NuStar Energy L.P.
Form DEF 14A
March 07, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN
PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)
Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material under §240.14a-12

NuStar Energy L.P.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

NOTICE OF 2019 ANNUAL MEETING OF UNITHOLDERS

Time and Place:	April 23, 2019 at 2:00 p.m. Central Time
Place:	NuStar Energy L.P. headquarters located at 19003 IH-10 West, San Antonio, Texas 78257
Agenda:	(1) To elect three Group I directors to serve until the 2022 Annual Meeting or until their successors are elected and have been qualified; (2) To approve the NuStar Energy L.P. 2019 Long-Term Incentive Plan; (3) To ratify the appointment of KPMG LLP as our independent registered public accounting firm for 2019; (4) To approve an advisory resolution on executive compensation; (5) To conduct an advisory vote on the frequency of future advisory votes on executive compensation; and (6) To transact any other business properly brought before the meeting or any adjournment or postponement thereof.
Record Date:	Only holders of record of our outstanding (as defined in our partnership agreement) common units and Series D preferred units, as of the close of business on March 1, 2019, are entitled to vote at our 2019 Annual Meeting.
Voting:	YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the 2019 Annual Meeting, please submit your proxy with voting instructions as soon as possible. If you are a unitholder of record, you may submit your proxy over the Internet, by phone or by mail as described on the proxy card. If you hold your units through a broker or other nominee, please follow the instructions that you receive from your broker or other nominee to ensure that your units are voted. Submitting your proxy will not prevent you from attending our 2019 Annual Meeting and voting in person. We are pleased to take advantage of the Securities and Exchange Commission rules that allow companies to furnish their proxy materials over the Internet. Accordingly, on or about March 13, 2019, we are sending holders of our outstanding (as defined in our partnership agreement) common units and Series D preferred units a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and Annual Report on Form 10-K for the year ended December 31, 2018 over the Internet and how to submit a proxy online (www.proxyvote.com). We believe that this process helps expedite unitholder receipt of proxy materials, lowers the cost of our annual meeting and conserves natural resources. The notice also contains instructions on how to request a paper copy of our proxy materials.

By order of the Board of Directors,

Amy L. Perry
Executive Vice President–Mergers & Acquisitions, Strategic Direction and Investor Relations
and Corporate Secretary

NuStar Energy L.P.
19003 IH-10 West
San Antonio, Texas 78257

March 7, 2019

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INFORMATION ABOUT NUSTAR ENERGY L.P.

NuStar Energy L.P. (NYSE: NS) is a Delaware limited partnership engaged in the transportation of petroleum products and anhydrous ammonia, and the terminalling, storage and marketing of petroleum products. Unless otherwise indicated, the terms "NuStar Energy," "we," "our" and "us" are used in this proxy statement to refer to NuStar Energy L.P., one or more of our subsidiaries or all of them taken as a whole.

We have approximately 9,800 miles of pipeline and 75 terminal and storage facilities that store and distribute crude oil, refined products and specialty liquids. Our combined system has more than 88 million barrels of storage capacity, and we have operations in the United States, Canada, Mexico and St. Eustatius in the Caribbean.

2018 has been a year of significant accomplishments for NuStar Energy. During 2018, we implemented our comprehensive plan to position NuStar for long-term financial strength and sustainable growth, including:

- simplifying our governance structure;
- eliminating our incentive distribution rights;
- strengthening our coverage;
- minimizing our need to access the equity capital markets; and
- lowering our leverage.

During 2018, we reset our quarterly distribution per common unit (the Distribution Reset) to $0.60 ($2.40 on an annualized basis), starting with the first quarter distribution paid on May 14, 2018. In July 2018, we completed a simplification transaction pursuant to which NuStar GP Holdings, LLC, which indirectly owns our general partner, became our wholly owned subsidiary (the Merger). Completing the Distribution Reset and the Merger simplified our governance structure, provided holders of our common units with the right to vote in the election of the members of our board of directors (beginning with our 2019 Annual Meeting), eliminated the incentive distribution rights previously held by our general partner, reduced our cost of capital and strengthened our coverage metrics, allowing us to have less dependence on the equity capital markets.

In June and July 2018, we sold an aggregate of $590 million of Series D preferred units through two private placements. We also sold $10 million of our common units to the Chairman of our Board of Directors, William E. Greehey, in a private placement in June 2018. In November 2018, we sold our European terminals and related assets (the European Operations), which were not geographically synergistic with our other operations, for $270 million. We used the net proceeds of these transactions to repay outstanding borrowings and lower our leverage, further reducing our dependence on the equity capital markets to fund our future growth.

We have strong assets in key strategic locations, and we believe that our continued focus on the comprehensive plan described above, while maintaining our emphasis on safety, will position NuStar Energy for stable growth in the future.

QUESTIONS AND ANSWERS ABOUT THE 2019 ANNUAL MEETING

Q1: Why am I receiving these materials?

A: We are sending the Notice of Internet Availability of Proxy Materials (Notice) to holders of our outstanding (as defined in our partnership agreement) common units and Series D preferred units on or about March 13, 2019. On this date, you will have the ability to access all of our proxy materials on the website provided in the Notice. The Notice also contains instructions on how to request a paper copy of our proxy materials, if desired.

We are providing these materials in connection with the solicitation by the Board of Directors (the Board) of NuStar GP, LLC, the general partner of our general partner, of proxies to be voted at our 2019 Annual Meeting of Unitholders (the 2019 Annual Meeting) and any adjournments or postponements thereof. We will hold our 2019 Annual Meeting on April 23, 2019 at 2:00 p.m. Central Time at our headquarters at 19003 IH-10 West, San Antonio, Texas 78257.

Q2: Who is soliciting my proxy?

A: Our Board is sending you these materials in connection with its solicitation of proxies for use at our 2019 Annual Meeting. Certain of our directors, officers and employees and Morrow Sodali LLC (a proxy solicitor) may also solicit proxies on our behalf by mail, phone, fax or other electronic means, or in person.

Q3: Who is entitled to attend and vote at the 2019 Annual Meeting?

A: Holders of record of our outstanding (as defined in our partnership agreement) common units and Series D preferred units (voting on an as-converted basis) (collectively, our Voting Units) at the close of business on March 1, 2019 (our Unitholders) are entitled to attend and vote on the matters presented at the 2019 Annual Meeting. Our Unitholders will vote together as a single class and are entitled to one vote for each common unit and/or Series D preferred unit held on the March 1, 2019 record date. On March 1, 2019, 107,761,241 common units were outstanding and 23,246,650 Series D preferred units were outstanding.

