

**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): February 12, 2021

**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:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
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 Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

On February 8, 2021, the Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") of MRC Global, Inc. (the "Company") approved the grant to the following named executive officers set forth in the table below of performance stock units pursuant to the MRC Global Inc. 2011 Omnibus Incentive Plan, as amended, in addition to certain time-vested restricted stock units reported on Forms 4. Each recipient of performance stock units can earn shares of Company common stock between 0% and 200% of the target number of units based:

- 50% on a three-year total shareholder return ("TSR") relative to the companies in the Philadelphia OSX Index (the "OSX Index") plus NOW Inc. at the end of the three-year period ending December 31, 2023 (the "Performance Period") (relative TSR payouts are capped at 100% if the Company's TSR is negative) and
- 50% on a three-year return on average net capital employed objective for the Performance Period.

Below is the number of target performance stock units that the Company granted to each named executive officer.

Name	Job Title	# of Performance Stock Units
Youngblood, Kelly	Executive Vice President & Chief Financial Officer	53,681
Churay, Daniel J.	Executive Vice President - Corporate Affairs, General Counsel, Chief Human Resources Officer, Corporate Secretary	32,592
Bates, Grant R.	Senior Vice President - Strategy, Corporate Development, E-Commerce	19,325

As previously disclosed in May 2020, the president and current chief executive officer ("CEO") of the Company, Andrew Lane, and the Board announced a plan for Mr. Lane to retire as CEO effective December 31, 2021. The Board is seeking a new CEO to replace Mr. Lane. To (among other things) provide for smooth leadership transitions that might occur upon the appointment of a new CEO, the Compensation Committee adopted an executive separation policy on February 8, 2021 for the benefit of the executive officers of the Company, including its named executive officers.

The policy generally codifies the Company's existing practice with respect to separation benefits that the Company provides when the Company in its discretion terminates the employment of an executive officer without Cause (as the policy defines) or the executive officer leaves the Company for Good Reason (as the policy defines). Only executive officers who do not have separation benefits through an employment agreement with the Company are eligible for the benefits of the policy. Therefore, the Company's current president and CEO (Mr. Lane) and executive vice president and chief financial officer (Mr. Youngblood), both of whom have employment agreements with the Company, will not participate in the policy. The policy does provide benefits for those positions if, in the future, those positions do not have an active employment agreement. The Company's current executive vice president, chief human relations officer, general counsel and corporate secretary, Daniel Churay, has an employment agreement that expires on February 18, 2021. Upon the expiration of that agreement, Mr. Churay (who will continue his service with the company) will be eligible for the benefits of the policy. Excluding Messrs. Lane and Youngblood, the policy, as of the date of this filing, would apply to six executive officers, once Mr. Churay's employment agreement expires.

The benefits that the policy provides are generally subject to the departing executive's execution of a release and compliance with restrictive covenants prohibiting competition, solicitation of employees and interference with business relationships for an applicable restriction period and continuing duties to maintain the confidence of the Company's confidential information and cooperate with the Company regarding matters regarding which the Company was familiar during the executive's employment with the Company.

The policy provides that if the Company terminates the executive officer in the Company's discretion without Cause or if the executive officer leaves for Good Reason, the departing executive officer is entitled to the following separation payments and benefits:

- All accrued, but unpaid, obligations (including salary, annual cash incentive, expense reimbursement and vacation pay)
- Monthly payments equal to 1/12th of annual base salary at the rate in effect immediately prior to termination for:
  - 12 months, in the case of senior vice presidents
  - 18 months in the case of executive vice presidents
  - 24 months in the case of a future president or CEO that does not have an active employment agreement
- Continuation of health, dental and vision benefits through reimbursement of insurance premiums for the same period in which the executive receives separation payments
- A pro-rata annual cash incentive for the fiscal year in which termination occurs based on actual performance through the end of the fiscal year
- Continued vesting of the executive officer's restricted stock units and performance share units for the same period in which the executive receives separation payments. The vesting of the performance share units would be prorated for time of service during the performance period. If an executive officer is eligible for continued vesting pursuant to the retirement provisions of an equity award agreement, these provisions would apply.

