

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

**FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Act of 1934**

**Date of Report (Date of Earliest Event Reported):
July 13, 2018 (July 10, 2018)**

Commission file number: 001-35653

SUNOCO LP
(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

30-0740483
*(IRS Employer
Identification No.)*

**8111 Westchester Drive, Suite 400
Dallas, TX 75225**
(Address of principal executive offices, including zip codes)

Registrant's telephone number, including area code: (214) 981-0700

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))

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.

Sunoco GP LLC Annual Bonus Plan

On July 10, 2018, the Compensation Committee (the “Committee”) of the board of directors of Sunoco GP LLC (the “Company”), the general partner of Sunoco LP (the “Partnership”) approved and adopted the terms of the Company’s Annual Bonus Plan (the “Bonus Plan”). The Bonus Plan is a discretionary annual cash bonus plan available to all employees of the Company and its subsidiaries, including its executive officers. The purpose of the Bonus Plan is to reward employees for contributions towards the Partnership’s business goals and to aid the Company in motivating employees. The Bonus Plan is administered by the Committee and the Committee has the authority to establish and interpret the rules and regulations relating to the Bonus Plan, to select participants, to determine and approve the size of any actual award amount, to make all determinations, including factual determinations, under the Bonus Plan, and to take all other actions necessary or appropriate for the proper administration of the Bonus Plan.

For each calendar year, or any other period designated by the Committee (the “Performance Period”), the Committee will evaluate and determine an overall funded cash bonus pool based on performance of (i) an internal Adjusted EBITDA target (“Adjusted EBITDA Target”), (ii) an internal distributable cash flow target (“DCF Target”) and (iii) performance of each department compared to the applicable departmental budget (“Departmental Budget Target”). The performance criteria are weighted 60% on the achievement of the Adjusted EBITDA Target, 20% on the achievement of the DCF Target and 20% on the achievement of the Departmental Budget Target (collectively “Budget Targets”). The total amount of cash to be allocated to the funded bonus pool will range from 0% to 120% for each of the budgeted DCF Target and Adjusted EBITDA Target and will range from 0% to 100% of the Departmental Budget Target. While the funded bonus pool will reflect an aggregation of performance under each target, in the event performance under the Adjusted EBITDA Target is below 80% of its target, no bonus pool will be funded. If the bonus pool is funded, a participant may earn a cash award for the Performance Period based upon the level of attainment of the Budget Targets and his or her individual performance. Awards are paid in cash as soon as practicable after the end of the Performance Period but in no event later than two and one-half months after the end of the Performance Period.

All employees of the Company and its subsidiaries previously participated under the Amended and Restated Energy Transfer Partners, L.L.C. Annual Bonus Plan and will now participate under the Bonus Plan.

This foregoing brief description of the Bonus Plan is qualified in its entirety by reference to the text of the Bonus Plan which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached Exhibit 10.1 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act.

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.1	<u>Sunoco GP LLC Annual 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.

Date: July 13, 2018

SUNOCO LP

By: Sunoco GP LLC, its general partner

By: */s/ Arnold D. Dodderer*

Arnold D. Dodderer

General Counsel & Assistant Secretary

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**SUNOCO GP LLC
ANNUAL BONUS PLAN**

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SUNOCO GP LLC
ANNUAL BONUS PLAN

