Target Amount specified in the Award Letter and the Company's Total Shareholder Return compared against the Peer Group. The methodology for calculating the number of Earned Performance Units, including the definitions used therefor, is set forth in Exhibit A hereto.

2. Vesting/Forfeiture. Except as otherwise provided in Sections 3 or 4 below, the Performance Units shall vest on the Determination Date, provided you are continuously employed by the Company Group throughout the Total Performance Period. If your employment with the Company, its subsidiary or an affiliate (collectively, the "Company Group") terminates for any reason other than by reason of your death or your inability to continue to actively work due to Disability, the Performance Units shall be automatically forfeited on the date of your termination of employment. Furthermore, the Performance Units are subject to forfeiture, in whole or in part, if the Committee or its designee determines, in its sole discretion, that you have taken any unlawful action detrimental to the Company or have violated Company policy; any such determination for an employee other than the Chief Executive Officer shall be based on the recommendation of the Chief Executive Officer.

3. Death or Disability. If during the Total Performance Period your employment with the Company Group is terminated by reason of your death or you become Disabled, the Performance Units shall automatically become fully vested and the number of Earned

Performance Units shall equal your Target Amount. The shares of Common Stock in respect of the Earned Performance Units shall be issued to you or your legal beneficiary, as applicable, thirty (30) days after your death or the date of your Disability, as applicable. For purposes of this award of Performance Units, you are considered to be “Disabled” or have a “Disability” on the date that you become eligible for long-term disability benefits pursuant to the Company’s long-term disability plan.

4. Change of Control. Notwithstanding the provisions of Sections 2 or 3 of these Terms and Conditions, in the event of a Change of Control during the Total Performance Period and prior to your termination of employment with the Company Group, the Performance Units shall automatically vest and the Committee shall determine in its sole discretion and based on such factors or methodology as the Committee deems appropriate the number of Performance Units that become Earned Performance Units provided however that the number of Earned Performance Units shall be no less than your Target Amount. Your shares of Common Stock in respect of the Earned Performance Units shall be issued to you thirty (30) days after the effective date of the Change of Control.

5. Dividend Equivalents. Upon the date of delivery of shares of Common Stock in settlement of Earned Performance Units, you shall also be entitled to receive a lump sum cash payment equal to the Dividend Equivalent Amount. For purposes of this award of Performance Units, “Dividend Equivalent Amount” means the sum of all cash dividends, if any, declared on shares of Common Stock you receive in settlement of Earned Performance Units where the record date is after the Date of Grant, but prior to the date such shares of Common Stock are distributed to you. Any Earned Performance Units shall be subject to adjustment under Section 11 of the Plan with respect to dividends or other distributions that are paid in shares of Common Stock.

6. Transferability. You may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of the shares of Common Stock subject to the Performance Units until and unless you receive a distribution of shares of Common Stock in respect of the Earned Performance Units.

7. No Right to Continued Employment. The award of Performance Units shall not create any right to remain in the employ of the Company Group. The Company Group retains the right to terminate your employment at will, for due cause or otherwise. Your employment, as it relates to the Total Performance Period, shall be deemed to continue during any leave of absence that has been authorized by the Company Group.

8. Other Plans. Nothing herein contained shall affect your right to participate in and receive benefits under and in accordance with the then current provisions of any pension, insurance, profit sharing or other plan or program of the Company Group.

9. Rights as Shareholder. You shall not be entitled to any of the rights or privileges of a shareholder of the Company, including the right to vote in respect of the shares of Common Stock, until and unless you receive a distribution of shares of Common Stock in respect of the Earned Performance Units.

10. Plan Governs. The Performance Units and the Notice are subject to all of the terms and conditions of the Plan, except that no amendment to the Plan shall adversely affect your rights under the Notice. All the terms and conditions of the Plan, as may be amended from time to time, and any rules, guidelines and procedures which may from time to time be established pursuant to the Plan are hereby incorporated into the Notice. In the event of a discrepancy between the Notice and the Plan, the Plan shall govern.

11. Withholding. Upon the delivery of shares of Common Stock to you, the Company Group shall withhold from the Common Stock that otherwise would have been delivered to you, an appropriate number of shares of Common Stock, having a Fair Market Value determined in accordance with the Plan, equal to the amount necessary to satisfy the minimum federal, state and local tax withholding obligation with respect to your Earned Performance Units.

12. Code Section 409A; No Guarantee of Tax Consequences. The award of Performance Units is intended to be (i) exempt from Section 409A of the Code (“Section 409A”), including, but not limited to, by reason of compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4); or (ii) in compliance with Section 409A, and the provisions of the Notice shall be administered, interpreted and construed accordingly. Notwithstanding the foregoing provisions of the Notice, if you are a “specified employee” as such term is defined in Section 409A, any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within the meaning of Section 409A on account of separation from service (other than by reason of death) to you shall not be payable before the earlier of (i) the date that is 6 months after the date of your separation from service, (ii) the date of your death, or (iii) the date that otherwise complies with the requirements of Section 409A. In addition, notwithstanding the provisions of Section 4 of these Terms and Conditions, in the event of a Change of Control that does not meet the requirements of Treas. Reg. § 1.409A-3(i)(5), any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within the meaning of Section 409A shall be fully vested at a number of Earned Performance Units equal to your Target Amount but shall be settled on the earlier of (i) the Settlement Date, (ii) the date determined in accordance with the provisions of Section 3 of these Terms and Conditions, and (iii) the date of any subsequent event that would constitute a “change of control” that meets the requirements of Treas. Reg. § 1.409A-3(i)(5). To the extent required to comply with Section 409A, you shall be considered to have terminated employment with the Company when you incur a “separation from service” with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code, and you shall not be considered to be “Disabled” or to have a “Disability” unless the circumstances of the Disability meet the requirements of Treas. Reg. § 1.409A-3(i)(4). The Company makes no commitment or guarantee to you that any federal or state tax treatment shall apply or be available to any person eligible for benefits under the Notice.

