

NEWMARKET CORP
Form 8-K
September 26, 2017

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): September 22, 2017

NEWMARKET CORPORATION
(Exact name of registrant as specified in its charter)

Commission File No. 1-32190

Virginia
(State or other jurisdiction

of incorporation)

20-0812170
(IRS Employer

Identification No.)

330 South Fourth Street, Richmond, Virginia

(Address of principal executive offices)

23219

(Zip Code)

Registrant's telephone number, including area code: (804) 788-5000

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))

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 1.01. Entry into a Material Definitive Agreement.

On September 22, 2017, NewMarket Corporation (the Company) entered into a Credit Agreement (the Credit Agreement) among the Company; the Foreign Subsidiary Borrowers party thereto (with the Company, the Borrowers); the Lenders party thereto; JPMorgan Chase Bank, N.A. as Administrative Agent; Bank of America, N.A. and PNC Bank, National Association as Co-Syndication Agents; and Citibank, N.A., DBS Bank Ltd. and U.S. Bank National Association as Co-Documentation Agents.

The Credit Agreement provides for a \$850 million, multicurrency revolving credit facility, with a \$150 million sublimit for multicurrency borrowings, a \$75 million sublimit for letters of credit and a \$20 million sublimit for swingline loans. The Credit Agreement includes an expansion feature, which allows the Company, subject to certain conditions, to request to increase the aggregate amount of the revolving credit facility or obtain incremental term loans in an amount up to \$425 million.

The obligations under the Credit Agreement are unsecured and are fully and unconditionally guaranteed by the Company. The revolving credit facility is available on a revolving basis until September 22, 2022.

Loans made under the revolving credit facility will bear interest, at the Borrower's option, at a rate per annum equal to (1) the ABR plus the Applicable Rate, solely in the case of loans denominated in U.S. dollars to the Company, or (2) the Adjusted LIBO Rate plus the Applicable Rate. ABR is the greatest of (i) the rate of interest publicly announced by the Administrative Agent as its prime rate, (ii) the NYFRB Rate (as defined in the Credit Agreement) from time to time plus 0.5% and (iii) the Adjusted LIBO Rate for a one month interest period plus 1%. The Adjusted LIBO Rate means the rate at which Eurocurrency deposits in the London interbank market for certain periods (as selected by the Borrower) are quoted, as adjusted for statutory reserve requirements for Eurocurrency liabilities and other applicable mandatory costs. The Applicable Rate ranges from 0.0% to 0.625% (depending on the Company's Leverage Ratio or Credit Ratings) for loans bearing interest based on the ABR. The Applicable Rate ranges from 1.0% to 1.625% (depending on the Company's Leverage Ratio or Credit Ratings) for loans bearing interest based upon the Adjusted LIBO Rate.

The Credit Agreement contains representations, warranties, terms and conditions customary for transactions of this type. These include negative covenants limiting the ability of the Company and its subsidiaries to, among other things: (1) incur indebtedness and create liens; (2) merge into or consolidate with any other person or permit any person to merge into or consolidate with them; (3) make certain dividends and distributions; (4) enter into certain transactions with affiliates; (5) enter into sale and leaseback or hedging transactions; (6) make changes to the lines of business; or (7) change the fiscal year.

The Credit Agreement also contains financial covenants that require the Company to maintain a consolidated Leverage Ratio (as defined in the Credit Agreement) of no more than 3.50 to 1.00 except during an Increased Leverage Period (as defined in the Credit Agreement), and a consolidated Interest Coverage ratio (as defined in the Credit Agreement) of no less than 3.00 to 1.00, as of the end of each fiscal quarter ending on and after September 30, 2017.

The Credit Agreement contains certain customary events of default, including, among others: (1) failure to pay when due principal, interest or any other amounts due and payable under the Credit Agreement; (2) incorrectness in any material respect of representations and warranties when made or deemed made; (3) breach of specified covenants; (4) cross-defaults with other Material Indebtedness (as defined in the Credit Agreement); (5) certain ERISA events, bankruptcy and insolvency events or the occurrence of a Change of Control; (6) the inability of the Company or any Material Subsidiary to pay its debts as they become due; (7) certain undischarged judgments; (8) a material provision of any of the Loan Documents ceases to be valid, binding and enforceable in accordance with its terms; or (9) the subordination provisions of any Subordinated Indebtedness cease to be in full force and effect. If any event of default occurs and is not cured within applicable grace periods set forth in the Credit Agreement or waived, the

Administrative Agent may immediately terminate all Commitments under the Credit Agreement, and declare the Loans and other obligations due and immediately payable.

JPMorgan Chase Bank and several of the lenders under the Credit Agreement and their affiliates have or may in the future have various relationships with the Company and its subsidiaries involving the provision of financial services, including investment banking, commercial banking, advisory, cash management, custody and trust services, for which they have received customary fees.

This summary of the Credit Agreement does not purport to be complete and is subject to, and is qualified in its entirety by, reference to all the terms of the Credit Agreement, a copy of which is attached as Exhibit 10.1 and incorporated herein by reference.

Item 1.02. Termination of a Material Definitive Agreement.

By reason of the execution of the Credit Agreement described in Item 1.01 above, on September 22, 2017, the Company terminated that certain Credit Agreement (the Former Credit Agreement), dated as of October 28, 2014, among the Company, the Foreign Subsidiary Borrowers party thereto; the Lenders party thereto; JPMorgan Chase Bank, N.A. as Administrative Agent; Bank of America, N.A. and PNC Bank, National Association as Co-Syndication Agents; and Citizens bank of Pennsylvania and U.S. Bank National Association as Co-Documentation Agents, as amended, which provided for a \$650 million unsecured credit facility and was set to expire on October 28, 2019. There was approximately \$24.5 million outstanding indebtedness under the Former Credit Agreement and the Company was not obligated to pay any early termination or prepayment penalties.

JP Morgan Chase, N.A. and several of the lenders under the Former Credit Agreement and their affiliates have various relationships with the Company and its subsidiaries involving the provision of financial services, including investment banking, commercial banking, advisory, cash management, custody and trust services, for which they have received customary fees, and may do so again in the future.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance sheet Arrangement of a Registrant.

The information required by this Item 2.03 is included in Item 1.01 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Credit Agreement, dated as of September 22, 2017, by and among the Company and the Foreign Subsidiary Borrowers party thereto; the Lenders party thereto; JPMorgan Chase Bank, N.A. as Administrative Agent; Bank of America, N.A. and PNC Bank, National Association as Co-Syndication Agents and Citibank, N.A., DBS Bank, Ltd. and US Bank, National Association as Co-Documentation Agents.

Exhibit Index

Exhibit

No.	Description
10.1	<u>Credit Agreement, dated as of September 22, 2017, by and among the Company and the Foreign Subsidiary Borrowers party thereto; the Lenders party thereto; JPMorgan Chase Bank, N.A. as Administrative Agent; Bank of America, N.A. and PNC Bank, National Association as Co-Syndication Agents and Citibank, N.A., DBS Bank, Ltd. and US Bank, National Association as Co-Documentation Agents.</u>

SIGNATURE

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: September 26, 2017

NEWMARKET CORPORATION

By: /s/ Brian D. Paliotti
Brian D. Paliotti
Vice President and Chief Financial
Officer