1. **Purpose.** The purpose of this Plan is to motivate management and the employees who perform services for the Partnership and/or its affiliates and subsidiaries to earn annual cash awards through the achievement of performance and target goals.
2. **Definitions.** As used in this Plan, the following terms shall have the meanings herein specified:
 - 2.1 Actual Results means the dollar amount of Adjusted EBITDA, Distributable Cash Flow, Departmental Budget or other applicable financial measure specified for the Budget Target(s) for a Plan Year actually achieved for such Plan Year as determined by the Partnership following the end of such Plan Year.
 - 2.2 Adjusted EBITDA means earnings before interest, taxes, depreciation and amortization adjusted for non-cash compensation and extraordinary costs, including but not limited to transactional costs.
 - 2.3 Annual Bonus means the cash bonus paid to an Eligible Employee for the Plan Year.
 - 2.4 Annual Target Bonus means, for an Eligible Employee, a percentage of such Eligible Employee's Eligible Earnings, and shall be dependent on a number of factors which may include but are not limited to an employee's position title, job responsibilities, and reporting level within the Company. The Company may, but is not required to, specify a specific range for an Eligible Employee at any time prior to or during a Plan Year; provided that any such range may be adjusted from time to time or at any time in the Company's sole discretion, including for the applicable Plan Year.
 - 2.5 Annual Target Bonus Pool means, for a Plan Year, the Target Bonus of the Eligible Employees of the Company for that Plan Year.
 - 2.6 Board means the Board of Directors of the Company.
 - 2.7 Bonus Pool Payout Factor means the multiplier factor applied to the Annual Target Bonus Pool to determine the Funded Bonus Pool for the applicable Plan Year. The payout is determined by the comparison of the Budget Target(s) for the Plan Year to Actual Results. General guidelines for the Budget Target and the Bonus Pool Payout Factor associated with such Budget Target for a Plan Year are set forth below, but each are subject to the sole discretion of the Compensation Committee. The Bonus Pool Payout Factor for purposes of the Plan shall be adjusted each Plan Year based on the specific allocation of Annual Target Bonus Pools to each of the specified Budget Target(s). Such allocations of each Budget Target to the total Annual Bonus Pool shall be determined on an annual basis by the Compensation Committee. The Adjusted EBITDA Budget Target shall comprise 60% of the total Annual Target Bonus Pool, the Distributable Cash Flow Budget Target shall comprise 20% of the total Annual Target Bonus Pool and the Departmental Budget Target shall comprise the remaining 20% of the total Annual Target Bonus Pool. While the Funded Bonus Pool will reflect an aggregation of performance under each Bonus Pool Payout Factor the performance of Adjusted EBITDA Budget Target shall drive calculation of the Bonus Pool, as no other targets shall be considered unless the Adjusted EBITDA Target results is at least 80% of its Budget Target.

Adjusted EBITDA Performance Target Payout Factor Guidelines

% of Budget Target	Bonus Pool Payout Factor
≥ 110.0	1.20x
109.9 – 105.0	1.10x
104.9 – 95.0	1.00x
94.9 – 90.0	.90x
89.9 – 80.0	.75x
< 80.0	.0x

Distributable Cash Flow Performance Target Payout Factor Guidelines

% of Budget Target	Bonus Pool Payout Factor
≥ 110.0	1.20x
109.9 – 105.0	1.10x
104.9 – 95.0	1.00x
94.9 – 90.0	.90x
89.9 – 80.0	.75x
< 80.0	.0x

Departmental Budget Target Payout Factor Guidelines

% of Budget Target	Bonus Pool Payout Factor
0.0-100.9	1.00x
101.0-105.9	.90x
106.0 – 110.9	.70x
111.0-114.9	.50x
> 115	.0x