13. Governing Law. The Plan and the Notice shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to conflicts of laws. The courts in Harris County, Texas shall be the exclusive venue for any dispute regarding the Plan or the Notice.

Exhibit A

Methodology for Calculating Earned Performance Units

A. Definitions. For purposes of determining the number of shares of Common Stock issuable to you in respect of the Earned Performance Units, the following definitions shall apply:

- (1) Annual Ending Share Price means, for each fiscal year in the Total Performance Period, the average closing price of shares over 30 trading days comprised of: 15 trading days prior to the Annual Performance End Date, the Annual Performance End Date, and the 14 trading days after the Annual Performance End Date.
- (2) Annual Performance Beginning Date means each of _____, _____ and _____, as applicable.
- (3) Annual Performance End Date means each of _____, _____ and _____, as applicable.
- (4) Annual Starting Share Price means, for each fiscal year in the Total Performance Period, the average closing price of the shares over 30 trading days comprised of: 15 trading days prior to Annual Performance Beginning Date, Annual Performance Beginning Date, and the 14 trading days after Annual Performance Beginning Date.
- (5) Ending Share Price means the average closing price of shares over 90 trading days comprised of: 45 trading days prior to the Performance End Date, the Performance End Date, and the 44 trading days after the Performance End Date.
- (6) Peer Group means Seadrill Ltd., Transocean Ltd., Ensco plc, Noble Corporation, Diamond Offshore Drilling, Inc. and Rowan Companies plc to the extent such entities or their successors are in existence and publicly traded as of the Performance End Date.
- (7) Performance End Date means _____.
- (8) Starting Share Price means the average closing price of the shares over 90 trading days comprised of: 45 trading days prior to _____, _____, and the 44 trading days after _____.
- (9) Total Performance Period means the period beginning on _____ and ending _____.
- (10) Total Shareholder Return means common stock price growth for each entity over the Total Performance Period or a fiscal year within the Total Performance Period, as applicable, as measured by dividing the sum of the cumulative amount of dividends for the Total Performance Period or a fiscal year within the Total Performance Period, as applicable, assuming dividend reinvestment, and the

difference between the entity's Ending Share Price or Annual Ending Share Price, as applicable, and the Starting Share Price or Annual Starting Share Price, as applicable; by the entity's Starting Share Price or Annual Starting Share Price, as applicable.

In the event that any of the calendar dates specified in the definitions above are not trading days, then such date shall refer to the next trading day.

B. Methodology.

For purposes of determining the number of shares of Common Stock issuable to you in respect of the Earned Performance Units, for the Total Performance Period and for each fiscal year within the Total Performance Period, the Committee shall:

- (1) calculate the Total Shareholder Return for the Company and each company in the Peer Group;
- (2) rank the Company and each member of the Peer Group based on Total Shareholder Return with the company having the highest Total Shareholder Return ranking in the first position and the company with the lowest Total Shareholder Return ranking in the seventh position.
- (3) determine the number of Earned Performance Units based on the Seven Company Payout Schedule below:

<u>Atwood Ranking</u>	<u>Seven Company Payout Schedule</u>	<u>Payout Percentage</u>
1		200%
2		150%
3		100%
4		75%
5		50%
6		0%
7		0%

- (4) for purposes of determining the Earned Performance Units for each fiscal year within the Total Performance Period, multiply the Payout Percentage by 16 2/3% of your Target Amount and for purposes of determining the Earned Performance Units for the Total Performance Period, multiply the Payout Percentage by 50% of your Target Amount.

If any calculation with respect to the Earned Performance Units would result in a fractional share, the number of shares of Common Stock to be issued shall be rounded down to the nearest whole share.

C. Peer Group Changes.

- (a) If, as a result of merger, acquisition or a similar corporate transaction, a member of the Peer Group ceases to be publicly traded (an "Affected Peer Company")

(i) prior to July 1, _____, the Affected Peer Company shall not be included in the Seven Company Payout Schedule and the following alternative schedules shall be used in its place:

<u>Six Company Payout Schedule</u>	
<u>Atwood Ranking</u>	<u>Payout Percentage</u>
1	200%
2	150%
3	100%
4	75%
5	50%
6	0%

<u>Five Company Payout Schedule</u>	
<u>Atwood Ranking</u>	<u>Payout Percentage</u>
1	200%
2	150%
3	100%
4	50%
5	0%

<u>Four Company Payout Schedule</u>	
<u>Atwood Ranking</u>	<u>Payout Percentage</u>
1	200%
2	100%
3	100%
4	0%

(ii) on or subsequent to July 1, _____, the Affected Peer Company shall remain in the Peer Group and its Ending Share Price shall be determined by assuming that its performance for the remainder of the Total Performance Period was equivalent to the arithmetic average (up or down) of the remaining members of the Peer Group over the remainder of the Total Performance Period.

(b) If a member of the Peer Group declares bankruptcy, it shall be deemed to remain in the Peer Group until the Performance End Date and shall occupy the lowest ranking in the Payout Schedule.

[\(Back To Top\)](#)

Section 3: EX-10.2 (EX-10.2)

Exhibit 10.2



[Date]

TO:

FROM:

RE: Restricted Stock Unit Award

Atwood Oceanics, Inc. (the "Company") hereby awards to you, effective as of _____ (the "Date of Grant"), _____ restricted stock units (the "Restricted Stock Units") evidencing the right to receive an equivalent number of shares of Common Stock, \$1.00 par value, subject to adjustment as provided in Section 11 of the Atwood Oceanics, Inc. 2013 Long-Term Incentive Plan (the "Plan").

Except as otherwise provided in Sections 2 or 3 of the Terms and Conditions of Restricted Stock Unit Award, attached hereto as Appendix A (the "Terms and Conditions"), the Restricted Stock Units will vest in substantially equal installments on each anniversary of Date of Grant (each a "Vesting Date") during the three year period beginning on the Date of Grant; provided you remain continuously employed by the Company, its subsidiary or an affiliate on each Vesting Date.