Q4: What constitutes a quorum to conduct business at the 2019 Annual Meeting?

A: Unitholders representing a majority of the Voting Units, voting together as a single class, present in person or by properly submitted proxy, will constitute a quorum.

Your units will be counted as present at the 2019 Annual Meeting if:

- you are present in person at the meeting; or
- you have submitted a proxy over the Internet, by phone or by mail.

Proxies received but marked as abstentions and broker non-votes (described below) will be counted as present for purposes of determining whether a quorum has been achieved.

Q5: If my units are held in street name by my broker or other nominee, will my broker or other nominee vote my units?

A: If you own units through a broker or other nominee, then your units are held in that broker's or nominee's name and you are considered the beneficial owner of units held in street name.

If a broker does not receive specific voting instructions from the beneficial owner, New York Stock Exchange (NYSE) rules govern whether or not the broker is permitted to vote on the beneficial owner's behalf. The NYSE has designated certain categories of proposals as "routine," and brokers are permitted to vote on routine matters at their discretion. However, brokers are prohibited from voting on any matter deemed non-routine, which results in a "broker non-vote" for such proposal. A broker non-vote is treated as "present" for purposes of determining the existence of a quorum. If a proposal requires approval by the vote of a majority of the Voting Units, voting as a single class, represented in person or by proxy and entitled to vote, a broker non-vote constitutes, in effect, a vote against such proposal. However, if a proposal requires approval by a plurality of the votes cast, a broker non-vote has no effect on the outcome.

The election of three Group I directors (Proposal No. 1), the approval of NuStar Energy's 2019 Long-Term Incentive Plan (Proposal No. 2), the approval of the advisory resolution on executive compensation (Proposal No. 4) and the advisory vote on the frequency of future advisory votes on executive compensation (Proposal No. 5) are considered non-routine under applicable NYSE rules. The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for 2019 (Proposal No. 3) is a matter considered routine under applicable NYSE rules.

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Q6: How do I vote my units?

A: You may submit your proxy over the Internet, by phone or by mail. If you submit your proxy over the Internet, by phone or by returning a signed proxy card by mail, your units will be voted as you indicate. If you sign your proxy card without indicating your vote, your units will be voted in accordance with the recommendations of our Board.

If you attend the 2019 Annual Meeting and plan to vote in person, we will provide you with a ballot at the meeting. You will need to present the following documents to vote in person at the 2019 Annual Meeting, based on how you hold your units:

Documents Required to Vote in Person at the 2019 Annual Meeting

Unitholders of Record (units held in your name)	Beneficial Owners of Units (units held in the name of your broker or nominee)
Photo identification	Photo identification
	Legal proxy from unitholder of record (e.g., broker or nominee) authorizing you to vote

Q7: What vote is required for each proposal and what is the recommendation of the Board?

A: The table below summarizes the recommendation of the Board, the vote required and the effect of abstentions and broker non-votes with respect to each proposal at the 2019 Annual Meeting.

Proposal	Board Recommendation	Vote Required When a Quorum is Present	Effect of Abstentions	Effect of Broker Non-Votes
Proposal No. 1: Election of Directors	FOR each nominee	Plurality of the votes cast by our Unitholders	No effect on the vote with respect to this proposal	No effect on the vote with respect to this proposal
Proposal No. 2: Approval of 2019 Long-Term Incentive Plan	FOR approval of the 2019 Long-Term Incentive Plan	Affirmative vote of a majority of the Voting Units (voting as a single class) entitled to vote	Same effect as a vote against this proposal	Same effect as a vote against this proposal
Proposal No. 3: Ratification of Independent Accounting Firm	FOR the ratification of the appointment of KMPG LLP for 2019	Affirmative vote of a majority of the Voting Units (voting as a single class) entitled to vote	Same effect as a vote against this proposal	Voted at broker's discretion; broker non-votes are not expected but units not voted have the same effect as a vote against this proposal
Proposal No. 4: Advisory Resolution on Executive Compensation [(1)]	FOR approval of the advisory resolution on executive compensation	Affirmative vote of a majority of the Voting Units (voting as a single class) entitled to vote	Same effect as a vote against this proposal	Same effect as a vote against this proposal
Proposal No. 5: Advisory Vote on Frequency of Future Advisory Votes on	FOR holding the advisory vote to approve the advisory resolution on executive compensation EVERY	Affirmative vote of a majority of the Voting Units (voting as a single class)	Same effect as a vote against this proposal	Same effect as a vote against this proposal

Executive Compensation [1]	THREE YEARS	entitled to vote

(1) As advisory votes, the results of the vote on the advisory resolution on executive compensation and the frequency of future advisory votes on executive compensation are not binding on NuStar Energy, the Compensation Committee or the Board, whether or not the proposals are passed under the standards described above.

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Q8: Can I change my vote after I have voted by proxy?

A: You may revoke a proxy at any time before voting is closed at the 2019 Annual Meeting by:

- submitting a written revocation to our Corporate Secretary at the address indicated on the cover page of this proxy statement (provided that revocation is received by the Corporate Secretary by 11:59 p.m. Eastern Time on April 22, 2019);
- submitting your valid, signed and later-dated proxy by mail (provided that later-dated proxy is received by 11:59 p.m. Eastern Time on April 22, 2019);
- submitting your valid proxy over the Internet or by phone by 11:59 p.m. Eastern Time on April 22, 2019; or
- voting in person at the 2019 Annual Meeting by presenting a valid photo identification and, if applicable (see Q6 above), a legal proxy.

If instructions to the contrary are not given, your units will be voted as indicated on the proxy and your presence without voting at the 2019 Annual Meeting will not revoke your proxy.

Q9: What should I do if I receive more than one set of voting materials for the 2019 Annual Meeting?

A: You may receive more than one set of voting materials for the 2019 Annual Meeting, and the materials may include multiple proxy cards or voting instruction cards. If you hold units in more than one brokerage account, you will receive voting materials for each account; further, if you hold units directly, but in more than one name (e.g., Jane Smith and Jane A. Smith), you will receive voting materials for each variant. Please complete and submit each proxy card and voting instruction card that you receive, according to its instructions.

Q10: Who is paying the expense of soliciting proxies?

