

**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): January 6, 2023

CRESTWOOD EQUITY PARTNERS LP

(Exact name of Registrant as specified in its charter)

DELAWARE
(State of incorporation
or organization)

001-34664
(Commission
file number)

43-1918951
(I.R.S. employer
identification number)

811 Main St., Suite 3400
Houston, TX 77002
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (832) 519-2200

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 units representing limited partner interests	CEQP	New York Stock Exchange
Preferred Units representing limited partner interests	CEQP-P	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 January 6, 2023, the Board of Directors (the “Board”) of Crestwood Equity GP LLC, the general partner of Crestwood Equity Partners LP (the “Partnership”) approved the Second Amendment (the “Amendment”) to the Crestwood Equity Partners LP 2018 Long Term Incentive Plan (the “Plan”). Pursuant to the Amendment, if a participant is Involuntary Terminated during the twelve (12) month period immediately following the date a Change of Control (as defined in the Plan) occurs, then all the participant’s awards shall become fully vested on the date of such termination. A participant is “Involuntarily Terminated” if the participant’s employment or service is terminated by the Partnership without Employer Cause (as defined in the participant’s Award Agreement or, if not defined, as determined by the Compensation Committee in its sole discretion) or by the participant due to Employee Cause (as defined in the participant’s Award Agreement, to the extent such provision is included in the participant’s Award Agreement).

The foregoing summary of the material provisions of the Amendment is intended to be general in nature and is qualified by the full text of the Amendment, which is incorporated by reference herein as an exhibit this Form 8-K.

Additionally, on January 6, 2023, Crestwood Operations LLC (“Employer”) entered into a 2023 Omnibus Amendment to each Executive Employment Agreement for each of Robert Phillips, Robert Halpin, Steven Dougherty, Joel Lambert, William Moore, Diaco Aviki, and John Black (“Omnibus Amendment”). Pursuant to the Omnibus Amendment, equity awards issued on or after January 1, 2023, will not become vested in connection with a Change of Control (as defined in the Plan). Such awards will, however, become vested in connection with any termination by the Employer for reasons other than Employer Cause or any resignation by the employee due to Employee Cause (each as defined in the Executive Employment Agreement). The Omnibus Amendment also makes certain additional changes to the Executive Employment Agreements, including updating the definition of “Employee Cause” in each employment agreement to provide that a change in the employee’s reporting relationship will be a basis for resignation, clarifying the manner performance awards will become vested in connection with a termination by the Employer for reasons other than Employer Cause or resignation by the employee due to Employee Cause, and conforming the terms of the confidentiality provisions to comply with changes in applicable law.

The foregoing summary of the material provisions of the Omnibus Amendment is intended to be general in nature and is qualified by the full text of the Omnibus Amendment, which is incorporated by reference herein as Exhibit 10.2 to this Form 8-K

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Second Amendment to the Crestwood Equity Partners LP Long Term Incentive Plan dated as of January 6, 2023</u>
10.2	<u>2023 Omnibus Amendment to 2023 Employment Agreement dates as of January 6, 2023</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

CRESTWOOD EQUITY PARTNERS LP

By: Crestwood Equity GP LLC, its General Partner,

By: /s/ Michael K. Post

Michael K. Post

Vice President, Associate General Counsel & Corporate Secretary

Date: January 9, 2023

SECOND AMENDMENT TO THE
CRESTWOOD EQUITY PARTNERS LP
2018 LONG TERM INCENTIVE PLAN

WHEREAS, Crestwood Equity GP, LLC, a Delaware limited liability company (the “**General Partner**”), the general partner of Crestwood Equity Partners LP, a Delaware limited partnership (the “**Partnership**”) has previously adopted the Crestwood Equity Partners LP 2018 Long Term Incentive Plan (the “**Plan**”), which subsequently was amended by that certain First Amendment to the Crestwood Equity Partners LP 2018 Long Term Incentive Plan; and

WHEREAS, the General Partner desires to amend the Plan to remove the provision which provides that awards are automatically vested upon the occurrence of a Change of Control;

NOW, THEREFORE, the Plan shall be amended effective as of January 1, 2023 as follows:

1. Section 7(e) of the Plan shall be deleted and the following shall be substituted therefor, which language shall apply to Awards issued for periods on or after January 1, 2023. The language of Section 7(e) of the Plan, prior to its amendment, shall continue to apply to Awards issued prior to January 1, 2023.