The award of Restricted Stock Units is governed by the terms and conditions of the Plan, any rules and regulations adopted by the Compensation and Human Resources Committee of the Board of Directors of the Company ("Committee"), and the Terms and Conditions which form a part of this

award letter to you (the "Notice"). The Prospectus related to this offering can be referenced on myAtwood under Controlled Documents on the Human Resources site.

Sincerely,

ATWOOD OCEANICS, INC.
2013 LONG-TERM INCENTIVE PLAN

TERMS AND CONDITIONS OF
RESTRICTED STOCK UNIT AWARD

The restricted stock units (the “Restricted Stock Units”) awarded to you on the “Date of Grant” set forth in the award letter to you (the “Award Letter”) by Atwood Oceanics, Inc. (the “Company”) are subject to the 2013 Long-Term Incentive Plan (the “Plan”), these Terms and Conditions and any rules and regulations adopted by the Committee. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan and the Award Letter.

1. **Vesting/Forfeiture.** Except as otherwise accelerated pursuant to Sections 2 or 3 below, the Restricted Stock Units shall vest in substantially equal installments on each anniversary of the Date of Grant (each a “Vesting Date”) during the three year period beginning on the Date of Grant (the “Restriction Period”). If your employment with the Company, its subsidiary or an affiliate (collectively, the “Company Group”) terminates for any reason other than by reason of your death, the unvested portion of the Restricted Stock Units shall be automatically forfeited on the date of your termination of employment. Furthermore, the Restricted Stock Units are subject to forfeiture, in whole or in part, if the Committee or its designee determines, in its sole discretion, that you have taken any unlawful action detrimental to the Company or have violated Company policy; any such determination for an employee other than the Chief Executive Officer shall be based on the recommendation of the Chief Executive Officer.
2. **Termination of Employment; Death or Disability.** If your employment with the Company Group is terminated by reason of your death during the Restriction Period or if you become Disabled during the Restriction Period, the unvested Restricted Stock Units will automatically become fully vested and the Restriction Period shall terminate on the date of your death or on the date of your Disability, as applicable. For purposes of this award of Restricted Stock Units, you are considered to be “Disabled” or have a “Disability” on the date that you become eligible for long-term disability benefits pursuant to the Company’s long-term disability plan.
3. **Change of Control.** Notwithstanding the provisions of Sections 1 or 2 of these Terms and Conditions, in the event of a Change of Control, the unvested Restricted Stock Units shall automatically vest and the Restriction Period shall terminate.
4. **Settlement and Delivery of Common Stock.** Settlement of the vested Restricted Stock Units shall be made no later than 15 days after each Vesting Date. In the event of vesting pursuant to Sections 2 or 3, the Restricted Stock Units shall be

settled with you or your legal beneficiary, as applicable, no later than 15 days after the date of your death, Disability or Change of Control, as applicable. In addition, upon the date of delivery of shares of Common Stock in settlement of Restricted Stock Units, you shall also be entitled to receive a lump sum cash payment equal to the Dividend Equivalent Amount. Notwithstanding the foregoing, the Company shall not be obligated to issue any shares of Common Stock if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Stock is listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the issuance of shares of Common Stock to comply with any such law, rule, regulation or agreement. For purposes of this award of Restricted Stock Units, "Dividend Equivalent Amount" means the sum of all cash dividends, if any, declared on shares of Common Stock you receive in settlement of Restricted Stock Units where the record date is after the Date of Grant, but prior to the date such shares of Common Stock are distributed to you.

5. Transferability. You may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of the Restricted Stock Units during the Restriction Period.
6. No Right to Continued Employment. The award of Restricted Stock Units shall not create any right to remain in the employ of the Company Group. The Company Group retains the right to terminate your employment at will, for due cause or otherwise. Your employment, as it relates to the Restriction Period, shall be deemed to continue during any leave of absence that has been authorized by the Company Group.
7. Other Plans. Nothing herein contained shall affect your right to participate in and receive benefits under and in accordance with the then current provisions of any pension, insurance, profit sharing or other plan or program of the Company Group.
8. Rights as Shareholder. You shall not be entitled to any of the rights or privileges of a shareholder of the Company in respect of any shares of Common Stock unless and until the Restricted Stock Units have been settled by the issuance of Common Stock to you. If, from time to time during the Restriction Period, there is any capital adjustment affecting the outstanding Common Stock as a class without the Company's receipt of consideration, the unvested Restricted Stock Units shall be adjusted in accordance with the provisions of Section 11 of the Plan.
9. Plan Governs. The Restricted Stock Units and the Notice are subject to all of the terms and conditions of the Plan, except that no amendment to the Plan shall adversely affect your rights under the Notice. All the terms and conditions of the Plan, as may be amended from time to time, and any rules, guidelines and procedures which may from time to time be established pursuant to the Plan are hereby incorporated into the Notice. In the event of a discrepancy between the Notice and the Plan, the Plan shall govern.

10. **Withholding.** At the time of issuance of Common Stock upon the vesting of the Restricted Stock Units, the Company shall withhold from the Common Stock that otherwise would have been delivered to you, an appropriate number of shares of Common Stock having a Fair Market Value determined in accordance with the Plan, equal to the amount necessary to satisfy the minimum federal, state and local tax withholding obligation with respect to the Restricted Stock Units. The distribution of shares of Common Stock described in Section 4 will be net of such shares of Common Stock that are withheld to satisfy applicable taxes pursuant to this Section 10.
11. **Code Section 409A; No Guarantee of Tax Consequences.** The award of Restricted Stock Units is intended to be (i) exempt from Section 409A of the Code (“Section 409A”) by compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4), or (ii) in compliance with Section 409A, and the provisions of the Notice will be administered, interpreted and construed accordingly. Notwithstanding the foregoing provisions of the Notice, if you are a “specified employee” as such term is defined in Section 409A, any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within the meaning of Section 409A on account of separation from service (other than by reason of death) to you shall not be payable before the earlier of (i) the date that is 6 months after the date of your separation from service, or (ii) the date that otherwise complies with the requirements of Section 409A. In addition, notwithstanding the provisions of Section 3 of these Terms and Conditions, in the event of a Change of Control that does not meet the requirements of Treas. Reg. § 1.409A-3(i)(5), any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within the meaning of Section 409A shall be fully vested but shall be settled on the third anniversary of the Date of Grant, or, if earlier, in accordance with the provisions of Section 2 of these Terms and Conditions. To the extent required to comply with Section 409A, you shall be considered to have terminated employment with the Company when you incur a “separation from service” with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code, and you shall not be considered to be “Disabled” or to have a “Disability” unless the circumstances of the Disability meet the requirements of Treas. Reg. § 1.409A-3(i)(4). The Company makes no commitment or guarantee to you that any federal or state tax treatment will apply or be available to any person eligible for benefits under the Notice.
12. **Governing Law.** The Plan and the Notice shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to conflicts of laws. The courts in Harris County, Texas shall be the exclusive venue for any dispute regarding the Plan or the Notice.