- 2.8 Budget Target means the specific dollar amount of Adjusted EBITDA, Distributable Cash Flow, total Departmental Budget and/or other financial measure(s) established by the Compensation Committee for the Company for a Plan Year.
- 2.9 Company means Sunoco GP LLC, a Delaware limited liability company. The term “Company” shall include any successor to Sunoco GP LLC, any subsidiary or affiliate thereof that has adopted the Plan, or any entity succeeding to the business of Sunoco GP LLC, or any subsidiary or affiliate, by merger, consolidation, liquidation, or purchase of assets or equity, or similar transaction.
- 2.10 Compensation Committee means the Compensation Committee of the Company’s Board.
- 2.11 Departmental Budget means the specific dollar amount of general and administrative expenses (i.e. operating budget) or operating and maintenance expenses set for each department of Partnership and its subsidiaries. In the case where a department head oversees multiple departments the Departmental Budget shall be the total aggregate budget for all of his/her departments.
- 2.12 Distributable Cash Flow means net income, adjusted for certain non-cash items, less maintenance capital expenditures.
- 2.13 Eligible Earnings means the aggregate regular earnings plus overtime earnings, if any, received by an Eligible Employee during the Plan Year. For the avoidance of doubt, neither distribution payments or distribution equivalent payments on any Partnership restricted or common units nor any other bonus or sign-on payments received by an Eligible Employee during the Plan Year shall be included in the calculation of Eligible Earnings for an Eligible Employee.
- 2.14 Eligible Employee has the meaning set forth in Section 4 below.
- 2.15 Funded Bonus Pool means the Annual Target Bonus Pool for a Plan Year multiplied by the applicable Bonus Pool Payout Factor for such Plan Year. The establishment and amount of a Funded Bonus Pool is 100% discretionary and subject to the final approval of and/or adjustment by the Compensation Committee.
- 2.16 Partnership means Sunoco LP, a Delaware master limited partnership.
- 2.17 Person means an individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.
- 2.18 Plan means the Company’s Annual Bonus Plan as set forth herein, as the same may be amended from time to time.
- 2.19 Plan Year means the performance (calendar) year for the measurement and determination of the Budget Target and the calculation of Actual Results. Unless otherwise determined by the Compensation Committee, each Plan Year shall be the one year period commencing on January 1 and ending on December 31 of the calendar year.

- 3. Plan Guidelines and Administration.** The administration of the Plan and any potential Annual Bonus awarded pursuant to the Plan are subject to the sole determination and discretion of the Compensation Committee. The Compensation Committee will review the Partnership's performance results for the designated Plan Year, the Budget Target and Bonus Pool Payout Factor for each Plan Year and thereafter will determine, in consultation with the Company's Chief Human Resources Officer, whether or not and to what extent to approve the Funded Bonus Pool under the Plan.

The Compensation Committee may delegate the responsibility for the administration and operation of the Plan to the Chief Human Resources Officer of the Company or his/her designee(s). The Compensation Committee or the person(s) to which administrative authority has been delegated (the Committee or such person referred to as the "Plan Administrator") shall have the authority to interpret and construe any and all provisions of the Plan, including the establishment for any designated Plan Year or from time to time any Budget Targets, Budget Target guidelines, Bonus Pool Payout Factors and/or such other economic or performance factors as the Plan Administrator shall determine and whether and to what extent any such targets, guidelines or factors has been achieved. Any determination made by the Plan Administrator shall be final and conclusive and binding on all persons.

- 4. Eligible Employees.** Subject to the discretion of the Compensation Committee and such other criteria as may be established by the Compensation Committee in general or for a particular Plan Year, all regular full-time employees providing services to the Partnership and its subsidiaries are eligible to participate in the Annual Target Bonus Pool for a Plan Year. No Eligible Employee shall be entitled to receive an Annual Bonus for a Plan Year unless he or she is actively employed by the Company (or one of its Affiliates) on the date the Annual Bonus for such Plan Year is paid by the Company even if such payment date is after the Plan Year.

Notwithstanding the foregoing if an Eligible Employee becomes fully disabled, in the sole discretion of the Partnership, or dies after the completion of a Plan Year but prior to the payment of the Annual Bonus, such Eligible Employee or his/her estate, as applicable shall be eligible to receive such Eligible Employee's Annual Bonus. Additionally, in a situation where an Eligible Employee is displaced as a result of a transaction and such transaction closes on or after December 31 of the Plan Year but prior to payment of the Annual Bonus, such Eligible Employee will be able to receive a bonus award even though he/she is not employed on the date of payment of the Annual Bonus.

Employees of Energy Transfer Partners, L.L.C. and its subsidiaries and USA Compression Partners, LP and its subsidiaries shall participate in the Amended and Restated Energy Transfer Partners, L.L.C. Annual Bonus Plan and the USA Compression Partners, LP Annual Cash Incentive Plan, respectively and shall not be eligible to participate under this Plan.