A: We pay the cost of soliciting proxies and holding our 2019 Annual Meeting. Morrow Sodali LLC will assist us in the distribution of proxy materials and the solicitation of votes for an initial fee of $8,500, plus an additional fee for each unitholder they contact, as well as the reimbursement of out-of-pocket expenses. In addition to distributing the proxy materials, proxies may also be solicited by personal interview, phone and similar means by our, and our affiliates,' directors, officers or employees, who will not receive additional compensation for performing that service. We also will make arrangements with brokers, banks and other nominees for forwarding proxy materials to the beneficial owners of our units, and we will reimburse them for any reasonable expenses that they incur.

Q11: Who do I contact if I have further questions about voting or the 2019 Annual Meeting?

A: You may contact our Corporate Secretarial/Investor Relations department at 210-918-INVR (4687) or Morrow Sodali LLC at:

Morrow Sodali LLC
470 West Avenue, 3rd Floor
Stamford Connecticut 06902
Unitholders, please call toll free: 1-800-662-5200
Banks and brokerage firms, please call 1-203-658-9400
Email: NS.info@morrowsodali.com

CORPORATE GOVERNANCE

Board Leadership and Governance

The directors and officers of NuStar GP, LLC, the general partner of our general partner, Riverwalk Logistics, L.P., perform all of our management functions, and we do not have directors or officers. However, for simplicity's sake, in this proxy statement, we refer to the directors of NuStar GP, LLC as our directors or our Board, and we refer to the officers of NuStar GP, LLC as our officers.

Our Board is led by its Chairman, William E. Greehey. Although the Board believes that separating the roles of Chairman and Chief Executive Officer is appropriate in the current circumstances, our Corporate Governance Guidelines do not establish this approach as a policy. The Board also has appointed Mr. Hill as its presiding director to serve as a point of contact for unitholders wishing to communicate with the Board and to lead executive sessions of the non-management directors.

Prior to the Merger, our Board had six members: William E. Greehey, Bradley C. Barron, J. Dan Bates, Dan J. Hill, Robert J. Munch and W. Grady Rosier. Upon completing the Merger, the size of our Board increased to nine members, and William B. Burnett, James F. Clingman, Jr. and Jelynne LeBlanc-Burley, who previously served as members of the board of directors of NuStar GP Holdings, LLC, joined our Board.

Director Independence

Independent Directors

Our Board includes one member of management, Mr. Barron, President and Chief Executive Officer, and eight non-management directors. As a limited partnership, NuStar Energy is not required to have a majority of independent directors. However, the Board has determined that seven of its eight current non-management directors meet the independence requirements of the NYSE listing standards as set forth in the NYSE Listed Company Manual. The independent directors are: Mr. Bates, Mr. Burnett, Mr. Clingman, Mr. Hill, Ms. LeBlanc-Burley, Mr. Munch and Mr. Rosier.

The Audit, Compensation and Nominating/Governance & Conflicts Committees of the Board are each composed entirely of directors who meet the independence requirements of the NYSE listing standards. Each member of the Audit Committee also meets the additional independence standards for Audit Committee members set forth in the regulations of the Securities and Exchange Commission (SEC). For further information about the committees, see "Committees of the Board" below.

Independence Determinations

No director qualifies as independent under the NYSE's listing standards unless the Board affirmatively determines that the director has no material relationship with NuStar Energy. Based upon information requested annually from and provided by each director concerning their background, employment and affiliations (including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships), the Board has determined that, other than being a member of our Board, a unitholder of NuStar Energy and, if applicable prior to the Merger, a member of the board of directors and a unitholder of NuStar GP Holdings, LLC, each of the independent directors named above has either no relationship with NuStar Energy, either directly or as a partner, equityholder or officer of an organization that has a relationship with NuStar Energy, or has only immaterial relationships with NuStar Energy, and is therefore independent under the NYSE's listing standards.

As provided for under the NYSE's listing standards, the Board has adopted categorical standards or guidelines to assist the Board in making its independence determinations with respect to each director. Under the NYSE's listing standards, immaterial relationships that fall within the guidelines are not required to be disclosed in this proxy statement.

A relationship falls within the guidelines adopted by the Board if it:

- is not a relationship that would preclude a determination of independence under Section 303A.02(b) of the NYSE Listed Company Manual;
- consists of charitable contributions by NuStar Energy to an organization where a director is an executive officer and does not exceed the greater of $1 million or 2% of the organization's gross revenue in any of the last three years;

- consists of charitable contributions by NuStar Energy to any organization with which a director, or any member of a director's immediate family, is affiliated as an officer, director or trustee pursuant to a matching gift program of NuStar Energy and made on terms applicable to employees and directors generally, or is in amounts that do not exceed $250,000 per year; and
- is not required to be disclosed in this proxy statement.

Our Corporate Governance Guidelines contain the director qualification standards, including the guidelines listed above, and are available under the Corporate Governance tab in the Investors section of our website at www.nustarenergy.com or are available in print upon request to our Corporate Secretary at corporatesecretary@nustarenergy.com or the address indicated on the cover page of this proxy statement.

Committees of the Board

Our business is managed under the direction of our Board. The Board conducts its business through meetings of the Board and its committees. The Board has standing Audit, Compensation and Nominating/Governance & Conflicts Committees. Each committee has a written charter, which is available under the Corporate Governance tab in the Investors section of our website at www.nustarenergy.com.

The table below lists the current members and chair of our Board and each standing committee of our Board, the director selected to serve as presiding director of the Board, the independence and audit committee financial expertise determinations made by our Board with respect to each director and the number of Board and committee meetings held during 2018. No member of our Board attended less than 75% of the meetings of the Board and committees during the period in which he or she was a member during 2018. We expect that Mr. Greehey and Mr. Barron will attend our 2019 Annual Meeting, which is our first annual meeting of unitholders.

Name	Independent (I) and SEC Audit Committee Financial Expert (FE)	Board of Directors	Audit Committee	Compensation Committee	Nominating/Governance & Conflicts Committee
William E. Greehey		Chair			
Bradley C. Barron		ü			
J. Dan Bates	I, FE	ü	Chair		ü
William B. Burnett	I	ü	ü		
James F. Clingman, Jr.	I	ü		ü	
Dan J. Hill	I	Presiding	ü	Chair	
Jelynne LeBlanc-Burley	I	ü			ü
Robert J. Munch	I	ü	ü		
W. Grady Rosier	I	ü		ü	Chair
Number of 2018 Meetings		10	8	5	15

Audit Committee

The Audit Committee reviews and reports to the Board on various auditing and accounting matters, including the quality, objectivity and performance of our registered public accounting firm (our independent auditors) and our internal audit function, the adequacy of our internal controls over financial reporting and the reliability of financial information reported to the public. The Audit Committee has sole authority as to the retention, evaluation, compensation and oversight of the work of our independent auditors, who report directly to the Audit Committee. The Audit Committee reviews our internal audit plan and all significant internal audit reports. The Audit Committee also monitors financial risk exposures, risk assessment and risk management policies, as well as our compliance with legal and regulatory requirements, including those related to the health, safety and environmental performance of our company.