“(e) Change of Control.

(i) If a Participant is Involuntarily Terminated during the twelve (12) month period immediately following the date a Change of Control occurs, then such Award shall become fully vested on the date the Participant’s employment or service is terminated. For purposes of this provision, a Participant is “Involuntarily Terminated” if the Participant’s employment or service with is terminated by the Company without Employer Cause (as defined in the Participant’s Award Agreement or, if not defined, as determined by the Committee in its sole discretion) or by the Participant due to Employee Cause (as defined in the Participant’s Award Agreement, to the extent such provision is included in the Participant’s Award Agreement).

(ii) In the event of a Change of Control, to the extent the successor company does not assume or substitute for an outstanding Award (or in which the Company is the ultimate parent corporation and does not continue the Award), then as of the Change of Control the Committee, acting in its sole discretion without the consent or approval of any holder (subject to any restrictions or limitations in an individual Award Agreement or any other written agreement entered into between the Company and a holder), shall affect one or more of the following alternatives, which may vary among individual holders and which may vary among Awards held by any individual holder:

(A) for any award of Options or Unit Appreciation Rights, accelerate the time at which Options or Unit Appreciation Rights then outstanding may be exercised so that such Awards may be exercised in full for a limited period of time on or before a specified date (before or after such Change of Control) fixed by the Committee, after which specified date all unexercised Awards and all rights of holders thereunder shall terminate;

(B) require the mandatory surrender to the General Partner or the Partnership by selected holders of some or all of the outstanding Awards held by such holders (irrespective of whether such Awards are then subject to a Restricted Period or other restrictions pursuant to the Plan) as of a date, before or after such Change of Control, specified by the Committee, in which event the Committee shall thereupon cancel such Awards and pay to each holder an amount of cash per Unit equal to the amount calculated in Section 7(f) (the "**Change of Control Price**") less the exercise price, if any, applicable to such Awards; provided, however, that to the extent the exercise price of an Option or a Unit Appreciation Right exceeds the Change of Control Price, no consideration will be paid with respect to that Award;

(C) provide that any restrictions, limitations and other conditions applicable to such Award shall lapse and the Units subject to such Award shall, as applicable, be issued and/or become free of all restrictions, limitations and conditions and become fully vested and transferable to the full extent of the original Award;

(D) for any Award subject to performance criteria, the number of Units delivered under such Award shall be determined based on the greater of (1) actual performance, or (2) target, as calculated during the Performance Period through the date of the Change of Control; or

(E) determine in its sole discretion that no adjustment is necessary to Awards then outstanding;

provided, however, that, except as otherwise provided in Section 8(m) or an Award Agreement, then, for any situation in which this Section 7(e)(ii) applies, in addition to the foregoing provisions of this Section 7(e)(ii), upon the occurrence of a Change of Control, the Committee, acting in its sole discretion without the consent or approval of a holder, may cancel outstanding Awards in exchange for payments of cash, property or a combination thereof having an aggregate Fair Market Value equal to the Fair Market Value of such Awards, as determined by the Committee or the Board in its sole discretion acting in good faith.