**Item 7.01**      **Regulation FD Disclosure.**

The Company expects the following results with respect to the operations and performance of the Company for the 2021 fiscal year:

For the full year, provided that the impact of the COVID-19 pandemic moderates and West Texas Intermediate oil prices remain in the \$50-\$60 per barrel range, compared to the Company's second half of 2020 run rate, the Company expects 2021 revenue to fluctuate by the following percentages:

- Total Company consolidated sales – increase upper-single digits
- Sales by sector:
  - Gas Utilities – increase mid-single digits
  - Downstream and Industrial – increase mid-single digits
  - Upstream Production – increase double-digits
  - Midstream Pipeline – increase mid-single digits
- Sales by segment:
  - U.S. – increase upper single digits
  - Canada – increase double digits
  - International – decrease low single digits, due to 2020 completion of non-repeating projects

Comparing the full year 2021 to 2020, the Company expects revenue to fluctuate by the following percentages:

- Total Company consolidated sales – flat to low-single digit decrease
- Sales by sector:
  - Gas Utilities – increase upper-single digits
  - All other sectors – decreasing

In the first quarter of 2021, the Company expects a modest sequential revenue decline of a low to mid-single digit percentage from the fourth quarter of 2020.

The Company expects to hold its adjusted gross profit percentage for the full year 2021 consistent with 2020 levels at the mid-19% level.

The Company expects its first quarter 2021 adjusted gross profit percentage to be flat to modestly lower than its fourth quarter of 2020.

The Company expects its quarterly selling, general and administrative (“SG&A”) costs to be \$100 million or less throughout 2021.

The Company expects its normalized effective tax rate in 2021 to remain in the 26-28% range, however, its quarterly tax rates may fluctuate as certain discrete items recorded against low pre-tax income can give rise to large changes in the effective tax rate.

The Company is targeting cash flow from operations of \$75 million to \$100 million in 2021.

The Company expects to have a temporary working capital increase in the first quarter due to the delivery of long lead time items for 2021 inventory that will result in a use of cash. However, the Company expects that this will be the only quarter in 2021 in which it will not generate cash from operations.

The Company expects its total capital expenditures for 2021 to be between \$10 million and \$15 million.

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The above information, contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Words such as “will,” “expect,” “expects,” “expected,” “believes,” “looking forward,” “guidance”, “targeting” and similar expressions are intended to identify forward-looking statements.

Statements about the company’s business, including its strategy, its industry, the company’s future profitability, the company’s guidance on its sales, adjusted EBITDA, gross profit, gross profit percentage, SG&A costs, adjusted gross profit and adjusted gross profit percentage, tax rate, working capital levels, capital expenditures and cash from operations, growth in the company’s various markets and the company’s expectations, beliefs, plans, strategies, objectives, prospects and assumptions are not guarantees of future performance. These statements are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, most of which are difficult to predict and many of which are beyond our control, including the factors described in the company’s SEC filings that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements.