Compensation Committee

As a limited partnership, we are not required by NYSE rules to have a compensation committee. However, our Board has established a Compensation Committee to review and report to the Board on matters related to compensation strategies, policies and programs, including certain personnel policies and policy controls, management development, management succession and benefit programs. The Compensation Committee also conducts periodic reviews of director compensation and makes recommendations to the Board regarding director compensation. The Compensation Committee also approves and administers NuStar Energy's equity compensation plans and incentive bonus plan.

Nominating/Governance & Conflicts Committee
As a limited partnership, we are not required by NYSE rules to have a nominating committee. However, our Board created a Nominating/Governance & Conflicts Committee to identify candidates for membership on the Board, recommend director nominees and oversee our Corporate Governance Guidelines and Board assessment process. Pursuant to our partnership agreement, the Nominating/Governance & Conflicts Committee also reviews and resolves certain potential conflicts of interest. For example, during 2018, the Nominating/Governance & Conflicts Committee was delegated the authority to negotiate on our behalf and determine the terms and conditions of the Merger.
Compensation Committee Interlocks and Insider Participation
There are no compensation committee interlocks. Prior to the completion of the Merger in July 2018, Mr. Hill (Chairman), Mr. Bates, Mr. Munch and Mr. Rosier served on our Compensation Committee. Following the Merger and the addition of Mr. Burnett, Mr. Clingman and Ms. LeBlanc-Burley to our Board, the membership of our committees was adjusted to incorporate the new directors. Mr. Hill (Chairman), Mr. Clingman and Mr. Rosier have served as the members of our Compensation Committee since the completion of the Merger in July 2018. None of the directors who served as members of our Compensation Committee during 2018 have served as an officer or employee of ours. Furthermore, except for compensation arrangements disclosed in this proxy statement, we have not participated in any contracts, loans, fees or awards, and do not have any financial interests, direct or indirect, with any Compensation Committee member. In addition, none of our management or Board members are aware of any means, directly or indirectly, by which a Compensation Committee member could receive a material benefit from NuStar Energy.
Risk Oversight
Although management has the day-to-day responsibility for assessing and managing our risk exposure, the Board and its committees oversee those efforts. The Board interfaces regularly with management and receives periodic reports that include updates on operational, financial, legal, cybersecurity and other risk management matters.
The Board as a whole typically discusses and addresses our key strategic risks at its meetings over the course of each year, both as they relate to particular projects or other topics being considered by the Board and in their own right as a separate agenda topic. In addition, at least once annually, the Board has a session devoted specifically to strategic planning, including identifying and addressing our principal strategic risks and potential opportunities.
Each committee of the Board reports to the Board on a regular basis, including as appropriate with respect to each committee's risk oversight activities. For example, as applicable, the Board and the Audit Committee discuss the guidelines and policies that govern the process by which risk assessment and management is undertaken and evaluate reports from various functions with the management team on risk assessment and management. The Audit Committee assists the Board in oversight of the integrity of NuStar Energy's financial statements and compliance with legal and regulatory requirements, including those related to the health, safety and environmental performance of our company. The Audit Committee also reviews and assesses the performance of NuStar Energy's internal audit function and its independent auditors. The Compensation Committee oversees risks associated with our compensation programs, and focuses on aligning our compensation policies with the long-term interests of NuStar Energy, as further described under "Evaluation of Compensation Risk" below. The Compensation Committee also oversees executive succession planning. The Nominating/Governance & Conflicts Committee oversees risks related to corporate governance, such as director independence, the effectiveness of our Board and committees, director nominations and potential conflicts of interest. We do not believe that our Board's oversight of risk management has had an effect on our Board's leadership structure.
Governance Documents and Codes of Ethics
We have adopted a Code of Ethics for Senior Financial Officers that applies to our principal executive officer, principal financial officer and controller. This code charges the senior financial officers with responsibilities regarding honest and ethical conduct, the preparation and quality of the disclosures in documents and reports we file with or submit to the SEC, compliance with applicable laws, rules and regulations, adherence to the code and reporting of violations of the code. We also have adopted a Code of Business Conduct and Ethics that applies to all of our employees and directors.

We post the following documents on our website at www.nustarenergy.com under the Corporate Governance tab in the Investors section:

- Audit Committee Charter
- Code of Business Conduct and Ethics
- Code of Ethics for Senior Financial Officers

- Compensation Committee Charter
- Corporate Governance Guidelines
- Nominating/Governance & Conflicts Committee Charter

A printed copy of any of these documents also is available to any unitholder upon request. Requests for documents must be in writing and directed to our Corporate Secretary at corporatesecretary@nustarenergy.com or the address indicated on the cover page of this proxy statement.

Director Candidates

Selection of Director Nominees

The Nominating/Governance & Conflicts Committee solicits recommendations for potential Board candidates from a number of sources, including members of the Board, our officers, individuals personally known to the members of the Board and third-party research. In addition, the Nominating/Governance & Conflicts Committee will consider candidates recommended by unitholders. Any recommendations by a unitholder must be submitted in writing and include the candidate's name, qualifications for Board membership and sufficient biographical and other relevant information such that an informed judgment as to the recommended candidate's qualifications can be made. Submissions must be directed to our Corporate Secretary at corporatesecretary@nustarenergy.com or the address indicated on the cover page of this proxy statement. The level of consideration that the Nominating/Governance & Conflicts Committee will give to a unitholder's recommended candidate will be commensurate with the quality and quantity of information about the candidate that the recommending unitholder makes available to the Nominating/Governance & Conflicts Committee. The Nominating/Governance & Conflicts Committee will consider all candidates identified through the processes described above and will evaluate each of them on the same basis. In addition, in order to nominate a person for election as a director at an annual unitholder meeting, our partnership agreement requires unitholders to follow certain procedures, including providing timely notice, as described under "Additional Information—Advance Notice Required for Unitholder Proposals and Nominations" below, and providing the information specified in our partnership agreement.

