

GRACO INC
Form 8-K
December 20, 2016

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): December 15, 2016

Graco Inc.
(Exact name of registrant as specified in its charter)

| | | |
|--|--------------------------|--------------------------------------|
| Minnesota | 001-9249 | 41-0285640 |
| (State or other jurisdiction of Incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

| | |
|--|------------|
| 88-11 th Avenue Northeast | |
| Minneapolis, Minnesota | 55413 |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: (612) 623-6000

Not Applicable
(Former name or former address, if changed since last report)

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))

Item 1.01. Entry into a Material Definitive Agreement
Amendment to Credit Agreement

On December 15, 2016, Graco Inc. (the “Company”) entered into a Third Amendment to Credit Agreement that amends its Credit Agreement with U.S. Bank National Association, as administrative agent and a lender, and the other lenders that are parties thereto (the “Credit Agreement”). The amended agreement, among other things, extends the maturity of the Company’s \$500 million unsecured revolving credit facility from June 26, 2019 to December 15, 2021; increases the accordion feature in the facility from \$150 million to \$250 million; and provides mechanisms for two further one-year extensions of the maturity, subject to the consent of the extending banks.

Borrowings under the amended Credit Agreement may be denominated in U.S. Dollars or certain other currencies.

Outstanding loans in currencies other than U.S. Dollars cannot exceed \$200 million in the aggregate. Loans denominated in U.S. Dollars may bear interest, at the Company’s option, at either a base rate or a LIBOR-based rate. Loans denominated in currencies other than U.S. Dollars will bear interest at a LIBOR-based rate. The base rate is an annual rate equal to a margin ranging from 0.00% to 0.75% (down from 0.00% to 0.875%), depending on the Company’s cash flow leverage ratio, plus the highest of (i) the rate of interest from time to time announced by the Agent as its prime rate, (ii) the federal funds effective rate plus 0.50%, or (iii) one-month LIBOR plus 1.50%. In general, LIBOR-based loans bear interest at a rate per annum equal to LIBOR, plus a margin ranging from 1.00% to 1.75% (down from 1.00% to 1.875%), depending on the Company’s cash flow leverage ratio.

In addition to paying interest on the outstanding loans, the Company is required to pay a facility fee on the unused amount of the loan commitments at a rate per annum ranging from 0.125% to 0.25% (down from 0.15% to 0.30%), depending on the Company’s cash flow leverage ratio.

Item 9.01 Financial Statement and Exhibits

(d) Exhibits

Third Amendment to Credit Agreement, dated December 15, 2016, amending the Credit Agreement among Graco 10.1 Inc., the borrowing subsidiaries from time to time party thereto, the banks from time to time party thereto and U.S. Bank National Association, as administrative agent.

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, thereunto duly authorized.

GRACO INC.

Date: December 16, 2016 By: /s/ Karen Park Gallivan

Karen Park Gallivan

Its: Vice President, General Counsel and Secretary

EXHIBIT INDEX

| Exhibit | Description | Method of Filing |
|---------|--|----------------------|
| 10.1 | Third Amendment to Credit Agreement, dated December 15, 2016, amending the Credit Agreement among Graco Inc., the borrowing subsidiaries from time to time party thereto, the banks from time to time party thereto and U.S. Bank National Association, as administrative agent. | Filed Electronically |