(iii) To the extent the successor company agrees to assume or substitute for an outstanding Award, then as of the Change of Control, the Committee, acting in its sole discretion without the consent or approval of any holder (subject to any restrictions or limitations in an individual Award Agreement or any other written agreement entered into between the Company and a holder), shall affect one or more of the following alternatives, which may vary among individual holders and which may vary among Awards held by any individual holder:

(A) for any Award, with respect to all or selected holders, have some or all of their then outstanding Awards (whether vested or unvested) assumed or have a new award of a similar nature substituted for some or all of their then outstanding Awards under the Plan (whether vested or unvested) by an entity which is a party to the transaction resulting in such Change of Control and which is then (or will be upon completion of the Change of Control transaction) employing such holder or which is (or will be upon completion of the Change of Control transaction) affiliated or associated with such holder in the same or a substantially similar manner as the Company prior to the Change of Control, or a parent or subsidiary of such entity, provided that (1) such assumption or substitution is on a basis where the excess of the aggregate Fair Market Value of the Units subject to the Award immediately after the assumption or substitution is equal to the excess of the aggregate Fair Market Value of all Units subject to the Award immediately before such assumption or substitution, and (2) the assumed rights under such existing Award or the substituted rights under such new Award, as the case may be, will have substantially the same terms and conditions as the rights under the existing Award assumed or substituted for, as the case may be; or

(B) make such adjustments to Awards then outstanding as the Committee deems appropriate to reflect such Change of Control (provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary to Awards then outstanding), including adjusting an Award to provide that the number and class of Units covered by such Award shall be adjusted so that such Award shall thereafter cover securities of the surviving or acquiring corporation or other property (including cash) as determined by the Committee in its sole discretion;

provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary to Awards then outstanding.”

2. As amended hereby, the Plan is specifically ratified and reaffirmed.

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed on the Amendment Effective Date, effective for all purposes as provided above.

CRESTWOOD EQUITY GP, LLC

By: /s/ Robert G. Phillips
Name: Robert Phillips
Title: Founder, Chairman and Chief Executive Officer

2023 OMNIBUS AMENDMENT TO EMPLOYMENT AGREEMENTS

This 2023 Omnibus Amendment (this “**2023 Amendment**”) is entered into effective as of January 1, 2023 (the “**Amendment Effective Date**”) between Crestwood Operations LLC (the “**Employer**”), and each of Robert G. Phillips (“**Phillips**”), Robert Halpin (“**Halpin**”), Steven Dougherty (“**Dougherty**”), Joel Lambert (“**Lambert**”), William H. Moore (“**Moore**”), Diaco Aviki (“**Aviki**”) and John Black (“**Black**”). Phillips, Halpin, Dougherty, Lambert, Moore, Aviki and Black are the collectively referred to herein as the “**Employees.**”

RECITALS

WHEREAS, the Employer and Phillips are parties to that certain Employment Agreement effective as of January 21, 2014 (as amended, the “**Phillips Employment Agreement**”);

WHEREAS, the Employer and Halpin are parties to that certain Employment Agreement effective as of January 21, 2014 (as amended, the “**Halpin Employment Agreement**”);

WHEREAS, the Employer and Dougherty are parties to that certain Employment Agreement effective as of January 21, 2014 (as amended, the “**Dougherty Employment Agreement**”);

WHEREAS, the Employer and Lambert are parties to that certain Employment Agreement effective as of January 21, 2014 (as amended, the “**Lambert Employment Agreement**”);

WHEREAS, the Employer and Moore are parties to that certain Employment Agreement effective as of January 21, 2014 (as amended, the “**Moore Employment Agreement**” and, together with the Phillips Employment Agreement, Halpin Employment Agreement, Dougherty Employment Agreement and Lambert Employment Agreement, the “**2014 Employment Agreements**”);

WHEREAS, the Company and Phillips, Halpin, Dougherty, Lambert and Moore previously entered into an omnibus amendment to each of the 2014 Employment Agreements dated February 22, 2018;

WHEREAS, the Employer and Aviki are parties to that certain Amended and Restated Employment Agreement effective as of January 18, 2022 (as amended, the “**Aviki Employment Agreement**”);

WHEREAS, the Employer and Black are parties to that certain Employment Agreement effective as of August 15, 2022 (as amended, the “**Black Employment Agreement**”);

