
**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): May 27, 2020

MRC GLOBAL INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35479
(Commission
File Number)

20-5956993
(I.R.S. Employer
Identification Number)

**Fulbright Tower, 1301 McKinney Street, Suite 2300
Houston, Texas 77010**
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (877) 294-7574

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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01	MRC	New York Stock Exchange

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.

Item 5.02 Departure of Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Amendment of CEO Employment Agreement

After discussion at a meeting of the Board of Directors (the “Board”) of MRC Global Inc. (the “Company”) on May 27, 2020, Andrew Lane and the Board announced a plan for Mr. Lane to retire as President and Chief Executive Officer (“CEO”) of the Company effective December 31, 2021. Mr. Lane will also resign from the Board on that date.

In connection with the retirement plan, the Board has approved, and the Company has entered into a Third Amendment to Employment Agreement, dated May 27, 2020, with Mr. Lane (the “Third Amendment”).

The Third Amendment provides that Mr. Lane forego the 24 months of separation pay that would have been provided to him upon termination by the Company without Cause (as defined in the Third Amendment) under his employment agreement prior to the Third Amendment. The Third Amendment also provides for a reduction in the separation payment from three times base salary plus target annual bonus to one and one half times base salary plus target annual bonus that would have been provided to him upon termination by the Company without Cause or by Mr. Lane for Good Reason following a Change in Control (as defined in the Third Amendment) under his employment agreement prior to the Third Amendment.

In connection with and as required by the Third Amendment, to incentivize Mr. Lane to remain with the Company through his planned retirement date, provide for a smooth CEO transition and lead the Company through current market conditions, Mr. Lane has been granted a one-time grant of 600,000 restricted stock units vesting on December 31, 2021. In light of this grant, Mr. Lane will also forego his normal 2021 long-term annual equity incentive grant and any other long-term awards.

The Third Amendment provides that if the Company terminates Mr. Lane’s employment without Cause prior to December 31, 2021, the Company would pay Mr. Lane his salary from the date of termination until December 31, 2021 and the 600,000-share one-time grant would vest as scheduled on December 31, 2021.

The Third Amendment also updates Mr. Lane’s prior employment agreement to reflect that his base salary is \$900,000 (set in 2018) and his target annual bonus is 100% of that amount (reduced in 2020). Mr. Lane, along with the other employees of the Company, is participating in a furlough whereby he will take one unpaid day off every two weeks. This has the impact of reducing his bi-weekly salary by 10% until the furlough has ended.

The foregoing description of the Third Amendment is qualified in its entirety by reference to the Third Amendment to Employment Agreement, a copy of which is attached to, and is incorporated by reference into, this Current Report on Form 8-K.

Amendment to 2020 Short Term Incentive Plan

As previously disclosed in the “Compensation, Discussion and Analysis - 2019 Executive Compensation Program - 2019 Annual Cash Incentive Performance Metrics” section of the Company’s Proxy Statement for its 2020 Annual Meeting of Stockholders, the Company’s annual cash incentive (“Annual Bonus”) plan measures have been designed to be based on primary drivers for shareholder value. Since 2012, 70% or more of the Annual Bonus has been based on adjusted EBITDA. Secondary measures have included cash from operations, revenue, net income attributable to common stockholders and key performance indicator objectives such as safety measures. In 2020, the initial measures and targets for the CEO, chief financial officer and chief human resources officer/general counsel were 75% based on adjusted EBITDA and 25% based on annual diluted earnings per share. Other executives also had sales measures and targets.

In light of the current pandemic and energy downturn, the Board has modified the Company’s 2020 Annual Bonus plan for its executive officers, including the CEO. Given the historic market volatility in the Company’s markets, the Board desires to incentivize the executive officers to meet revised measures and targets that reflect the dramatically changed assumptions from when the 2020 Annual Bonus plan was first implemented at the beginning of the year. The Board believes these measures and targets are better aligned as drivers of shareholder value for 2020 given the drastic changes in the Company’s markets and business environment.

The revised plan measures would only result in a maximum 50% payout of each participating executive officer’s Annual Bonus target amount for 2020. For example, the CEO has an Annual Bonus opportunity target of 100% of his 2020 base salary. Pursuant to the revised plan, the CEO would only have an opportunity to earn a maximum of half of that target, or 50% of his base salary. Under the revised plan the CEO and each other executive officer’s Annual Bonus would be based 75% on the full year 2020 cash flow from operations and 25% on full year 2020 safety measures. Because, under the revised plan, each executive would only have the opportunity to earn up to 50% of a possible target Annual Bonus, the cash flow from operations and safety measures are effectively 37.5% and 12.5% of a full Annual Bonus. For the full year cash flow from operations measure, the threshold target (for a 50% payout) would be set at \$100 million and the maximum target (for a 100% payout) would be set at \$200 million. For the full year safety measure, half would be based upon achieving a total recordable incident rate of less than 1.27, and half would be based upon achieving a lost workday rate of less than 0.41. A payout for these safety measures and targets would reflect performance that was an improvement over 2019 performance.