Evaluation of Director Candidates

The Nominating/Governance & Conflicts Committee is responsible for assessing the skills and characteristics that candidates for election to the Board should possess, as well as the composition of the Board as a whole. The assessments include qualifications under applicable independence standards and other standards applicable to the Board and its committees, as well as consideration of skills and experience in the context of the needs of the Board. Each candidate must meet certain minimum qualifications, including:

- independence of thought and judgment;
- the ability to dedicate sufficient time, energy and attention to the performance of his or her duties, taking into consideration the nominee's service on other public company boards; and
- skills and expertise complementary to the existing Board members' skills; in this regard, the Board will consider its need for operational, managerial, financial, governmental affairs or other relevant expertise.

The Nominating/Governance & Conflicts Committee may also consider the ability of a prospective candidate to work with the then-existing interpersonal dynamics of the Board and the candidate's ability to contribute to the collaborative culture among Board members. In accordance with our Corporate Governance Guidelines, individuals are considered for membership on the Board based on their character, judgment, integrity, diversity, age, skills (including financial literacy), independence and experience in the context of the overall needs of the Board. Nominees are also selected based on their knowledge about our industry and their respective experience leading or advising large companies. We require that our directors have the ability to work collegially, exercise good judgment and think critically. The Nominating/Governance & Conflicts Committee strives to find the best possible candidates to represent the interests of our company and its unitholders. As part of its self-assessment process, the Nominating/Governance & Conflicts Committee annually evaluates the mix of independent and non-independent directors, the selection and functions of the presiding director and whether the Board has the appropriate range of talents, expertise and backgrounds. Based on this evaluation, the Nominating/Governance & Conflicts Committee determines whether to interview a candidate and, if warranted, will recommend that one or more of its members, other members of the Board or senior management, as appropriate, interview the candidate in person or by phone. After completing this evaluation and interview process, the Nominating/Governance & Conflicts Committee ultimately determines its list of nominees and submits it to the full Board for consideration and approval.

Communications with the Board of Directors

Unitholders and other interested parties may communicate with the Board, the non-management directors or the Presiding Director by sending a written communication addressed to "Board of Directors," "Non-Management Directors" or "Presiding Director" in care of our Corporate Secretary at corporatesecretary@nustarenergy.com or the address indicated on the cover page of this proxy statement. Additional requirements for certain types of communications are stated below under the caption "Additional Information—Advance Notice Required for Unitholder Proposals and Nominations."

PROPOSAL NO. 1
ELECTION OF DIRECTORS
(Item 1 on the Proxy Card)

Our Board is divided into three groups for purposes of election. Three Group I directors will be elected at our 2019 Annual Meeting to serve a three-year term that will expire at our 2022 Annual Meeting.
üOur Board recommends that you vote "FOR" the nominees.
As described above under "Questions and Answers about the 2019 Annual Meeting," our partnership agreement provides that the nominees for Group I directors will be elected by a plurality of the votes cast by our Unitholders. Votes "withheld" from a nominee will not count against the election of that nominee.
If any nominee is unavailable as a candidate at the time of our 2019 Annual Meeting, either the number of directors constituting the full Board will be reduced to eliminate any vacancy or the persons named as proxies will use their best judgment in voting for any available nominee. The Board has no reason to believe that the current nominees will be unable to serve.
Mr. Bates, Mr. Clingman and Mr. Hill are the nominees for election as Group I directors at our 2019 Annual Meeting. There is no family relationship among any of our executive officers or directors, and there is no arrangement or understanding between any director or other person pursuant to which the director was or is to be selected as a director or nominee.
Nominees for Election as Group I Directors

J. Dan Bates
Biographical Information:
Mr. Bates served as President and CEO of the Southwest Research Institute from 1997 until October 2014 and continues to serve as a director and as President Emeritus of the Southwest Research Institute. Mr. Bates also serves as a director of Signature Science L.L.C., Broadway Bank and Broadway Bankshares, Inc. Mr. Bates is a C.P.A. and he served as Chairman or Vice Chairman of the board of directors of the Federal Reserve Bank of Dallas' San Antonio Branch from January 2005 through December 2009.

Age: 74
Group I Director: Term expires 2022 (if elected)
Director Since: 2006
Committees: Audit (Chair); Nom./Gov. & Conflicts

Qualifications:

Mr. Bates' pertinent experience, qualifications, attributes and skills include his financial literacy and expertise, managerial experience and background in science and technology through his years leading the Southwest Research Institute, and the knowledge and experience he has attained through his service as a director of multiple entities, including financial institutions, the San Antonio Branch of the Federal Reserve Bank of Dallas and NuStar GP, LLC.

James F. Clingman, Jr.
Biographical Information:
Prior to the completion of the Merger, Mr. Clingman served as a director of NuStar GP Holdings, LLC since December 2006. From 1984 through 2003, Mr. Clingman served as the President and Chief Operating Officer of HEB Grocery Company. He also served on the board of HEB from 1984 through 2008. From 2003 through June 2010, Mr. Clingman served on the board of directors of CarMax, a publicly held NYSE-listed company. He also served as a member of its audit committee and, from 2003 through 2005, its compensation committee. He also has served as Chairman of the board of directors of three privately held food manufacturing companies owned by

Silver Ventures Inc. since 2005.

Age: 81 Group I Director: Term expires 2022 (if elected) Director Since: 2018 Committees: Compensation	Qualifications: Mr. Clingman's pertinent experience, qualifications, attributes and skills include his leadership experience and knowledge attained through decades of service for HEB, both as an officer and as a director, and his experience attained through his service on multiple boards of directors, including CarMax, NuStar GP Holdings, LLC and NuStar GP, LLC.

Dan J. Hill
Biographical Information:
From February 2001 through May 2004, Mr. Hill served as a consultant to El Paso Corporation. Prior to that, he served as President and CEO of Coastal Refining and Marketing Company. In 1978, Mr. Hill was named as Senior Vice President of the Coastal Corporation and President of Coastal States Crude Gathering. In 1971, he began managing Coastal's NGL business. Previously, Mr. Hill worked for Amoco and Mobil.

Age: 78
Group I Director: Term expires 2022 (if elected)
Director Since: 2004
Committees: Audit; Compensation (Chair); Presiding Director

Qualifications:

Mr. Hill's pertinent experience, qualifications, attributes and skills include his breadth of managerial and operational experience in multiple sectors of the oil and gas industry, and the knowledge and experience he has attained through his service as a director of NuStar GP, LLC.

