

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 11, 2020

ProPetro Holding Corp.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-38035
(Commission File Number)

26-3685382
(I.R.S. Employer
Identification No.)

1706 S. Midkiff, Bldg. B
Midland, TX
(Address of principal executive offices)

79701
(Zip Code)

Registrant's telephone number, including area code: (432) 688-0012

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))

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 \$0.001 per share	PUMP	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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 11, 2020, the Board of Directors (the “Board”) of ProPetro Holding Corp. (the “Company”) approved the Amended and Restated ProPetro Holding Corp. Executive Incentive Bonus Plan (the “Amended Plan”), which amends and restates the ProPetro Holding Corp. Senior Executive Incentive Plan (the “Prior Plan”).

The Amended Plan was approved to reflect changes made to the Internal Revenue Code pursuant to federal tax legislation enacted by Congress in 2017. In addition, the Amended Plan makes the following changes to the Prior Plan: (i) expands the definition of “Eligible Individual” to include not only the Company’s executive officers but also senior managers of the Company, (ii) enables the Compensation Committee of the Board (the “Committee”), as the administrator of the Amended Plan, to delegate certain administrative authorities under the Amended Plan to the Company’s executive officers for those participants in the Amended Plan that are not executive officers of the Company, and (iii) clarifies the applicable administrator’s discretion to modify the performance goals and bonus amounts under the Amended Plan.

The Amended Plan governs cash incentive awards made each year to key executives and senior management members of the Company, and is effective for awards made in 2020 and thereafter. Awards under the Amended Plan are tied to the achievement of performance goals, which may be based on qualitative or quantitative measures, or both, as determined by the Committee or other applicable administrator of the Amended Plan. Cash payouts of the awards made under the Amended Plan are generally made in accordance with pre-established targets, subject to the discretion of the Committee or other applicable administrator of the Amended Plan.

The foregoing description is not complete and is qualified in its entirety by reference to the full text of the Amended Plan, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 8.01 Other Events.

NYSE Extension

On February 14, 2020, the Company received a five-month additional trading period for continued listing on the New York Stock Exchange (“NYSE”). The additional trading period, which is subject to review by the NYSE on an ongoing basis, provides the Company until July 15, 2020 to file its Quarterly Reports on Form 10-Q for the quarters ended June 30, 2019 and September 30, 2019 with the Securities and Exchange Commission (“SEC”) and become current in its filing obligations with the SEC. During the additional trading period, trading in the Company’s common stock will remain unaffected. The Company continues to work diligently to become current in its filing obligations with the SEC as soon as reasonably practicable, and it currently expects to do so prior to the expiration of the additional trading period.

Shareholder Litigation

On or about January 31, 2020, Boca Raton Firefighters’ and Police Pension Fund (“Boca Raton”) filed a shareholder derivative suit in the United States District Court for the Western District of Texas against certain of the Company’s current and former officers and directors (the “Boca Raton Defendants”). The Company was named as a nominal defendant only. The claims include (i) breaches of fiduciary duties, (ii) unjust enrichment and (iii) contribution. Boca Raton did not quantify any alleged damages in its complaint but, in addition to attorneys’ fees and costs, Boca Raton seeks various forms of relief, including (i) damages sustained by the Company as a result of the Boca Raton Defendants’ alleged misconduct, (ii) punitive damages and (iii) equitable relief in the form of improvements to the Company’s governance and controls.

On or about February 13, 2020, Lead Plaintiffs Nykredit Portefølje Administration A/S, Oklahoma Firefighters Pension and Retirement System, Oklahoma Law Enforcement Retirement System, Oklahoma Police Pension and Retirement System, and Oklahoma City Employee Retirement System, and additional named plaintiff Police and Fire Retirement System of the City of Detroit, filed an amended class action complaint in the U.S. District Court for the Western District of Texas in the previously-disclosed action captioned Richard Logan, Individually and On Behalf of All Others Similarly Situated, Plaintiff, v. ProPetro Holding Corp., et al., (Case No. 7:19-CV-217), alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder, and Sections 11 and 15 of the Securities Act of 1933, as amended.