These risks and uncertainties also include (among others) decreases in oil and natural gas prices; decreases in oil and natural gas industry expenditure levels, which may result from decreased oil and natural gas prices or other factors; U.S. and international general economic conditions; the company’s ability to compete successfully with other companies in MRC Global’s industry; the risk that manufacturers of the products the company distributes will sell a substantial amount of goods directly to end users in the industry sectors the company serves; unexpected supply shortages; cost increases by the company’s suppliers; the company’s lack of long-term contracts with most of its suppliers; suppliers’ price reductions of products that the company sells, which could cause the value of the company’s inventory to decline; decreases in steel prices, which could significantly lower MRC Global’s profit; increases in steel prices, which the company may be unable to pass along to its customers which could significantly lower its profit; the company’s lack of long-term contracts with many of its customers and the company’s lack of contracts with customers that require minimum purchase volumes; changes in the company’s customer and product mix; risks related to the company’s customers’ creditworthiness; the success of the company’s acquisition strategies; the potential adverse effects associated with integrating acquisitions into the company’s business and whether these acquisitions will yield their intended benefits; the company’s significant indebtedness; the dependence on the company’s subsidiaries for cash to meet its debt obligations; changes in the company’s credit profile; a decline in demand for certain of the products the company distributes if import restrictions on these products are lifted or imposed; significant substitution of alternative fuels for oil and gas; environmental, health and safety laws and regulations and the interpretation or implementation thereof; the sufficiency of the company’s insurance policies to cover losses, including liabilities arising from litigation; product liability claims against the company; pending or future asbestos-related claims against the company; the potential loss of key personnel; adverse health events, such as a pandemic; interruption in the proper functioning of the company’s information systems and the occurrence of cyber security incidents; loss of third-party transportation providers; potential inability to obtain necessary capital; risks related to adverse weather events or natural disasters; impairment of our goodwill or other intangible assets; adverse changes in political or economic conditions in the countries in which the company operates; exposure to U.S. and international laws and regulations, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act and other economic sanction programs; risks associated with international stability and geopolitical developments; risks relating to ongoing evaluations of internal controls required by Section 404 of the Sarbanes-Oxley Act; risks related to the Company’s intention not to pay dividends; and risks arising from compliance with and changes in laws and regulations in the countries in which we operate, including (among others) changes in tax law, tax rates and interpretation in tax laws, changes in trade and other treaties that lead to differing tariffs and trade rules, the expansion of currency exchange controls, export controls or additional restrictions on doing business in countries subject to sanctions in which we operate or intend to operate.

For a discussion of key risk factors, please see the risk factors disclosed in the company’s SEC filings, which are available on the SEC’s website at [www.sec.gov](http://www.sec.gov) and on the company’s website, [www.mrcglobal.com](http://www.mrcglobal.com). Our filings and other important information are also available on the Investor Relations page of our website at [www.mrcglobal.com](http://www.mrcglobal.com).

Undue reliance should not be placed on the company’s forward-looking statements. Although forward-looking statements reflect the company’s good faith beliefs, reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which may cause the company’s actual results, performance or achievements or future events to differ materially from anticipated future results, performance or achievements or future events expressed or implied by such forward-looking statements. The company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except to the extent required by law.

The information referenced under Item 7.01 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 shall not be incorporated by reference into any registration statement, report or other document filed by MRC Global pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

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**Item 9.01**      **Financial Statements and Exhibits.**

(d)    *Exhibits.*

10.1    [Executive Separation Policy](#)

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

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**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: February 12, 2021

MRC GLOBAL INC.

By: /s/ Kelly Youngblood

Kelly Youngblood

Executive Vice President and Chief Financial Officer

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## INDEX TO EXHIBITS

Exhibit No.	Description
10.1	<a href="#">Executive Separation Policy</a>
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

## EXECUTIVE SEPARATION POLICY

This Executive Separation Policy (this “Policy”) applies to participating executives (“Executives”) of MRC Global Inc. and its subsidiaries (the “Company”) beginning as of February 8, 2021 (the “Effective Date”). Capitalized terms used but not otherwise defined in this Policy have the meanings ascribed to them in Exhibit A.

### **Purpose**

The purposes of this Policy are to:

- provide the participating Executives with a separation benefit if the Company, in its sole discretion, terminates an Executive’s employment with the Company without Cause or the Executive terminates employment for Good Reason for actions the Company takes, in its sole discretion
- provide a retention incentive for each Executive to continue the Executive’s service with the Company during transitional periods such as internal re-organizations, changes in Company leadership, potential or actual changes in control of the Company or similar circumstances
- provide each Executive with further comfort to discharge the Executive’s duties to raise and debate ideas for the benefit of the Company and its shareholders
- provide a benefit to each Executive in exchange for a release of any potential claims upon termination of the Executive’s employment and to obtain from each Executive confirmation of the Executive’s obligations under post-employment restrictive covenants
- continue to align each Executive’s interests for the benefit of the Company and its shareholders during the period following the Executive’s separation through the Executive’s stake in equity or other long-term incentive awards the Executive received prior to the Executive’s termination of employment
- clarify, document and codify the Company’s existing practices or policies with respect to separation payments for Company executives prior to the Effective Date