WHEREAS, the Company and Employees desire to amend the 2014 Employment Agreements, the Aviki Employment Agreement and the Black Employment Agreement (collectively, the “**Employment Agreements**”) in certain respects.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the parties agree that the Employment Agreements are hereby amended as follows, effective as of the Amendment Effective Date:

AGREEMENTS

1. Each of the Employment Agreements is hereby amended by deleting all references to “Change in Control” from Section 2.2 and, for purposes of accelerated vesting, to apply those definitions of Cause and Employee Cause set forth in the Employment Agreements, such that the fifth sentence of Section 2.2 shall read:

“Equity awards granted to Employee under the foregoing plans shall include provisions that provide for accelerated vesting upon termination of Employee’s employment by the Employer without Cause or upon Employee’s resignation with Employee Cause.”

Employees agree that this amendment to Section 2.2 shall apply to all equity awards issued on or after January 1, 2023.

2. Each of the Employment Agreements is hereby amended by inserting the following language to the end of Section 2.2:

“If Employee’s employment is terminated by the Employer without Employer Cause or by Employee with Employee Cause, in connection with such termination any equity compensation awards vesting upon the achievement of performance conditions other than mere continued service of Employee outstanding immediately prior to such termination will become vested and nonforfeitable at the greater of (i) the target level of performance with respect to such awards, or (ii) actual performance with respect to such awards determined at the time of Employee’s termination. All vested equity compensation awards will become immediately payable and settled except to the extent such accelerated settlement would result in additional taxes to Employee pursuant to Section 409A of the Code, in which case such awards will be settled at the time provided in the underlying award agreement.”

Employees agree that this amendment to Section 2.2 shall apply to all equity awards issued on or after January 1, 2023.

3. Each of the Employment Agreements is hereby amended by revising the first sentence of Section 3.3(a)(i) to be and to read in its entirety as follows:

“(iv) “**Employee Cause**” will exist if one of the following occurs: (A) a substantial and continuing diminution in the nature of Employee’s title, duties, responsibilities, or reporting relationship (including (x) no longer reporting directly to the board of directors or similar body of any successor to the Employer, Crestwood Equity GP, LLC or Crestwood Equity Partners LP, as applicable (the “**Governing Body**”) or (y) reporting to an officer whose reporting relationship to either the Governing Body or, if applicable, to the Chief Executive Officer has been diminished); (B) a material breach by Employer of any material provision of this Agreement; (C) a material and continuing reduction in the aggregated total of Employee’s Base Salary, target Bonus percentage and target equity percentage; or (D) reassignment by the Company of Employee’s principal place of employment to a location more than twenty-five (25) miles from Employee’s principal place of employment on January 1, 2023, but excluding normal business travel consistent with Employee’s duties, responsibilities and position.”

4. Each of the Employment Agreements, excluding the Phillips Employment Agreement, is hereby amended by adding the following language to the end of Section 3.3(b)(iv), to be and to read in its entirety as follows:

“If Employee’s employment is terminated under Section 3.3 during the CIC Protection Period, then the severance amount payable under Section 3.3(b)(i) above shall be increased by changing the reference to “two (2) times” to instead read “three (3) times.”

5. The definition of “Change in Control” at the end of Section 3.3(b) of the 2014 Employment Agreements is hereby deleted and, immediately thereafter, each of the Employment Agreement is hereby amended to add the following at the end of Section 3.3(b), to be and to read as follows:

““Change in Control” means, and shall be deemed to have occurred upon one or more of the following events:

(1) any direct or indirect sale, lease, exchange, liquidation, division or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Partnership to any person or persons, other than to one or more Affiliates;

(2) the consolidation, reorganization, merger, recapitalization, exchange, division or other similar transaction (in one transaction or a series of related transactions) (any such transaction or series of transactions referred to herein as a “Merger”) pursuant to which (a) more than 50% of the combined voting power of the outstanding equity interests in the General Partner or its successor entities cease to be owned, directly or indirectly, by the Partnership, (b) more than 50% of the combined voting power of the outstanding equity interests in the Partnership or its successor entities cease to be, directly or indirectly, owned immediately following the Merger by the owners of such interests immediately prior to the Merger, or (c) the General Partner or one or more other Affiliates of the Partnership cease to be general partner(s) of the Partnership or its successor;