3

[\(Back To Top\)](#)

Section 4: EX-10.3 (EX-10.3)

Exhibit 10.3



[Date]

TO:

FROM:

RE: Cash-Settled Performance Unit Grant

Atwood Oceanics, Inc. (the “Company”) hereby grants to you, effective as of _____ (the “Date of Grant”), _____ cash-settled performance units (each a “Performance Unit”) (the “Target Amount”) under the Atwood Oceanics, Inc. 2013 Long-Term Incentive Plan (the “Plan”), subject to the Terms and Conditions of Cash-Settled Performance Unit Grant, attached hereto as Appendix A (the “Terms and Conditions”). The Performance Units represent the opportunity to receive the cash value of a number of shares of Common Stock based on the “Payout Percentage” as defined in the Terms and Conditions. The number of Performance Units that become “Earned Performance Units”, as defined in the Terms and Conditions, will be between 0% and 200% of the Target Amount. The number of Performance Units is subject to adjustment as provided in Section 11 of the Plan.

Except as otherwise provided in Sections 3 or 4 of the Terms and Conditions, the Performance Units shall vest on the “Determination Date”, as defined in the Terms and Conditions; provided you remain continuously employed by the Company, its subsidiary or an affiliate throughout the three-year period following the Date of Grant.

The grant of Performance Units is governed by the terms and conditions of the Plan, any rules and regulations adopted by the Compensation and Human Resources Committee of the Board of Directors of the Company, and the Terms and Conditions which form a part of this award letter to you (the “Notice”). The Prospectus related to this offering can be referenced on myAtwood under Controlled Documents on the Human Resources site.

Sincerely,

**ATWOOD OCEANICS, INC.
2013 LONG-TERM INCENTIVE PLAN**

**TERMS AND CONDITIONS OF
CASH-SETTLED PERFORMANCE UNIT GRANT**

The cash-settled performance units (the "Performance Units") granted to you on the "Date of Grant" set forth in the award letter to you (the "Award Letter") by Atwood Oceanics, Inc. (the "Company") are subject to the 2013 Long-Term Incentive Plan (the "Plan"), these Terms and Conditions, including Exhibit A hereto, and any rules and regulations adopted by the Committee. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan and the Award Letter.

1. Determination of Earned Performance Units. The exact number of Performance Units that shall actually be earned by and paid to you shall be based upon the achievement by the Company of the performance standards as set forth in Exhibit A hereto over the three-year period beginning on _____ and ending on _____ (the "Total Performance Period"). The determination by the Committee with respect to the achievement of such performance standards shall be made as soon as administratively practicable following the Total Performance Period after all necessary Company and peer information is available. The specific date on which such determination is formally made and approved by the Committee is referred to as the "Determination Date". After the Determination Date, the Company shall notify you of the number of Performance Units, if any, that have become "Earned Performance Units" in accordance with Exhibit A with respect to which you will receive a cash payment in satisfaction of the award, subject to withholding as described in Section 11 below. The Fair Market Value of the Earned Performance Units shall be determined as of the date that stock-settled performance units granted to you with the same Date of Grant as this award are settled in shares of Common Stock and shall be paid to you on March 15 following the expiration of the Total Performance Period (the "Settlement Date").

The performance standards and the number of Performance Units which may be earned are based on your Target Amount specified in the Award Letter and the Company's Total Shareholder Return compared against the Peer Group. The methodology for calculating the number of Earned Performance Units and the payments due with respect to the Earned Performance Units, including the definitions used therefor, is set forth in Exhibit A hereto.

2. Vesting/Forfeiture. Except as otherwise provided in Sections 3 or 4 below, the Performance Units shall vest on the Determination Date, provided you are continuously employed by the Company Group throughout the Total Performance Period. If your employment with the Company, its subsidiary or an affiliate (collectively, the "Company Group") terminates for any reason other than by reason of your death or your inability to continue to actively work due to Disability, the Performance Units shall be automatically forfeited on the date of your termination of employment. Furthermore, the Performance Units are subject to forfeiture, in whole or in part, if the Committee or its designee determines, in its sole discretion, that you have taken any unlawful action detrimental to the Company or have violated Company policy; any such determination for an employee other than the Chief Executive Officer shall be based on the recommendation of the Chief Executive Officer.

3. Death or Disability. If during the Total Performance Period your employment with the Company Group is terminated by reason of your death or you become Disabled, the Performance Units shall automatically become fully vested and the number of Earned Performance Units shall equal your Target Amount. The Fair Market Value as of the date of your death or Disability, as applicable, of the Earned Performance Units shall be paid to you or your legal beneficiary, as applicable, thirty (30) days after your death or the date of your Disability, as applicable. For purposes of this award of Performance Units, you are considered to be “Disabled” or have a “Disability” on the date that you become eligible for long-term disability benefits pursuant to the Company’s long-term disability plan.

4. Change of Control. Notwithstanding the provisions of Sections 2 or 3 of these Terms and Conditions, in the event of a Change of Control during the Total Performance Period and prior to your termination of employment with the Company Group, the Performance Units shall automatically vest and the Committee shall determine in its sole discretion and based on such factors or methodology as the Committee deems appropriate the number of Performance Units that become Earned Performance Units provided however that the number of Earned Performance Units shall be no less than your Target Amount. The Fair Market Value as of the date immediately preceding the date of the Change of Control of the Earned Performance Units shall be paid to you thirty (30) days after the effective date of the Change of Control.

