

PLAINS GP HOLDINGS LP
Form 8-K
March 27, 2018

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) **March 22, 2018**

Plains GP Holdings, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation)

1-36132
(Commission File Number)

90-1005472
(IRS Employer Identification No.)

333 Clay Street, Suite 1600, Houston, Texas 77002
(Address of principal executive offices) (Zip Code)

713-646-4100

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

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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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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Mr. Chiang, 46,000 for Mr. Swanson and 31,667 for Mr. Nerbonne) will vest on the August 2022 distribution date provided that PAA shall have generated minimum DCF of \$2.30 per common unit on a trailing four quarter basis and, further provided, that vesting may be accelerated such that: (i) one-half of the modified portion of the award will vest on the date on which PAA generates DCF of at least \$2.50 per common unit on a trailing four quarter basis; and (ii) one-half of the modified portion of the award will vest on the date on which PAA generates DCF of at least \$2.65 per common unit on a trailing four quarter basis. DCF will be subject to adjustment under certain circumstances to account for significant asset sales. The remaining terms of the 2016 phantom unit grants were not modified.

The terms of 120,000 PAA phantom units originally granted to Mr. Chiang in August 2015 were also modified to change the performance metric for vesting purposes from annualized quarterly distributions to DCF per common unit on a trailing four quarter basis. Accordingly, Mr. Chiang's modified 2015 phantom unit award will vest as follows: (i) 40% on the later of the August 2018 distribution date and the date PAA generates DCF of \$2.30 per common unit on a trailing four quarter basis; (ii) 30% on the later of the August 2019 distribution date and the date PAA generates DCF of \$2.40 per common unit on a trailing four quarter basis; and (iii) 30% on the later of the August 2020 distribution date and the date PAA

generates DCF of \$2.50 per common unit on a trailing four quarter basis. DCF will be subject to adjustment under certain circumstances to account for significant asset sales. The remaining terms of Mr. Chiang's 2015 phantom unit award were not modified.

AAP Management Units. The terms of 375,521 Class B units of Plains AAP, L.P. (AAP Management Units) originally granted to Mr. Chiang in August 2015 were modified such that they will become earned (entitled to receive distributions) as follows: (i) 50% upon the generation by PAA of DCF of at least \$1.90 per common unit on a trailing four quarter basis, (ii) 25% upon the generation by PAA of DCF of at least \$2.10 per common unit on a trailing four quarter basis, and (iii) 25% upon the generation by PAA of DCF of at least \$2.30 per common unit on a trailing four quarter basis. DCF is subject to adjustment under certain circumstances to account for significant asset sales. The remaining terms of Mr. Chiang's previously issued AAP Management Units, including the vesting, AAP call right and other terms referenced in his grant letter and employment letter, are unchanged.

The terms of 56,328 AAP Management Units originally granted to Mr. Nerbonne in July 2015 were modified such that they will become earned as follows: (i) 25% upon the generation by PAA of DCF of \$1.90 per common unit or more on a trailing four quarter basis; (ii) 25% upon the generation by PAA of DCF of \$2.10 per common unit or more on a trailing four quarter basis; (iii) 25% upon the generation by PAA of DCF of \$2.30 per common unit or more on a trailing four quarter basis; and (iv) 25% upon the generation by PAA of DCF of \$2.50 per common unit or more on a trailing four quarter basis. DCF will be subject to adjustment under certain circumstances to account for significant asset sales. The remaining terms of Mr. Nerbonne's previously issued AAP Management Units, including the vesting, AAP call right and other terms referenced in his grant letter, are unchanged.

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.

PLAINS GP HOLDINGS, L.P.

Date: March 26, 2018

By: PAA GP HOLDINGS LLC, its general partner

By: /s/ Richard McGee
Name: Richard McGee
Title: Executive Vice President