



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

On June 28, 2018, EnPro Industries, Inc. (the “Company”) entered into a Second Amended and Restated Credit Agreement (the “Amended Credit Agreement”) dated as of June 28, 2018 among the Company and EnPro Holdings, Inc., a wholly owned subsidiary of the Company (“EnPro Holdings”), as borrowers, the guarantors party thereto, the lenders party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer. The Amended Credit Agreement provides for a five-year, senior secured revolving credit facility of \$350.0 million (the “Revolving Credit Facility”). The Amended Credit Agreement also provides that the borrowers may seek incremental term loans and/or additional revolving credit commitments in an amount equal to the greater of \$225.0 million and 100% of consolidated EBITDA for the most recently ended four-quarter period for which the Company has reported financial results, plus additional amounts based on a consolidated senior secured leverage ratio. The Amended Credit Agreement became effective on June 28, 2018.

Borrowing availability under the Revolving Credit Facility is not limited by reference to a borrowing base. Initially, borrowings under the Revolving Credit Facility bear interest at an annual rate of LIBOR plus 1.75% or base rate plus 0.75%, although the interest rates under the Revolving Credit Facility are subject to incremental increases based on a consolidated total net leverage ratio. In addition, a commitment fee accrues with respect to the unused amount of the Revolving Credit Facility at an annual rate of 0.20%, which rate is also subject to incremental increases based on a consolidated total net leverage ratio.

The Company and EnPro Holdings are the permitted borrowers under the Revolving Credit Facility. The Company has the ability to add foreign subsidiaries as borrowers under the Revolving Credit Facility for up to \$100.0 million (or its foreign currency equivalent) in aggregate borrowings, subject to certain conditions. Each of the Company’s domestic, consolidated subsidiaries are required to guarantee the obligations of the borrowers under the Revolving Credit Facility, and each of the Company’s existing domestic, consolidated subsidiaries has entered into the Amended Credit Agreement to provide such a guarantee.

Borrowings under the Revolving Credit Facility are secured by a first priority pledge of the following assets:

• 100% of the capital stock of each domestic, consolidated subsidiary of the Company;

• 65% of the capital stock of any first tier foreign subsidiary of the Company and its domestic, consolidated subsidiaries; and

• substantially all of the assets (including, without limitation, machinery and equipment, inventory and other goods, accounts receivable, certain owned real estate and related fixtures, bank accounts, general intangibles, financial assets, investment property, license rights, patents, trademarks, trade names, copyrights, chattel paper, insurance proceeds, contract rights, hedge agreements, documents, instruments, indemnification rights, tax refunds and cash) of the Company and its domestic, consolidated subsidiaries.

The Amended Credit Agreement contains certain financial covenants and required financial ratios, including:

a maximum consolidated total net leverage ratio of not more than 4.0 to 1.0 (with total debt, for the purposes of such ratio, to be net of up to \$100 million of unrestricted cash of the Company and its consolidated subsidiaries), which ratio may be increased at the borrowers' option to not more than 4.25 to 1.0 for the four-quarter period following a significant acquisition; and

a minimum consolidated interest coverage ratio of at least 2.5 to 1.0.

The Amended Credit Agreement contains affirmative and negative covenants (subject, in each case, to customary and other exceptions and qualifications), including covenants that limit the ability of the Company and its subsidiaries to, among other things:

grant liens on assets;

incur additional indebtedness (including guarantees and other contingent obligations);

make certain investments (including loans and advances);

merge or make other fundamental changes;

sell or otherwise dispose of property or assets;

pay dividends and other distributions and prepay certain indebtedness;

make changes in the nature of its business;

enter into transactions with affiliates;

enter into burdensome contracts; and

modify or terminate documents related to certain indebtedness.

The Amended Credit Agreement contains events of default including, but not limited to, nonpayment of principal or interest, violation of covenants, breaches of representations and warranties, cross-default to other debt, bankruptcy and other insolvency events, material judgments, certain ERISA events, actual or asserted invalidity of loan documentation, certain changes of control of the Company, and the invalidity of subordination provisions of subordinated indebtedness.

The Amended Credit Agreement, which is filed as Exhibit 10.1 to this Current Report, is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c)  
Exhibits

Exhibit  
10.1

Amended and Restated Credit Agreement dated as of June 28, 2018 among EnPro Industries, Inc., EnPro Holdings, Inc., the Guarantors party thereto, the Lenders party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer

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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: June 29, 2018

ENPRO INDUSTRIES, INC.

By: /s/ Robert S. McLean

Robert S. McLean Executive Vice President,  
Chief Administrative Officer, General Counsel and Secretary