5. Dividend Equivalents. Upon the date of the cash payment in settlement of Earned Performance Units, you shall also be entitled to receive a lump sum cash payment equal to the Dividend Equivalent Amount. For purposes of this award of Performance Units, “Dividend Equivalent Amount” means the sum of all cash dividends, if any, declared on Earned Performance Units where the record date is after the Date of Grant, but prior to the date such Earned Performance Units are settled in cash. Any Earned Performance Units shall be subject to adjustment under Section 11 of the Plan with respect to dividends or other distributions that are paid in shares of Common Stock.

6. Transferability. You may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of the Performance Units.

7. No Right to Continued Employment. The award of Performance Units shall not create any right to remain in the employ of the Company Group. The Company Group retains the right to terminate your employment at will, for due cause or otherwise. Your employment, as it relates to the Total Performance Period, shall be deemed to continue during any leave of absence that has been authorized by the Company Group.

8. Other Plans. Nothing herein contained shall affect your right to participate in and receive benefits under and in accordance with the then current provisions of any pension, insurance, profit sharing or other plan or program of the Company Group.

9. Rights as Shareholder. You shall not be entitled to any of the rights or privileges of a shareholder of the Company, including the right to vote with respect to your Performance Units.

10. Plan Governs. The Performance Units and the Notice are subject to all of the terms and conditions of the Plan, except that no amendment to the Plan shall adversely affect your rights under the Notice. All the terms and conditions of the Plan, as may be amended from time to time, and any rules, guidelines and procedures which may from time to time be established pursuant to the Plan are hereby incorporated into the Notice. In the event of a discrepancy between the Notice and the Plan, the Plan shall govern.

11. Withholding. Upon the payment of your Earned Performance Units, the Company Group shall withhold from the payment that otherwise would have been made to you, an amount necessary to satisfy the applicable federal, state and local tax withholding obligation with respect to your Earned Performance Units.

12. Code Section 409A; No Guarantee of Tax Consequences. The award of Performance Units is intended to be (i) exempt from Section 409A of the Code ("Section 409A"), including, but not limited to, by reason of compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4); or (ii) in compliance with Section 409A, and the provisions of the Notice shall be administered, interpreted and construed accordingly. Notwithstanding the foregoing provisions of the Notice, if you are a "specified employee" as such term is defined in Section 409A, any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within the meaning of Section 409A on account of separation from service (other than by reason of death) to you shall not be payable before the earlier of (i) the date that is 6 months after the date of your separation from service, (ii) the date of your death, or (iii) the date that otherwise complies with the requirements of Section 409A. In addition, notwithstanding the provisions of Section 4 of these Terms and Conditions, in the event of a Change of Control that does not meet the requirements of Treas. Reg. § 1.409A-3(i)(5), any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within the meaning of Section 409A shall be fully vested at a number of Earned Performance Units equal to your Target Amount but shall be settled on the earlier of (i) the Settlement Date, (ii) the date determined in accordance with the provisions of Section 3 of these Terms and Conditions, and (iii) the date of any subsequent event that would constitute a "change of control" that meets the requirements of Treas. Reg. § 1.409A-3(i)(5). To the extent required to comply with Section 409A, you shall be considered to have terminated employment with the Company when you incur a "separation from service" with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code, and you shall not be considered to be "Disabled" or to have a "Disability" unless the circumstances of the Disability meet the requirements of Treas. Reg. § 1.409A-3(i)(4). In order for the payment of the Earned Performance Units to be deductible under Section 162(m) of the Code, the Settlement Date of Earned Performance Units may be delayed in accordance with the requirements of Treas. Reg. § 1.409A-2(b)(7). The Company makes no commitment or guarantee to you that any federal or state tax treatment shall apply or be available to any person eligible for benefits under the Notice.

13. Governing Law. The Plan and the Notice shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to conflicts of laws. The courts in Harris County, Texas shall be the exclusive venue for any dispute regarding the Plan or the Notice.

Exhibit A

Methodology for Calculating Earned Performance Units

A. Definitions. For purposes of determining the number of Earned Performance Units, the following definitions shall apply:

- (1) Annual Ending Share Price means, for each fiscal year in the Total Performance Period, the average closing price of shares over 30 trading days comprised of: 15 trading days prior to the Annual Performance End Date, the Annual Performance End Date, and the 14 trading days after the Annual Performance End Date.
- (2) Annual Performance Beginning Date means each of _____, _____ and _____, as applicable.
- (3) Annual Performance End Date means each of _____, _____ and _____, as applicable.
- (4) Annual Starting Share Price means, for each fiscal year in the Total Performance Period, the average closing price of the shares over 30 trading days comprised of: 15 trading days prior to Annual Performance Beginning Date, Annual Performance Beginning Date, and the 14 trading days after Annual Performance Beginning Date.
- (5) Ending Share Price means the average closing price of shares over 90 trading days comprised of: 45 trading days prior to the Performance End Date, the Performance End Date, and the 44 trading days after the Performance End Date.
- (6) Peer Group means Seadrill Ltd., Transocean Ltd., Enscoc plc, Noble Corporation, Diamond Offshore Drilling, Inc. and Rowan Companies plc to the extent such entities or their successors are in existence and publicly traded as of the Performance End Date.
- (7) Performance End Date means _____.
- (8) Starting Share Price means the average closing price of the shares over 90 trading days comprised of: 45 trading days prior to _____, _____, and the 44 trading days after _____.
- (9) Total Performance Period means the period beginning on _____ and ending _____.
- (10) Total Shareholder Return means common stock price growth for each entity over the Total Performance Period or a fiscal year within the Total Performance Period, as applicable, as measured by dividing the sum of the cumulative amount of dividends for the Total Performance Period or a fiscal year within the Total Performance Period, as applicable, assuming dividend reinvestment, and the difference between the entity's Ending Share Price or Annual Ending Share _____.