### **Participating Executives and Applicability**

This Policy provides a benefit to the following participating Executives:

Title	Multiplier
Chief Executive Officer (“CEO”)	2.0
President	2.0
Executive Vice Presidents	1.5
Senior Vice Presidents	1.0

If an Executive has an employment agreement with the Company that provides a current obligation for the Company to pay a separation benefit for Company’s termination of the Executive without cause or for the Executive’s termination of employment for good reason, this Policy is not applicable to that Executive. For the avoidance of doubt, if the same Executive holds both of the titles of CEO and President, the Executive will only be entitled to one benefit under this Policy.

The Company may terminate any Executive’s employment for any reason, and the Executive may voluntarily terminate the Executive’s employment for any reason. Upon the termination of the Executive’s employment with the Company for any reason other than Cause, the Executive will be entitled to the Accrued Amounts.



## **Separation Benefits**

If the Company terminates an Executive's employment other than for Cause, death or Disability, or if the Executive terminates the Executive's own employment for Good Reason, in addition to any Accrued Amounts that the Company owes to the Executive, the Company shall provide the Executive the following "Separation Benefits":

- (i) a pro-rata portion of the STI during the fiscal period of termination (which is usually a calendar year), based on the number of days that have elapsed in the fiscal period through the date of termination of the Executive's employment; the Company shall pay this pro-rated STI at the same time the Company pays other Company executives their STI payments for the period, and the STI payment amount shall be based on actual performance through the end of the applicable fiscal period against the metrics and goals that had been previously approved for the performance period;
- (ii) A "Separation Payment" equal to the Executive's annual base salary in effect immediately prior to the Executive's termination (and prior to any reduction of salary giving rise to Good Reason) multiplied by the Executive's Multiplier; the Company shall pay this Separation Payment in equal installments at the same time the Executive would have received the Executive's base salary during normal payroll cycles;
- (iii) Outstanding, unvested long-term incentive ("LTI") or equity award agreements shall be treated as follows:
  - a. If pursuant to an LTI award agreement, equity award agreement, employment agreement or similar agreement, the Company has deemed the Executive to be "retired" for the purposes of an LTI or equity award, the Executive shall be treated as so retired under this Policy and the applicable agreements regarding the LTI or equity award shall govern the Executive's treatment under the "retirement" provisions of the agreements;
  - b. If the Executive does not meet the "retirement" treatment of the provisions of the agreements, the Executive shall be deemed to remain employed for the purposes of any LTI or equity award agreement for an additional time period equal to one year multiplied by the Executive's Multiplier and any amounts that may vest pursuant to the provisions of each award agreement shall continue to vest during this additional period; and
  - c. For the purposes of PSU awards, Section 5.4 of the PSU award agreements shall govern the proration of any PSU awards; and

(iv) Medical Continuation for one year multiplied by the Executive's Multiplier; the Company shall provide Medical Continuation on a continuing basis during this period from the date of Executive's termination.

Each participating Executive's Multiplier is set forth beside each participating Executive's title above. For the avoidance of doubt, any change of control of the company shall not impact the Separation Benefits that this Policy provides. With the exception of Accrued Amounts, the Company is not required to make any payments to the Executive earlier than the 60<sup>th</sup> day after the Executive's termination to allow the Executive's consideration, execution and delivery of the documentation required in the immediately following section, the Company's receipt of which is a condition to the receipt of Separation Benefits.