Other Directors

Bradley C. Barron
Biographical Information:
Mr. Barron became President and Chief Executive Officer of NuStar GP, LLC in January 2014. Prior to the Merger, Mr. Barron also served as President, Chief Executive Officer and a director of NuStar GP Holdings, LLC since January 2014. He served as Executive Vice President and General Counsel of NuStar GP, LLC and NuStar GP Holdings, LLC from February 2012 until his promotion in January 2014. From April 2007 to February 2012, he served as Senior Vice President and General Counsel of NuStar GP, LLC and NuStar GP Holdings, LLC. Mr. Barron also served as Secretary of NuStar GP, LLC and NuStar GP Holdings, LLC from April 2007 to February 2009. He served as Vice President, General Counsel and Secretary of NuStar GP, LLC from January 2006 until April 2007 and as Vice President, General Counsel and Secretary of NuStar GP Holdings, LLC from March 2006 until his promotion in April 2007. He has been with NuStar GP, LLC since July 2003 and, prior to that, was with Valero Energy Corporation (Valero Energy) from January 2001 to July 2003.

Age: 53
Group III Director: Term expires 2021
Director Since: 2014
Committees: None; President and Chief Executive Officer

Qualifications:

Mr. Barron's pertinent experience, qualifications, attributes and skills include his many years of experience in the refining and logistics industries and the extensive knowledge and experience he has attained through his service as an executive officer and director of NuStar GP, LLC and NuStar GP Holdings LLC.

William B. Burnett
Biographical Information:
Prior to the completion of the Merger, Mr. Burnett served as a director of NuStar GP Holdings, LLC from August 2006 until July 2018. Mr. Burnett served as the Chief Financial Officer of Lucifer Lighting Company (Lucifer), a San Antonio, Texas-based manufacturer of architectural lighting products, from 2004 to 2007 and as a director of Lucifer from 2004 to

2009. Mr. Burnett is a C.P.A. and, in 2001, he retired as a partner with Arthur Andersen LLP after 29 years of service.

Age: 69 Group III Director: Term expires 2021 Director Since: 2018 Committees: Audit	Qualifications: Mr. Burnett's pertinent experience, qualifications, attributes and skills include his financial literacy and expertise, and his managerial experience through his years at Arthur Andersen LLP and Lucifer, and the knowledge and experience he has attained through his service as a director of NuStar GP Holdings, LLC and NuStar GP, LLC.

William E. Greehey
Biographical Information:
Mr. Greehey became Chairman of our Board in January 2002. Prior to the Merger, he also served as the Chairman of the board of directors of NuStar GP Holdings, LLC since March 2006. Mr. Greehey served as Chairman of the board of directors of Valero Energy from 1979 through January 2007. Mr. Greehey was CEO of Valero Energy from 1979 through December 2005, and President of Valero Energy from 1998 until January 2003.

Age: 82
Group II
Director: Term expires 2020
Director Since: 2002
Committees: None; Chairman of the Board

Qualifications:

Mr. Greehey's pertinent experience, qualifications, attributes and skills include his decades of experience in virtually every aspect of the refining and logistics industries, including his extensive years of service as both Chief Executive Officer and Chairman of the board of directors at Valero Energy, and the knowledge and experience he has attained through his service as Chairman of our Board and as Chairman of the board of directors at NuStar GP Holdings, LLC.

Jelynne LeBlanc-Burley
Biographical Information:
Prior to the Merger, Ms. LeBlanc-Burley served as a director of NuStar GP Holdings, LLC from April 2013 until July 2018. She has served as President and Chief Executive Officer of The Center for Health Care Services since May 1, 2017. From August 2013 through February 2016, Ms. LeBlanc-Burley served as Group Executive Vice President and Chief Delivery Officer of CPS Energy. Prior thereto, she served as Executive Vice President - Corporate Support Services and Chief Administrative Officer of CPS Energy since August 2010. She served as the Acting General Manager of CPS Energy from November 2009 to July 2010 and as Senior Vice President - Chief Administrative Officer at CPS Energy from April 2008 to November 2009. Prior to her services at CPS Energy, Ms. LeBlanc-Burley was the Deputy City Manager for the City of San Antonio from February 2006 to February 2008.

Age: 58
Group II
Director: Term expires 2020
Director Since: 2018
Committees: Nom./Gov. & Conflicts

Qualifications:
Ms. LeBlanc-Burley's pertinent experience, qualifications, attributes and skills include her leadership experience and knowledge gained through her years as an executive at The Center for Health Care Services and CPS Energy, her decades of service with the City of San Antonio, and the knowledge and experience attained through her service as a director and audit committee member of several large non-profit companies and as a director of NuStar GP Holdings, LLC and NuStar GP, LLC.

Robert J. Munch
Biographical Information:
Mr. Munch served as General Manager and Head of Corporate & Investment Banking of Mizuho Bank, Ltd. from 2006 to 2013 and as Deputy General Manager, Origination, of Mizuho Bank, Ltd. from 2005 to 2006. Prior to his service with Mizuho Bank, Ltd., Mr. Munch also served in several senior management positions with Canadian Imperial Bank of Commerce and CIBC World Markets from 1980 to 2001 and Fidelity Union Bancorporation (now Wells Fargo) from 1973 to 1980.

Age: 67

Qualifications:

Group II Director: Term expires 2020 Director Since: 2016 Committees: Audit	Mr. Munch's pertinent experience, qualifications, attributes and skills include his financial literacy and expertise and the strength of his managerial and investment banking experience attained through his years of service in key roles with multiple financial institutions, as well as the knowledge and experience he has attained through his service as a director of NuStar GP, LLC.

W. Grady Rosier

Biographical Information:

Mr. Rosier has been the President and Chief Executive Officer of McLane Company, Inc., a leading supply chain services company and subsidiary of Berkshire Hathaway, Inc., since February 1995. Mr. Rosier has been with McLane Company, Inc. since 1984, serving in various senior management positions prior to his current position. Mr. Rosier also has served as a director of NVR, Inc. since December 2008. He was formerly a director of Tandy Brands Accessories, Inc. from February 2006 to October 2011, serving as the lead director from October 2009 to October 2010.

Age: 70
Group III
Director: Term expires 2021
Director Since: 2013
Committees: Compensation; Nom./Gov. & Conflicts (Chair)

Qualifications:

Mr. Rosier's pertinent experience, qualifications, attributes and skills include his leadership experience and knowledge attained through decades of service in senior roles for McLane Company, Inc., and his experience attained through his service on the boards of directors of NVR, Inc. and NuStar GP, LLC.

For detailed information regarding our directors' respective holdings of our units, compensation and other arrangements, see "Security Ownership—Security Ownership of Management and Directors," "Director Compensation" and "Certain Relationships and Related Party Transactions."