Item 7.01 Regulation FD Disclosure.

On May 27, 2020, the Company issued a press release announcing Mr. Lane's plans to retire as President and CEO of the Company effective December 31, 2021. A copy of the press release is included as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information referenced under Item 7.01 (including Exhibit 99.1 referenced under Item 9.01 below) of this Current Report on Form 8-K is being "furnished" under "Item 7.01. Regulation FD Disclosure" and, as such, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information set forth in this Current Report on Form 8-K (including Exhibit 99.1 referenced under Item 9.01 below) shall not be incorporated by reference into any registration statement, report or other document filed by the Company pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

10.1 [Third Amendment to Employment Agreement, dated May 27, 2020, between MRC Global Inc. and Andrew Lane*](#)

99.1 [Press release of MRC Global Inc. dated May 27, 2020**](#)

104 Cover Page Interactive Data File – The cover page XBRL tags from this Current Report on Form 8-K are imbedded within the Inline XBRL document

* Filed with this Current Report.

** Furnished with this Current Report.

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: May 28, 2020

MRC GLOBAL INC.

By: /s/ Daniel J. Churay

Daniel J. Churay
Executive Vice President – Corporate Affairs, Chief
Human Resources Officer, General Counsel &
Corporate Secretary

**THIRD AMENDMENT
TO
EMPLOYMENT AGREEMENT**

THIS THIRD AMENDMENT TO EMPLOYMENT AGREEMENT (this “Amendment”) is adopted, executed and agreed to as of this 27th day of May, 2020 (the “Effective Date”), between MRC Global Inc., a Delaware corporation (the “Company”), and Andrew R. Lane (the “Executive”), which are referred to as the parties to this Amendment.

WHEREAS, the parties previously entered into that certain Employment Agreement dated May 16, 2013, the First Amendment to Employment Agreement dated February 18, 2016, and the Second Amendment to Employment Agreement dated October 29, 2019 (including all exhibits and other attachments thereto, the “Employment Agreement”); and

WHEREAS, the parties desire and deem it to be in their respective best interests to amend the Employment Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained in this Amendment, and other valid consideration, the sufficiency of which the parties acknowledge, the parties agree to amend the Employment Agreement as follows:

**ARTICLE I
AMENDMENTS TO EMPLOYMENT AGREEMENT**

The Employment Agreement is amended by:

- (1) Deleting Section 1.1 in its entirety and substituting in its place the following:

“Term. The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, in each case, pursuant to this Agreement, for a period commencing on the Effective Date and ending on the earlier of:

- (i) December 31, 2021 (the “Retirement Date”) and
- (ii) the termination of the Executive’s employment in accordance with Section 3 (the “Term”).

Notwithstanding anything to the contrary in the Agreement, if the Executive’s employment with the Company terminates (other than for death, Disability or Cause) on or before the Retirement Date, then the Executive shall not be entitled to any of the severance benefits described in the following sections of the Agreement:

- (x) Section 3.2.(a)(iii),
- (y) Section 3.2(a)(iv), and
- (z) Section 3.2(c)(iii).

If the Executive's employment with the Company is terminated without Cause before the Retirement Date or Executive retires on the Retirement Date, then the Executive shall be entitled to:

- (A) the benefits of Section 3.2(a)(i) and (ii),
- (B) in the case of the Company terminating Executive without Cause, a payment of the aggregate salary amounts Executive would have earned between the termination date and the Retirement Date had Executive remained employed during that period; *provided*, that such payment shall be delayed for six months after termination in accordance with Sections 3.2(d) and 10.12,
- (C) in the case of the Company terminating Executive without Cause or Executive terminates Executive's employment for Good Reason, in each case, within 24 months following a Change in Control, the benefits that Sections 3.2(c)(i) and (ii) provides, except that the payment in Section 3.2(c)(ii) shall be an amount equal to 18 months of Base Salary and one and one half times the target Annual Bonus then in effect rather than 36 months and three times, respectively, and
- (D) in lieu of the benefits of Section 3.2(a)(iv) or Section 3.2(c)(iii), Executive shall continue to receive medical, dental and vision health insurance benefits equal to the Executive's current coverage after the date of termination until such time that Executive becomes Medicare eligible (age 65) on the same terms that Executive participated prior to termination, including any employee paid portion of the premium for such insurance."