Price, as applicable, and the Starting Share Price or Annual Starting Share Price, as applicable; by the entity's Starting Share Price or Annual Starting Share Price, as applicable.

In the event that any of the calendar dates specified in the definitions above are not trading days, then such date shall refer to the next trading day.

B. Methodology. For purposes of determining the number of Earned Performance Units, for the Total Performance Period and for each fiscal year within the Total Performance Period, the Committee shall:

- (1) calculate the Total Shareholder Return for the Company and each company in the Peer Group;
- (2) rank the Company and each member of the Peer Group based on Total Shareholder Return with the company having the highest Total Shareholder Return ranking in the first position and the company with the lowest Total Shareholder Return ranking in the seventh position.
- (3) determine the number of Earned Performance Units based on the Seven Company Payout Schedule below:

<u>Seven Company Payout Schedule</u>	
<u>Atwood Ranking</u>	<u>Payout Percentage</u>
1	200%
2	150%
3	100%
4	75%
5	50%
6	0%
7	0%

- (4) for purposes of determining the Earned Performance Units for each fiscal year within the Total Performance Period, multiply the Payout Percentage by 16 2/3% of your Target Amount and for purposes of determining the Earned Performance Units for the Total Performance Period, multiply the Payout Percentage by 50% of your Target Amount.

If any calculation with respect to the Earned Performance Units would result in a fractional share, the number of Earned Performance Units shall be rounded down to the nearest whole share.

Because this award of Performance Units is settled in cash, the total Earned Performance Units payable as of the Settlement Date shall not exceed the cash limit applicable to Performance Awards pursuant to the Plan (as in effect on the Date of Grant). Subject to Section 12, in the event that the amount payable on the Settlement Date is limited by the foregoing sentence, such excess amount, without interest, shall be payable on the first day of the next taxable year in which the deduction would be permitted under Section 162(m) of the Code and any such amount shall be applied toward and result in an appropriate reduction of other cash awards payable in that year that are subject to a shareholder-approved limit under Section 162(m) of

the Code. Any such payment amounts delayed pursuant to this paragraph shall be and remain fully vested and payable notwithstanding your termination of service for any reason after the Determination Date.

C. Peer Group Changes.

(a) If, as a result of merger, acquisition or a similar corporate transaction, a member of the Peer Group ceases to be publicly traded (an “Affected Peer Company”)

(i) prior to July 1, _____, the Affected Peer Company shall not be included in the Seven Company Payout Schedule and the following alternative schedules shall be used in its place:

<u>Six Company Payout Schedule</u>	
<u>Atwood Ranking</u>	<u>Payout Percentage</u>
1	200%
2	150%
3	100%
4	75%
5	50%
6	0%

<u>Five Company Payout Schedule</u>	
<u>Atwood Ranking</u>	<u>Payout Percentage</u>
1	200%
2	150%
3	100%
4	50%
5	0%

<u>Four Company Payout Schedule</u>	
<u>Atwood Ranking</u>	<u>Payout Percentage</u>
1	200%
2	100%
3	100%
4	0%

(ii) on or subsequent to July 1, _____, the Affected Peer Company shall remain in the Peer Group and its Ending Share Price shall be determined by assuming that its performance for the remainder of the Total Performance Period was equivalent to the arithmetic average (up or down) of the remaining members of the Peer Group over the remainder of the Total Performance Period.

(b) If a member of the Peer Group declares bankruptcy, it shall be deemed to remain in the Peer Group until the Performance End Date and shall occupy the lowest ranking in the Payout Schedule.

[\(Back To Top\)](#)

Section 5: EX-10.4 (EX-10.4)

Exhibit 10.4



[Date]

TO:

FROM:

RE: Cash-Settled Restricted Stock Unit Award

Atwood Oceanics, Inc. (the “Company”) hereby awards to you, effective as of _____ (the “Date of Grant”), _____ cash-settled restricted stock units (the “Restricted Stock Units”) evidencing the right to receive the cash value of an equivalent number of shares of Common Stock, \$1.00 par value, subject to adjustment as provided in Section 11 of the Atwood Oceanics, Inc. 2013 Long-Term Incentive Plan (the “Plan”).

Except as otherwise provided in Sections 2 or 3 of the Terms and Conditions of Cash-Settled Restricted Stock Unit Award, attached hereto as

Appendix A (the “Terms and Conditions”), the Restricted Stock Units will vest in substantially equal installments on each anniversary of Date of Grant (each a “Vesting Date”) during the three year period beginning on the Date of Grant; provided you remain continuously employed by the Company, its subsidiary or an affiliate on each Vesting Date.

The award of Restricted Stock Units is governed by the terms and conditions of the Plan, any rules and regulations adopted by the Compensation and Human Resources Committee of the Board of Directors of the Company (“Committee”), and the Terms and Conditions which form a part of this award letter to you (the “Notice”). The Prospectus related to this offering can be referenced on myAtwood under Controlled Documents on the Human Resources site.

Sincerely,

ATWOOD OCEANICS, INC.
2013 LONG-TERM INCENTIVE PLAN

TERMS AND CONDITIONS OF
CASH-SETTLED RESTRICTED STOCK UNIT AWARD

The cash-settled restricted stock units (the “Restricted Stock Units”) awarded to you on the “Date of Grant” set forth in the award letter to you (the “Award Letter”) by Atwood Oceanics, Inc. (the “Company”) are subject to the 2013 Long-Term Incentive Plan (the “Plan”), these Terms and Conditions and any rules and regulations adopted by the Committee. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan and the Award Letter.