#### **Conditions to an Executive's Receipt of the Separation Benefits**

An Executive's receipt of the Separation Benefits is conditioned on:

- (i) *Restrictive Covenants*. the Executive's continued compliance with the covenants contained in any LTI or equity award agreement, and any other agreements between the Company and the Executive (collectively, the "Covenants"),
- (ii) *Release of Claims*. the Executive's execution, delivery and non-revocation of an effective, valid and enforceable general release of claims generally in form and substance reasonably satisfactory to the Company (the "Release") within 60 days of the effective date of the Executive's termination; *provided* that the Executive shall not be required pursuant to any such Release to waive or release the following:
  - a. the Executive's right, if any, to vested pension or Retirement Savings Plan benefits under the Company's standard programs, plans and policies;
  - b. claims that the Executive may have against the Company or its insurers for indemnification under corporate charters or by-laws, indemnification agreements, director and officer insurance, or other similar protection afforded Company officers or directors to provide them with protection;
  - c. claims the Executive may have against the Company where the events in dispute first arise after execution of the Release; and
  - d. rights of the Executive arising under, or preserved by, any subsequent separation agreement, including any separation agreement that further describes the Executive's obligations or benefits under this Policy;
- (iii) *Duties of Confidentiality*. the Executive's execution and delivery of an acknowledgment of the Executive's duties to maintain after the Executive's termination of employment the confidentiality of non-public information of the Company that the Executive learned while in the Company's employment; and

(iv) *Cooperation.* the Executive's execution and delivery of an agreement to cooperate with the Company after the Executive's termination of employment in any investigation of matters that occurred during the Executive's employment, answer questions regarding matters that occurred during the Executive's employment and provide the Company with support in any disputes that arise out of matters for which the Executive had familiarity during the Executive's employment, including, if necessary, providing court testimony, depositions or the like. Any request by the Company must be reasonable, reasonably accommodate the Executive's obligations to others, including new employers, or the Executive's health conditions and is subject to renumeration to the Executive no less than the same rate of renumeration the Executive received while employed.

If the Company determines that the Executive has breached any of the Covenants (after any investigation or notices provided in the Covenants) or has engaged in activities prior to termination of employment that constitute Cause and notifies the Executive of the same in writing, the Executive will immediately return to the Company any portion of the Separation Benefits that the Executive has received, and any further Separation Benefits shall cease.

#### **Required Delay in Timing of Separation Payments**

Notwithstanding any other provision of this Policy to the contrary, for the purposes of Section 409A, the Company will not commence payment of the Separation Payments until one day after the day which is six months after the Executive incurs a separation from service (the "Delay Period"), with the first payment equaling the total of all payments that would have been paid during the Delay Period. The Company makes no representations that the payments and benefits provided under this Policy will comply with the requirements Section 409A, and in no event shall the Company be liable for any portion of any taxes, penalties, interest or other expenses that may be incurred by an Executive as a result of any failure to satisfy or otherwise comply with Section 409A. Each installment of the Separation Payment shall be considered and treated as a separate payment for purposes of Section 409A. An Executive may not assign the Separation Benefits.

With regard to Medical Continuation or other reimbursement or in-kind benefit provided under this Policy,

- (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any calendar year will not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year,
- (ii) such reimbursements will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred, and
- (iii) the right to reimbursement or in-kind benefits will not be subject to liquidation or exchange for another benefit.

#### **Intervening Death of an Executive**

If an Executive becomes eligible for the Separation Benefits but the Executive dies before the Executive receives all of the Separation Benefits, the Company shall provide any remaining Accrued Amounts or amounts under clauses (i) and (ii) under "Separation Benefits" to the Executive's estate at the same time that the Company would have otherwise paid the Executive, the LTI awards shall cease continued vesting and the provisions applicable to death under each of the LTI award agreements shall be followed, and the Company shall continue to provide Medical Continuation for the remaining period under "Separation Benefits" to any dependents that the Executive has declared under the Company's medical, dental and vision plans.