EXECUTIVE OFFICERS
We do not have officers. The officers of NuStar GP, LLC, the general partner of our general partner, perform all of our management functions. Officers are appointed annually by the Board.
The table below provides certain information about the executive officers as of March 1, 2019.

Name	Age	Position Held with NuStar GP, LLC
Bradley C. Barron	53	President, Chief Executive Officer and Director
Mary Rose Brown	62	Executive Vice President and Chief Administrative Officer
Amy L. Perry	50	Executive Vice President–Mergers & Acquisitions, Strategic Direction and Investor Relations and Corporate Secretary
Thomas R. Shoaf	60	Executive Vice President and Chief Financial Officer
Jorge A. del Alamo	49	Senior Vice President and Controller
Daniel S. Oliver	52	Senior Vice President–Marketing and Business Development
Karen M. Thompson	51	Senior Vice President and General Counsel
Michael Truby	59	Senior Vice President–Operations

Mr. Barron became President, Chief Executive Officer and a director of NuStar GP, LLC in January 2014. Prior to the Merger, Mr. Barron also served as President, Chief Executive Officer and a director of NuStar GP Holdings, LLC since January 2014. He served as Executive Vice President and General Counsel of NuStar GP, LLC and NuStar GP Holdings, LLC from February 2012 until his promotion in January 2014. From April 2007 to February 2012, he served as Senior Vice President and General Counsel of NuStar GP, LLC and NuStar GP Holdings, LLC. Mr. Barron also served as Secretary of NuStar GP, LLC and NuStar GP Holdings, LLC from April 2007 to February 2009. He served as Vice President, General Counsel and Secretary of NuStar GP, LLC from January 2006 until April 2007 and as Vice President, General Counsel and Secretary of NuStar GP Holdings, LLC from March 2006 until his promotion in April 2007. He has been with NuStar GP, LLC since July 2003 and, prior to that, was with Valero Energy from January 2001 to July 2003.
Ms. Brown became Executive Vice President and Chief Administrative Officer of NuStar GP, LLC in April 2013. Prior to the Merger, Ms. Brown also served as Executive Vice President and Chief Administrative Officer of NuStar GP Holdings, LLC since April 2013. She served as Executive Vice President–Administration of NuStar GP, LLC and NuStar GP Holdings, LLC from February 2012 until her promotion in April 2013. Ms. Brown served as Senior Vice President–Administration of NuStar GP, LLC from April 2008 through February 2012. She served as Senior Vice President–Corporate Communications of NuStar GP, LLC from April 2007 through April 2008. Prior to her service to NuStar GP, LLC, Ms. Brown served as Senior Vice President–Corporate Communications for Valero Energy from September 1997 to April 2007.
Ms. Perry became Executive Vice President–Mergers & Acquisitions, Strategic Direction and Investor Relations and Corporate Secretary of NuStar GP, LLC in July 2018. Prior thereto, she served as Senior Vice President, General Counsel–Corporate & Commercial Law and Corporate Secretary of NuStar GP, LLC since January 2014. Prior to the Merger, Ms. Perry also served as Senior Vice President, General Counsel–Corporate & Commercial Law and Corporate Secretary of NuStar GP Holdings, LLC since January 2014. She served as Vice President, Assistant General Counsel and Corporate Secretary of NuStar GP, LLC and as Corporate Secretary of NuStar GP Holdings, LLC from February 2010 until her promotion in January 2014. From June 2005 to February 2010, she served as Assistant General Counsel and Assistant Secretary of NuStar GP, LLC and, from March 2006 to February 2010, Assistant Secretary of NuStar GP Holdings, LLC. Prior to her service at NuStar GP, LLC, Ms. Perry served as Counsel for Valero Energy.
Mr. Shoaf became Executive Vice President and Chief Financial Officer of NuStar GP, LLC in January 2014. Prior to the Merger, Mr. Shoaf also served as Executive Vice President and Chief Financial Officer of NuStar GP Holdings, LLC since January 2014. He served as Senior Vice President and Controller of NuStar GP, LLC and NuStar GP Holdings, LLC from February 2012 until his promotion in January 2014. Mr. Shoaf served as Vice President and Controller of NuStar GP, LLC from July 2005 to February 2012 and Vice President and Controller of NuStar GP

Holdings, LLC from March 2006 until February 2012. He served as Vice President–Structured Finance for Valero Corporate Services Company, a subsidiary of Valero Energy, from 2001 until joining NuStar GP, LLC.

Mr. del Alamo became Senior Vice President and Controller of NuStar GP, LLC in July 2014. Prior to the Merger, Mr. del Alamo also served as Senior Vice President and Controller of NuStar GP Holdings, LLC since July 2014. Prior thereto, he served as Vice President and Controller of NuStar GP, LLC and NuStar GP Holdings, LLC since January 2014. He served as Vice President and Assistant Controller of NuStar GP, LLC from July 2010 until his promotion in January 2014. From April 2008 to July 2010, he served as Assistant Controller of NuStar GP, LLC. Prior to his service at NuStar GP, LLC, Mr. del Alamo served as Director-Sarbanes Oxley Compliance for Valero Energy.

Mr. Oliver became Senior Vice President–Marketing and Business Development of NuStar GP, LLC in May 2014. Prior to the Merger, Mr. Oliver also served as Senior Vice President–Marketing and Business Development of NuStar GP Holdings, LLC since May 2014. Prior thereto, he served as Senior Vice President–Business and Corporate Development of NuStar GP, LLC and NuStar GP Holdings, LLC since March 2011. He served as Senior Vice President–Marketing and Business Development of NuStar GP, LLC and NuStar GP Holdings, LLC from May 2010 to March 2011 and as Vice President–Marketing and Business Development of NuStar GP, LLC from October 2008 until May 2010 and of NuStar GP Holdings, LLC from December 2009 until May 2010. Prior to that, Mr. Oliver served as Vice President for NuStar Marketing LLC. Previously, Mr. Oliver served as Vice President–Product Supply & Distribution for Valero Energy from May 1997 to July 2007.

Ms. Thompson became Senior Vice President and General Counsel of NuStar GP, LLC in July 2018. Prior thereto, she served as Senior Vice President, General Counsel–Litigation, Regulatory & Environmental of NuStar GP, LLC since January 2014. Prior to the Merger, Ms. Thompson also served as Senior Vice President, General Counsel–Litigation, Regulatory & Environmental of NuStar GP Holdings, LLC since January 2014. She served as Vice President, Assistant General Counsel and Assistant Secretary of NuStar GP, LLC from February 2010 until her promotion in January 2014. From May 2007 to February 2010, she served as Assistant General Counsel and Assistant Secretary of NuStar GP, LLC. Prior to her service at NuStar GP, LLC, Ms. Thompson served as Managing Counsel for Valero Energy.