- 5. Annual Bonus Payments for Eligible Employees .** As soon as reasonably practicable following the end of the Plan Year, management of the Company will determine the Annual Target Bonus for each Eligible Employee. The Funded Bonus Pool from which Annual Bonuses are paid to Eligible Employees shall equal (a) the aggregate of the Annual Target Bonuses of all Eligible Employees multiplied by (b) the Bonus Pool Payout Factor for such Plan Year, as determined by the Compensation Committee after review of the performance results for the Plan year. The amount of the Annual Bonus for an Eligible Employee from the Funded Bonus Pool shall be determined in management's sole discretion and shall be based on a number of factors including an employee's performance, length of employment and such other factors as may be determined by management in its sole discretion, which factors may not be the same fall all Eligible Employees. Notwithstanding the foregoing, the Compensation Committee shall

make determination of the Annual Bonus of all of the Company's named executive officers and such other executive officers as may be determined from time to time.

In no event, shall the aggregate amount of the Annual Bonus payments for the Plan Year exceed, in total, the Funded Bonus Pool for such Plan Year Notwithstanding any provision herein, funds allocated under this Plan for distribution to Eligible Employees is 100% discretionary .

6. **Amendment and Termination.** The Compensation Committee, at its sole discretion, may, without prior notice to or consent of any Eligible Employees, amend the Plan or terminate the Plan at any time and at all times.
7. **Indemnification.** Neither the Company, any participating Affiliate, nor the Board, or the Compensation Committee, of the Company or any participating affiliate, nor any officer or employee of the Company or any participating affiliate shall be liable for any act, omission, interpretation, construction or determination made in connection with the Plan in good faith; and the members of the Company's Board, the Compensation Committee and/or management of the Company shall be entitled to indemnification and reimbursement by the Company to the maximum extent permitted by law in respect of any claim, loss, damage or expense (including counsel's fees) arising from their acts, omission and conduct in their official capacity with respect to the Plan.
8. **General provisions.**
 - 8.1 Non-Guarantee of Employment or Participation in the Plan . Nothing contained in this Plan shall be construed as a contract of employment between the Company, the Partnership and/or any of its affiliates and any employee of the Company or any of its affiliates, and nothing in this Plan shall confer upon any employee, including an Eligible Employee, any right to continued employment with the Company and/or its affiliate, or interfere with the right of the Company, the Partnership and/or its affiliate to terminate the employment, with or without cause, of an employee, including an Eligible Employee. Nothing in this Plan shall give any employee any right to participate in the Plan and/or to receive an Annual Bonus with respect to any Plan Year.
 - 8.2 Interests Not Transferable . No right, interest or benefit under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment or other legal process, or encumbrance of any kind, and any attempt to do so shall be void.
 - 8.3 Controlling Law . To the extent not superseded by federal law, the law of the State of Texas, without regard to the conflicts of laws provisions thereunder, shall be controlling in all matters relating to the Plan.
 - 8.4 Severability . If any Plan provision or any Annual Bonus award hereunder is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or award, or would disqualify the Plan or any award under the law deemed applicable by the Compensation Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Compensation Committee, materially altering the intent of the Plan or the award, such provision shall be stricken as to such jurisdiction, person or award and the remainder of the Plan and any such award shall remain in full force and effect.

- 8.5 *No Trust or Fund Created* . Neither the Plan nor any award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and its Affiliates and an employee, including an Eligible Employee or any other person. The Plan shall constitute an unfunded mechanism for the Company to pay bonus compensation to participants from its general assets. No participant shall have any security or other interest in the assets of the Company.
- 8.6 *Headings* . Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision of it.
- 8.7 *Tax Withholding* . The Company and/or any participating Affiliate may deduct from any payment otherwise due under this Plan to a Participant (or beneficiary) amounts required by law to be withheld for purposes of federal, state or local taxes.
- 8.8 *Off-set*. The Company reserves the right to withhold any or all portions of an award or to reduce an award to a participant up to an amount equal to any amount the participant owes to the Company or any of its Affiliates.
- 8.9 *Effective Date*. This Plan was effective for the Plan Year commencing on January 1, 2018.