### **Changes, Governing Law & Interpretation**

The board of directors of the Company (the “Board”) and the Compensation Committee of the Board may, each in its sole discretion, amend, change or terminate this Policy, designate additional Executive’s to participate in the benefits of the Policy, remove Executives from participation in the Policy or waive or alter its implementation or requirements; *provided* that any such amendment, change, termination, designation, removal, waiver or alteration that is adverse to an Executive’s interests shall be made only after providing the impacted Executive at least 181 days’ written notice of the effectiveness of the amendment, change, termination, designation, removal, waiver or alteration.

This Policy shall be governed by the laws of the State of Texas, without reference to its law of conflicts of law. Participating Executives in this Policy are provided enforceable rights under this Policy upon which they may rely. Notwithstanding any provision of this Policy to the contrary, it is not intended that any Executive receive duplicate benefits under this Policy and any other separation law, agreement or benefit, and to the extent a court of competent jurisdiction determines otherwise, the benefits under this Policy are null and void.

The Compensation Committee of the Board, or if one does not exist, the Board, shall construe and interpret this Policy to the extent there are matters that this Policy has not addressed.

## EXHIBIT A

### DEFINITIONS

“Accrued Amounts” means any base salary earned but unpaid through the date of termination, any unpaid STI for completed fiscal periods (which are usually calendar years) and, to the extent not yet paid or provided, any other amounts or benefits, including (among others) unused vacation, required to be paid or provided under any plan, program, policy or practice or other contract or agreement of the Company and its affiliates through the date of termination of employment.

“Cause” means an Executive’s:

- continuing failure, for more than ten days after the Company’s written notice to the Executive of the failure, to perform such duties as the Company reasonably requests;
- failure to observe material policies generally applicable to officers or Executives of the Company unless the failure is capable of being cured and is cured within ten days of the Executive receiving written notice of the failure;
- failure to cooperate with any internal investigation of the Company or any of its affiliates;
- commission of any act of fraud, theft or financial dishonesty with respect to the Company or any of its affiliates or indictment or conviction of any felony; or
- material violation of the provisions of any agreement with the Company by the Executive unless the violation is capable of being cured and is cured within ten days of the Executive receiving written notice of the violation.

“Disability” means a disability that entitles the Executive to receive long-term disability benefits under the long-term disability plan of the Company or its affiliates in which the Executive participates, or, if there is no such plan, the Executive’s inability, due to physical or mental ill health, to perform the essential functions of the Executive’s job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

“Good Reason” means

- a reduction in an Executive’s base salary or target STI percentage, other than reductions that are equal in percentage and applicable to all participating Executives under this Policy; or
- relocation of an Executive’s principal place of employment by more than 50 miles from the Executive’s then current principal place of employment; *provided* that relocation shall not be “Good Reason” for the CEO;

*provided*, that the Executive must give written notice of termination for Good Reason within

60 days of the occurrence of the first event giving rise to Good Reason and the Company shall have not reinstated the Executive’s base salary or target STI percentage or rescinded Executive’s relocation, in each case, in writing to Executive within 10 days of receipt of the notice .

“Medical Continuation” means continuation of medical, dental and vision benefits on the same terms as then in effect for active senior executives of the Company and the Executive’s then declared dependents, subject to each dependent’s continued eligibility under the appropriate plan, for a period for each Executive equal to one year multiplied by the Executive’s Multiplier; *provided*, that during the period, the Executive must pay the full cost of the medical, dental or vision benefits on a monthly basis, and the Company will reimburse the Executive the amounts paid for the coverage (less that portion of Executive’s payment that Executive would have paid as the “employee portion” under the plan) on a regular, periodic basis within 30 days after the reimbursable amounts are incurred by the Executive; *provided* further that, prior to any reimbursement, the Executive must have provided the Company appropriate written evidence of the reimbursable amount; and *provided*, further that the Executive may remove but not add eligible dependents, must remove ineligible dependents and will receive a reduction in expense commensurate with coverage under the Company’s then existing plans upon removal.

“Section 409A” means section 409A of the Internal Revenue Code of 1986, as amended, and regulations and other interpretive guidance issued thereunder.