We are presently unable to predict the duration, scope or result of these lawsuits. These lawsuits and any related future litigation give rise to risks and uncertainties that could adversely affect our business, results of operations and financial condition. Such risks and uncertainties include, but are not limited to, the costs and expenses of these lawsuits, including legal fees and possible monetary penalties in the event of an adverse outcome; the risk of additional potential litigation or regulatory action arising from these matters; and potential reputational damage that the Company may suffer as a result of these matters. The outcome of these lawsuits are necessarily uncertain. We could be forced to expend significant resources in the defense of these lawsuits or future ones, and we may not prevail.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
<u>10.1</u>	<u>Amended and Restated ProPetro Holding Corp. Executive Incentive Bonus Plan.</u>

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.

PROPETRO HOLDING CORP.

Date: February 18, 2020

By: /s/ Darin G. Holderness
Darin G. Holderness
Interim Chief Financial Officer

**AMENDED AND RESTATED
PROPETRO HOLDING CORP.
EXECUTIVE INCENTIVE BONUS PLAN**

1. Purpose

This Senior Executive Incentive Bonus Plan (the “Bonus Plan”) is intended to provide an incentive for superior work and to motivate eligible executives and senior managers of ProPetro Holding Corp. (the “Company”) and its subsidiaries toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives and senior managers. The Bonus Plan is for the benefit of Eligible Individuals (as defined below).

2. Administration

The Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”) shall have the sole discretion and authority to administer and interpret the Bonus Plan. The Compensation Committee may delegate any or all of its authority and duties under the Bonus Plan with respect to any Eligible Individual that is not an executive officer of the Company to any executive officer of the Company; provided, however, that the Compensation Committee shall not delegate any portion of its authority and duties set forth in Sections 7 and 8 hereto. The Compensation Committee and, if applicable, the Company’s executive officer(s) to which the Compensation Committee has delegated its authority and duties pursuant to this Section 2 shall be referred to herein as the “Administrator” of the Bonus Plan.

3. Eligibility and Participation

The Administrator shall select the persons eligible to participate in the Bonus Plan, which may include, without limitation, the executives and senior managers of the Company and its subsidiaries (“Eligible Individuals”).

4. Bonus Determinations

(a) An Eligible Individual may receive a bonus payment under the Bonus Plan based upon the attainment of performance objectives which are established by the Administrator and relate to financial, operational or other metrics with respect to the Company or any of its subsidiaries (the “Performance Goals”), including, but not limited to: (i) adjusted net earnings or losses (either before or after one or more of the following: (A) interest, (B) taxes, (C) depreciation, (D) amortization and (E) non-cash equity-based compensation expense); (ii) gross or net sales or revenue or sales or revenue growth; (iii) net income (either before or after taxes); (iv) adjusted net income; (v) operating earnings or profit (either before or after taxes); (vi) cash flow (including, but not limited to, operating cash flow and free cash flow); (vii) return on assets; (viii) return on capital (or invested capital) and cost of capital; (ix) return on stockholders’ equity; (x) total stockholder return; (xi) return on sales; (xii) gross or net profit or operating margin; (xiii) costs, reductions in costs and cost control measures; (xiv) expenses; (xv) working capital; (xvi) earnings or loss per share; (xvii) adjusted earnings or loss per share; (xviii) price per share or dividends per share (or appreciation in and/or maintenance of such price or dividends); (xix) regulatory achievements or compliance (including, without limitation, regulatory body approval for commercialization of a product); (xx) implementation or completion of critical projects; (xxi) market share; (xxii) economic value; (xxiii) productivity; (xxiv) operating efficiency; (xxv) economic value-added; (xxvi) cash flow return on capital; (xxvii) return on net assets; (xxviii) funds from operations; (xxix) funds available for distributions; (xxx) market penetration and geographic business expansion; (xxxi) customer satisfaction/growth; (xxxii) recruitment and retention of personnel; (xxxiii) human resources management; (xxxiv) supervision of litigation and other legal matters; (xxxv) strategic partnerships and transactions; (xxxvi) financial ratios (including those measuring liquidity, activity, profitability or leverage); (xxxvii) financing and other capital raising transactions; (xxxviii) year-end cash; (xxxix) acquisition activity and marketing initiatives; and (xl) safety metrics, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices.