1. **Vesting/Forfeiture.** Except as otherwise accelerated pursuant to Sections 2 or 3 below, the Restricted Stock Units shall vest in substantially equal installments on each anniversary of the Date of Grant (each a “Vesting Date”) during the three year period beginning on the Date of Grant (the “Restriction Period”). If your employment with the Company, its subsidiary or an affiliate (collectively, the “Company Group”) terminates for any reason other than by reason of your death, the unvested portion of the Restricted Stock Units shall be automatically forfeited on the date of your termination of employment. Furthermore, the Restricted Stock Units are subject to forfeiture, in whole or in part, if the Committee or its designee determines, in its sole discretion, that you have taken any unlawful action detrimental to the Company or have violated Company policy; any such determination for an employee other than the Chief Executive Officer shall be based on the recommendation of the Chief Executive Officer.
2. **Termination of Employment; Death or Disability.** If your employment with the Company Group is terminated by reason of your death during the Restriction Period or if you become Disabled during the Restriction Period, the unvested Restricted Stock Units will automatically become fully vested and the Restriction Period shall terminate on the date of your death or on the date of your Disability, as applicable. For purposes of this award of Restricted Stock Units, you are considered to be “Disabled” or have a “Disability” on the date that you become eligible for long-term disability benefits pursuant to the Company’s long-term disability plan.
3. **Change of Control.** Notwithstanding the provisions of Sections 1 or 2 of these Terms and Conditions, in the event of a Change of Control, the unvested Restricted Stock Units shall automatically vest and the Restriction Period shall terminate.
4. **Settlement.** The Fair Market Value determined as of the Vesting Date of the vested Restricted Stock Units shall be paid to you no later than 15 days after each Vesting Date. In the event of vesting pursuant to Sections 2 or 3, the

Restricted Stock Units shall be paid to you or your legal beneficiary, as applicable, no later than 15 days after the date of your death, Disability or Change of Control, as applicable, and the Fair Market Value shall be determined as of the date of your death or Disability or as of the date immediately preceding the date of the Change of Control, as applicable. In addition, upon the date of the cash payment in settlement of Restricted Stock Units, you shall also be entitled to receive a lump sum cash payment equal to the Dividend Equivalent Amount. For purposes of this award of Restricted Stock Units, "Dividend Equivalent Amount" means the sum of all cash dividends, if any, declared on shares of Common Stock you receive in settlement of Restricted Stock Units where the record date is after the Date of Grant, but prior to the date such Restricted Stock Units are settled in cash. Because this award of Restricted Stock Units is settled in cash, the Restricted Stock Units payable following each Vesting Date shall not exceed the cash limit applicable to Cash Awards pursuant to the Plan (as in effect on the Date of Grant). Subject to Section 11, in the event that the amount payable following any Vesting Date is limited by the foregoing sentence, such excess amount, without interest, shall be payable on the first day of the next taxable year in which the deduction would be permitted under Section 162(m) of the Code and any such amount shall be applied toward and result in an appropriate reduction of other cash awards payable in that year that are subject to a shareholder-approved limit under Section 162(m) of the Code. Any such payment amounts delayed pursuant to the preceding sentence shall be and remain fully vested and payable notwithstanding your termination of service for any reason after the applicable Vesting Date.

5. Transferability. You may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of the Restricted Stock Units during the Restriction Period.
6. No Right to Continued Employment. The award of Restricted Stock Units shall not create any right to remain in the employ of the Company Group. The Company Group retains the right to terminate your employment at will, for due cause or otherwise. Your employment, as it relates to the Restriction Period, shall be deemed to continue during any leave of absence that has been authorized by the Company Group.
7. Other Plans. Nothing herein contained shall affect your right to participate in and receive benefits under and in accordance with the then current provisions of any pension, insurance, profit sharing or other plan or program of the Company Group.
8. Rights as Shareholder. You shall not be entitled to any of the rights or privileges of a shareholder with respect to your Restricted Stock Units. If, from time to time during the Restriction Period, there is any capital adjustment affecting the outstanding Common Stock as a class without the Company's receipt of consideration, the unvested Restricted Stock Units shall be adjusted in accordance with the provisions of Section 11 of the Plan.

9. **Plan Governs.** The Restricted Stock Units and the Notice are subject to all of the terms and conditions of the Plan, except that no amendment to the Plan shall adversely affect your rights under the Notice. All the terms and conditions of the Plan, as may be amended from time to time, and any rules, guidelines and procedures which may from time to time be established pursuant to the Plan are hereby incorporated into the Notice. In the event of a discrepancy between the Notice and the Plan, the Plan shall govern.
10. **Withholding.** Upon the payment of the vested Restricted Stock Units, the Company shall withhold from the payment that otherwise would have been made to you, an amount necessary to satisfy the applicable federal, state and local tax withholding obligation with respect to the Restricted Stock Units.
11. **Code Section 409A; No Guarantee of Tax Consequences.** The award of Restricted Stock Units is intended to be (i) exempt from Section 409A of the Code (“Section 409A”) by compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4), or (ii) in compliance with Section 409A, and the provisions of the Notice will be administered, interpreted and construed accordingly. Notwithstanding the foregoing provisions of the Notice, if you are a “specified employee” as such term is defined in Section 409A, any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within the meaning of Section 409A on account of separation from service (other than by reason of death) to you shall not be payable before the earlier of (i) the date that is 6 months after the date of your separation from service, or (ii) the date that otherwise complies with the requirements of Section 409A. In addition, notwithstanding the provisions of Section 3 of these Terms and Conditions, in the event of a Change of Control that does not meet the requirements of Treas. Reg. § 1.409A-3(i)(5), any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within the meaning of Section 409A shall be fully vested but shall be settled on the third anniversary of the Date of Grant, or, if earlier, in accordance with the provisions of Section 2 of these Terms and Conditions. To the extent required to comply with Section 409A, you shall be considered to have terminated employment with the Company when you incur a “separation from service” with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code, and you shall not be considered to be “Disabled” or to have a “Disability” unless the circumstances of the Disability meet the requirements of Treas. Reg. § 1.409A-3(i)(4). In order for the payment of the vested Restricted Stock Units to be deductible under Section 162(m) of the Code, the payment date of the vested Restricted Stock Units may be delayed in accordance with the requirements of Treas. Reg. § 1.409A-2(b)(7). The Company makes no commitment or guarantee to you that any federal or state tax treatment will apply or be available to any person eligible for benefits under the Notice.
12. **Governing Law.** The Plan and the Notice shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to conflicts of laws. The courts in Harris County, Texas shall be the exclusive venue for any dispute regarding the Plan or the Notice.