- (2) Adding a new Section 2.9 that reads as follows:

"Special Time-Vested Restricted Stock Unit Award. Subject to and in connection with the Executive's entry into the Third Amendment to this Agreement, the Company shall grant to Executive 600,000 restricted stock units ("RSUs") as a retention grant ("Retention Grant"), subject to the form of RSU agreement that the Compensation Committee of the Company's Board of Directors has previously approved, that will vest on the Retirement Date; *provided* that notwithstanding any other provision of this Agreement (including Section 2.8) or the RSU agreement for the Retention Grant,

(a) if Executive terminates his employment with the Company for any reason (other than for death, Disability or Sections 9.4(b) and (c) of the definition of Good Reason) prior to the Retirement Date, the Executive shall forfeit the Retention Grant; and

(b) if the Company terminates the Executive's employment with the Company for any reason (other than Cause, death or Disability), prior to the Retirement Date, Executive shall retain the Retention Grant and it will fully vest on the Retirement Date.

- (3) Amending Section 2.1 by replacing "\$850,000" with "\$900,000".

(4) Providing that the target Annual Bonus described in Section 2.2 shall be 100% of the Executive's Base Salary (\$900,000) for each of calendar years 2020 and 2021.

(5) Providing that in light of the Retention Grant, Executive acknowledges that the Company is under no obligation to provide any additional Long-Term Incentive Award opportunity for the remaining Term or thereafter and that the Executive has no expectation of the grant of any such award.

**ARTICLE II
MISCELLANEOUS**

This Amendment is incorporated into and is a part of the Employment Agreement. Except to the extent modified by this Amendment, the Employment Agreement shall continue in full force and effect in accordance with its provisions.

This Amendment shall be construed and enforced in accordance with, and the rights and obligations of the parties shall be governed by, the laws of the State of Texas, without giving effect to the conflicts of law principles thereof.

This Amendment 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. This Amendment may be delivered through the means of email delivery of a portable document format (.pdf) file or similar transmission of the signed Amendment.

[Signatures to Follow]

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment as of the Effective Date.

MRC GLOBAL INC.

By: _____

Daniel J. Churay
Executive Vice President – Corporate Affairs, Chief
Human Resources Officer, General Counsel &
Corporate Secretary

Andrew R. Lane

[Signature Page to Third Amendment to Employment Agreement]



MRC Global Announces the Retirement Plan for President & CEO Andrew Lane

HOUSTON, TX – May 27, 2020 – MRC Global Inc. (NYSE: MRC), the largest global distributor, based on sales, of pipe, valves and fittings and other infrastructure products and services to the energy industry, today announced the retirement plan for MRC Global’s president and chief executive officer.

After discussion at today’s board of directors meeting, Andrew Lane announced his plan to retire as president and chief executive effective December 31, 2021. Mr. Lane will also resign from the board on that date. Mr. Lane has served as a director of MRC Global and president and CEO since September 2008 and was the MRC Global chairman of the board from December 2009 until April 2016, when the positions of chairman of the board and CEO were separated.

Andrew R. Lane stated, “Next year I turn 62. I will complete my thirteenth year as CEO, and the company will reach it’s 100-year milestone next year. It’s the right time for me to retire. I’m especially proud of helping to build the global PVF distribution leader in the energy industry. It has been an honor to lead our team in achieving a successful initial public offering in April 2012, reaching \$5.9 billion in sales in 2014 at the last peak in the oil and gas cycle, successfully addressing the volatile market conditions in recent years and working to build our MRCGOTM digital platform as we continue to position our business into the future.”

Mr. Lane added, “I look forward to continuing to work closely with the board, the executive management team and our dedicated employees over the next 18 months to take the necessary actions in response to today’s low oil and gas price and the Covid-19 external environment to position MRC Global for the eventual recovery in the years to follow.”

Rhys Best, MRC Global’s chairman of the board stated, “On behalf of the board of directors we want to thank Andrew for his leadership of MRC Global and his many years of service to our company. Given the extended timeline before Mr. Lane retires at the end of 2021, the board of directors will begin a thorough and deliberate CEO selection process.”

About MRC Global Inc.

MRC Global is the largest distributor of pipe, valves and fittings (PVF) and related infrastructure products and services to the energy industry, based on sales. Through approximately 260 service locations worldwide, approximately 3,350 employees and with nearly 100 years of history, MRC Global provides innovative supply chain solutions and technical product expertise to customers globally across diversified end-markets including the upstream, midstream (including gas utilities) and downstream (including industrials). MRC Global manages a complex network of over 200,000 SKUs and 11,000 suppliers simplifying the supply chain for its over 15,000 customers. With a focus on technical products, value-added services, a global network of valve and engineering centers and an unmatched quality assurance program, MRC Global is the trusted PVF expert. Find out more at www.mrcglobal.com.

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