(3) a person or group other than the Partnership or its consolidated subsidiaries directly or indirectly becoming the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of more than 35% of the voting power of the then outstanding common units of the Partnership or its successor; or

(4) individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board or of the board of directors or equivalent body of any successor parent of the Partnership or of the General Partner; provided, however, that any individual becoming a director subsequent to the date hereof whose election or nomination for election by the Partnership’s unitholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board in the ordinary course of business shall be considered as though such individual was a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board or otherwise outside the ordinary course of business.

A Change in Control shall not be deemed to have occurred as a result of a transaction or series of transactions undertaken solely for the purpose of converting the Partnership from a limited partnership to a c-corporation or limited liability company.

Notwithstanding the above, with respect to a 409A Award, a "Change of Control" shall not occur unless that Change of Control also constitutes a "change in the ownership of a corporation," a "change in the effective control of a corporation," or a "change in the ownership of a substantial portion of a corporation's assets," in each case, within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations, as applied to non-corporate entities. Any capitalized terms not defined in this definition shall have those definitions set forth in the Crestwood Equity Partners LP 2018 Long Term Incentive Plan."

Employees agree that this amendment to Section 3.3(b) shall apply to any transaction occurring on or after January 1, 2023.

6. Each of the Employment Agreements is further amended by inserting new Section 4.9 to be and read as follows:

"4.9 Defend Trade Secrets Act. As provided by the Defend Trade Secrets Act, 28 U.S.C. §1833(b) (the "DTSA"), Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in (i) confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) a complaint or other document filed in a lawsuit or other proceeding, provided such filing is made under seal. In the event Employee files a lawsuit for retaliation by the Employer for reporting a suspected violation of law, if applicable, Employee may disclose the trade secret to his attorney and use the trade secret information in the court proceeding, provided that Employee files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order."

7. Each of the Employment Agreements is further amended by inserting new Section 4.10 to be and read as follows:

"4.10 Protected Rights. Employee understands that nothing contained in this Agreement limits Employee's ability to file a charge or complaint with the Securities and Exchange Commission, or any other federal, state, or local governmental regulatory or law enforcement agency ("Government Agencies"). Employee further understands that nothing in this Agreement limits Employee's ability to communicate with any Government Agencies or otherwise participate in or fully cooperate with any investigation or proceeding that may be conducted by any Government Agencies, including providing documents or other information, without notice to or approval from the Employer. Employee can provide confidential information to Government Agencies without risk of being held liable by Employer for liquidated damages or other financial penalties. This Agreement does not limit Employee's right to receive an award for information provided to any Government Agencies."

8. Each of the Employment Agreements is further amended by inserting new Section 4.11 to be and read as follows:

“4.11 Clawback. Bonus payments, equity awards, and incentive compensation paid hereunder shall be subject to any written clawback policies that the Employer, with the approval of the Board, may adopt or as may otherwise be required by applicable law or any applicable securities exchange listing standards.”

9. All references in the Employment Agreements shall be deemed to refer to such agreements as amended.

10. Except as expressly amended hereby, the Employment Agreements, as amended, are unchanged and remain in full force and effect.

11. This 2023 Amendment is made a part of, and is incorporated into, the Employment Agreement and is subject to all provisions therein (as amended hereby), including the amendments, waivers, construction, notices, governing law and entire agreement provisions thereof. This 2023 Amendment shall be governed by and construed in accordance with the laws of the State of Texas without reference to principles of conflict of laws.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, Employee has hereunto set Employee's hand and the Employer has caused this 2023 Amendment to be executed in its name on its behalf, effective as of the dates provided for herein.

EMPLOYER

By: _____
Name:
Title:

EMPLOYEE

By: _____
Name: [•]

SIGNATURE PAGE TO
2023 OMNIBUS AMENDMENT TO EMPLOYMENT AGREEMENT