[\(Back To Top\)](#)

Section 6: EX-10.5 (EX-10.5)

Exhibit 10.5



[Date]

TO:

FROM:

RE: Director Restricted Stock Unit Award

Atwood Oceanics, Inc. (the “Company”) hereby awards to you, effective as of [Date] (the “Date of Grant”), _____ restricted stock units (“Restricted Stock Units”) evidencing the right to receive an equivalent number of shares of Common Stock, \$1.00 par value, of the Company, subject to adjustment as provided in Section 11 of the Atwood Oceanics, Inc. 2013 Long-Term Incentive Plan (the “Plan”).

Except as otherwise provided in Section 2 of the Terms and Conditions of Non-Employee Director Restricted Stock Unit Award, attached hereto as Appendix A (the “Terms and Conditions”), the Restricted Stock Units will vest in substantially equal installments on each monthly anniversary of the Date of Grant (each a “Vesting Date”) during the twelve month period beginning on of the Date of Grant; provided you remain a director of the Company on each applicable Vesting Date.

The award of Restricted Stock Units is governed by the terms and conditions of the Plan, any rules and regulations adopted by the Compensation and Human Resources Committee of the Board of Directors of the Company, and the Terms and Conditions which form a part of this award letter to you (the “Notice”).

ATWOOD OCEANICS, INC.
2013 LONG-TERM INCENTIVE PLAN

TERMS AND CONDITIONS OF
NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT AWARD

The restricted stock units (the “Restricted Stock Units”) awarded to you on the “Date of Grant” set forth in the award letter to you (the “Award Letter”) by Atwood Oceanics, Inc. (the “Company”) are subject to the 2013 Long-Term Incentive Plan (the “Plan”), these Terms and Conditions and any rules and regulations adopted by the Committee. Terms used herein and not otherwise defined shall have the meaning set forth in the Plan and the Award Letter.

1. **Vesting/Forfeiture.** Except as otherwise accelerated pursuant to Section 2 below, the Restricted Stock Units shall vest in substantially equal installments on each monthly anniversary of the Date of Grant (each a “Vesting Date”) during the twelve month period beginning on of the Date of Grant (the “Restriction Period”). If your service as a director of the Company terminates for any reason, any unvested Restricted Stock Units shall be automatically forfeited on the date of your termination of service.

2. **Change of Control.** Notwithstanding the provisions of Section 1 of these Terms and Conditions, in the event of a Change of Control, the unvested Restricted Stock Units shall automatically vest and the Restriction Period shall terminate.

3. **Settlement and Delivery of Common Stock.** Settlement of vested Restricted Stock Units shall be made no later than 15 days after the earlier of (i) termination of the Restriction Period or (ii) the date of your separation of service. In the event of vesting pursuant to Section 2, the Restricted Stock Units shall be settled no later than 15 days after the Change of Control. In addition, upon the date of delivery of shares of Common Stock in settlement of Restricted Stock Units, you shall also be entitled to receive a lump sum cash payment equal to the Dividend Equivalent Amount. Notwithstanding the foregoing, the Company shall not be obligated to issue any shares of Common Stock if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Stock is listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the issuance of shares of Common Stock to comply with any such law, rule, regulation or agreement. For purposes of this award of Restricted Stock Units, “Dividend Equivalent Amount” means the sum of all cash dividends, if any, declared on shares of Common Stock you receive in settlement of Restricted Stock Units where the record date is after the Date of Grant, but prior to the date such shares of Common Stock are distributed to you.

4. Transferability. You may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of the Restricted Stock Units prior to settlement under Section 3.

5. Rights as Shareholder. You shall not be entitled to any of the rights or privileges of a shareholder of the Company in respect of any shares of Common Stock unless and until the Restricted Stock Units have been settled by the issuance of Common Stock to you. If, from time to time during the Restriction Period, there is any capital adjustment affecting the outstanding Common Stock as a class without the Company's receipt of consideration, the Restricted Stock Units shall be adjusted in accordance with the provisions of Section 11 of the Plan.

6. Plan Governs. The Restricted Stock Units and the Notice are subject to all of the terms and conditions of the Plan, except that no amendment to the Plan shall adversely affect your rights under the Notice. All the terms and conditions of the Plan, as may be amended from time to time, and any rules, guidelines and procedures which may from time to time be established pursuant to the Plan are hereby incorporated into the Notice. In the event of a discrepancy between the Notice and the Plan, the Plan shall govern.

7. Withholding. Upon settlement of the Restricted Stock Units, the market value of the shares on the date of settlement will be included with all other compensation paid during the year for services performed and reported on Internal Revenue Service Form 1099. You will be responsible for payment of all income taxes assessable on the Restricted Stock Unit Award.

8. Code Section 409A; No Guarantee of Tax Consequences. The award of Restricted Stock Units is intended to be (i) exempt from Section 409A of the Code ("Section 409A") by compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4); or (ii) in compliance with Section 409A, and the provisions of the Notice will be administered, interpreted and construed accordingly. Notwithstanding the provisions of Section 2 of these Terms and Conditions, in the event of a Change of Control that does not meet the requirements of Treas. Reg. § 1.409A-3(i)(5), any amounts that would otherwise be payable hereunder as nonqualified deferred compensation within the meaning of Section 409A shall be fully vested but shall be settled on the twelve month anniversary of the Date of Grant. To the extent required to comply with Section 409A, you shall be considered to have terminated service with the Company when you incur a "separation from service" with the Company within the meaning of Section 409A(a)(2)(A)(i) of the Code. The Company makes no commitment or guarantee to you that any federal or state tax treatment will apply or be available to any person eligible for benefits under the Notice.

9. Governing Law. The Plan and the Notice shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to conflicts of laws. The courts in Harris County, Texas shall be the exclusive venue for any dispute regarding the Plan or the Notice.