(b) Generally, any bonuses paid to Eligible Individuals under the Bonus Plan shall be based upon objectively determinable bonus formulas that tie such bonuses to one or more performance objectives relating to the Performance Goals and no bonuses shall be paid to Eligible Individuals unless and until the Administrator makes a certification with respect to the attainment of the performance objectives. Notwithstanding the foregoing, the Administrator shall have broad discretion to (i) modify the Performance Goals selected for a particular performance period, (ii) modify the level of achievement with respect to each Performance Goal resulting in the payment of bonuses and the amount of such payment, (iii) increase or decrease (including to zero) the actual amount of the bonus payable to Eligible Individuals following the end of the applicable performance period, irrespective of actual performance with respect to the Performance Goals established and (iv) pay bonuses (including, without limitation, discretionary bonuses) to Eligible Individuals under the Bonus Plan based upon such other terms and conditions as the Administrator may in its sole discretion determine. Such application of discretion need not be uniform across Eligible Individuals or performance periods.

(c) The payment of a bonus to an Eligible Individual with respect to a performance period shall be conditioned upon the Eligible Individual's employment by the Company through the payment date of such bonus; provided, however, that the Administrator may make exceptions to this requirement, in its sole discretion, including, without limitation, in the case of an Eligible Individual's termination of employment, retirement, death or disability.

5. Forfeiture and Claw-Back Provisions

Any bonuses paid under the Bonus Plan shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules, regulations or interpretations thereunder, to the extent set forth in such claw-back policy.

6. Other Provisions

(a) Neither the establishment of the Bonus Plan nor the selection of any individual as an Eligible Individual shall give any individual any right to be retained in the employ of the Company or any subsidiary thereof, or any right whatsoever under the Bonus Plan other than to receive bonus payments awarded by the Administrator.

(b) No member of the Board of Directors of the Company or the Compensation Committee or any executive officer of the Company acting as the Administrator pursuant to Section 2 shall be liable to any individual in respect of the Bonus Plan for any act or omission of such member or executive officer of the Company, or any other member, executive officer, agent or employee of the Company or any of its subsidiaries.

(c) The Company and its subsidiaries shall be entitled to withhold such amounts as may be required by federal, state or local law from all bonus payments under the Bonus Plan.

(d) To the extent not preempted by federal law, the Bonus Plan shall be governed and construed in accordance with the internal laws of the State of Delaware, without regard to the principles of conflicts of law thereof or any other jurisdiction.

(e) The Bonus Plan is intended to meet, or be exempt from, the requirements of Section 409A of the Code and will be interpreted and construed in accordance with Section 409A of the Code and Department of Treasury Regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date (as defined below) (collectively, "Section 409A"). Notwithstanding any provision of the Bonus Plan to the contrary, in the event that following the Effective Date the Company determines that any provision of the Bonus Plan could otherwise cause any person to be subject to the penalty taxes imposed under Section 409A, the Company may adopt such amendments to the Bonus Plan or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to exempt the bonus from Section 409A or comply with the requirements of Section 409A and thereby avoid the application of any penalty taxes under Section 409A. Notwithstanding anything herein to the contrary, in no event shall any liability for failure to comply with the requirements of Section 409A be transferred from an Eligible Individual or any other person to the Company or any of its affiliates, employees or agents pursuant to the terms of the Bonus Plan or otherwise.

7. Amendment and Termination

The Compensation Committee reserves the right to amend or terminate the Bonus Plan at any time in its sole discretion. Any amendments to the Bonus Plan shall require stockholder approval only to the extent required by any applicable law, rule or regulation.

8. Term of Bonus Plan

The Bonus Plan shall become effective as of February 11, 2020 and shall continue in effect until modified or terminated by the Compensation Committee.