“STI” means the additional cash incentive compensation that the Executive will be eligible to receive for each completed fiscal period of a year or less during the Executive’s employment with the Company pursuant to the short-term incentive plan of the Company in effect at the time.

## Exhibit A-2

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## EXECUTIVE SEPARATION POLICY ERISA CLAIMS PROCEDURES SUPPLEMENT

This supplement to the Executive Separation Policy of MRC Global Inc. and its subsidiaries (the "Policy") sets forth the Policy's claims and appeals procedures required under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Capitalized terms used but not otherwise defined in this supplement have the meanings ascribed to them in the Policy.

### **Claim for Benefits**

It shall not be necessary for an Executive who has become entitled to receive Separation Benefits under the Policy to file a claim for those benefits with any person as a condition precedent to receiving payment of those benefits. However, an Executive who believes that he or she has become entitled to Separation Benefits under the Policy and who has not received, or commenced receiving, those benefits, or who believes that he or she is entitled to a benefit in excess of the benefit that he or she has received, or commenced receiving, may file a written claim for such benefit with any member of the Compensation Committee of the Board at any time on or prior to the end of the fiscal year next following the fiscal year in which he or she allegedly became entitled to receive payment of the benefit in question. Such written claim shall set forth the Executive's name, address and e-mail address and a statement of the facts and a reference to the pertinent provisions of the Policy upon which such claim is based.

The Compensation Committee of the Board shall, within 30 calendar days after such written claim is delivered, provide the claimant with written notice of its decision with respect to such claim. If such claim is denied in whole or in part, the Compensation Committee of the Board shall, in such written notice to the claimant, set forth in a manner calculated to be understood by the claimant the specific reason or reasons for denial; specific references to pertinent provisions of the Policy upon which the denial is based; a description of any additional material or information necessary for the claimant to perfect his or her claim and an explanation of why such material or information is necessary; and an explanation of the provisions for review of claims set forth in below.

### **Appeal of Denied Claim for Benefits**

An Executive who has filed a written claim for benefits with the Compensation Committee of the Board that has been denied may appeal the denial to the Compensation Committee of the Board and receive a full and fair review of his or her claim by filing with any member of the Compensation Committee of the Board a written application for review at any time within 60 calendar days after receipt from the Compensation Committee of the Board of the written notice of denial of his or her claim described above. An Executive who submits a timely written application for review shall be entitled to review any and all documents pertinent to his or her claim and may submit issues and comments to the Compensation Committee of the Board in writing. Not later than 30 calendar days after receipt of a written application for review, the Compensation Committee of the Board shall give the claimant written notice of its decision on review, which written notice shall set forth in a manner calculated to be understood by the claimant specific reasons for its decision and specific references to the pertinent provisions of the Policy upon which the decision is based.

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Any act permitted or required to be taken by an Executive under this supplement may be taken for and on behalf of such Executive by the Executive's duly authorized representative or by the Compensation Committee or the Board by their duly authorized representative, which, in the absence of a designation shall be the Company's general counsel. Any claim, notice, application or other writing permitted or required to be filed with or given to a person under this supplement is considered to have been filed or given when:

- deposited in the U.S. mail, postage prepaid, certified, return receipt requested, or via a reputable courier service such as Federal Express, UPS or DHL, delivery confirmed by the service, and, in each case, properly addressed to the person to whom it is to be given or with whom it is to be filed or
- sent via e-mail, if to the Compensation Committee or the Board, to [gc@mrcglobal.com](mailto:gc@mrcglobal.com), or if to the Executive, to the e-mail address that Executive provides, provided that the sender receives a return e-mail acknowledging acceptance.

Any such claim, notice, application, or other writing deemed filed or given pursuant to the preceding sentence shall in the absence of clear and convincing evidence to the contrary, be deemed to have been received upon confirmation of delivery. Any such notice, application, or other writing directed to an Executive shall be deemed properly addressed if directed to the address or e-mail address set forth in the written claim filed by such Executive.