Mr. Truby became Senior Vice President–Operations of NuStar GP, LLC in February 2013. Prior to the Merger, Mr. Truby also served as Senior Vice President–Operations of NuStar GP Holdings, LLC since November 2015. Prior thereto, he served as Vice President–Pipeline Operations of NuStar GP, LLC since April 2012 and as Vice President–Health, Safety and Environmental of NuStar GP, LLC from January 2012 until April 2012. Previously he served as Vice President and General Manager of NuStar GP, LLC's former San Antonio Refinery from May 2011 until January 2012 and led NuStar GP, LLC's East Region from November 2009 until May 2011.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on its review and discussion and such other matters the Compensation Committee deemed relevant and appropriate, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Members of the Compensation Committee:

Dan J. Hill (Chairman)
James F. Clingman, Jr.
W. Grady Rosier

The Compensation Committee Report is not "soliciting material," is not deemed filed with the SEC and is not to be incorporated by reference into any of NuStar Energy's filings under the Securities Act of 1933, as amended (the Securities Act), or the Securities Exchange Act of 1934, as amended (the Exchange Act), whether made before or after the date of this proxy statement and irrespective of any general incorporation language therein.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Compensation Philosophy

Our philosophy for compensating our named executive officers (NEOs) is based on the belief that a significant portion of executive compensation should be incentive-based and determined by both the performance of NuStar Energy and the executive's individual performance objectives. Our executive compensation programs are designed to accomplish the following long-term objectives:

- increase value to unitholders, while practicing good corporate governance;
- support our business strategy and business plan by clearly communicating what is expected of executives with respect to goals and results;
- provide the Compensation Committee with the flexibility to respond to the continually changing environment in which NuStar Energy operates;
- align executive incentive compensation with NuStar Energy's short- and long-term performance results; and
- provide market-competitive compensation and benefits to enable us to recruit, retain and motivate the executive talent necessary to produce sustainable growth for our unitholders.

Compensation for our NEOs primarily consists of base salary, an annual incentive bonus and long-term, equity-based incentives, which we refer to as "Total Direct Compensation." Our NEOs participate in the same group benefit programs available to our salaried employees in the United States, and each NEO's incentive bonus is awarded in accordance with the same bonus plan and metric that we use for each of our other employees. In addition, as discussed under "Post-Employment Benefits" below, our NEOs may participate in certain non-qualified, retirement-related programs. Our NEOs do not have employment or severance agreements, other than the change of control severance agreements described under "Potential Payments Upon Termination or Change of Control" below. The Compensation Committee targets base salary for our NEOs, as well as annual incentive bonus and long-term incentive opportunities (expressed, in each case, as a percentage of base salary), with reference to prevailing practices of our peer companies and information from survey sources. In determining total compensation, as well as each component thereof, we consider the unique responsibilities of each individual's position, as well as his or her experience and performance, together with the market information.

Our NEOs for the year ended December 31, 2018 were:

- Bradley C. Barron, President and Chief Executive Officer (CEO);
- Thomas R. Shoaf, Executive Vice President and Chief Financial Officer;
- Mary Rose Brown, Executive Vice President and Chief Administrative Officer;
- Amy L. Perry, Executive Vice President–Mergers & Acquisitions, Strategic Direction and Investor Relations and Corporate Secretary; and
- Daniel S. Oliver, Senior Vice President–Marketing and Business Development.

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Administration of Executive Compensation Programs

Our executive compensation programs are administered by our Board's Compensation Committee. The Compensation Committee is composed of independent directors who are not participants in our executive compensation programs. Policies adopted by the Compensation Committee are implemented by our Human Resources department.

The Compensation Committee considers market trends in compensation, including the practices of identified competitors, and the alignment of the compensation program with NuStar Energy's strategy. Specifically, for our NEOs, the Compensation Committee:

- establishes and approves target compensation levels for each NEO;
- approves company performance measures and goals;
- determines the mix between cash and equity compensation, short-term and long-term incentives and benefits;
- verifies the achievement of previously established performance goals; and
- approves the resulting cash or equity awards to our NEOs.

In making determinations about Total Direct Compensation for our NEOs, the Compensation Committee takes into account a number of factors, including:

- the competitive market for talent;
- compensation paid at peer companies;
- industry-wide trends;
- NuStar Energy's performance;
- the particular NEO's role, responsibilities, experience and performance; and
- retention.

The Compensation Committee also considers other equitable factors such as the role, contribution and performance of an individual relative to his or her peers at the company. The Compensation Committee does not assign specific weight to these factors, but rather makes a subjective judgment taking all of these factors into account.

The Compensation Committee has retained Energy Partners Pay Advisors (EPPA) as its independent compensation consultant for expertise and guidance with respect to compensation matters, including performing analyses regarding market practices, peer companies, Total Direct Compensation for senior executives and compensation for non-employee directors. In its role as advisor to the Compensation Committee, EPPA was retained directly by the Compensation Committee, which has the authority to select, retain and/or terminate its relationship with a consulting firm. The Compensation Committee determined that there are no conflicts of interest between the company, the Compensation Committee and EPPA because: EPPA provides no other services to NuStar Energy; EPPA has policies in place to prevent a conflict of interest, including a policy that no employee of EPPA may own NuStar Energy units; and there is no business or personal relationship between EPPA's consultant and any of NuStar Energy's officers or directors.

We will conduct our first advisory vote on executive compensation at the 2019 Annual Meeting.

Selection of Compensation Comparative Data

To establish compensation for each of the NEOs, the Compensation Committee consults with management and EPPA and considers compensation provided by certain peer companies when evaluating competitive levels of compensation. The competitive data regarding the peer companies is derived from their respective publicly filed annual proxy statements or Annual Reports on Form 10-K.

As changes occur in the midstream and logistics industry, the Compensation Committee consults with management and EPPA and updates our peer group. Our peer group was updated in 2017 to: (1) remove entities that had been acquired or otherwise no longer publicly disclosed comprehensive executive compensation information; (2) remove sponsored master limited partnerships (MLPs) for which the executives' primary responsibility related to the sponsor's operations rather than the operations of the MLP; (3) add other comparable midstream and/or logistics entities; and (4) recognize the scope of responsibility of executive teams that managed two public companies, such as NuStar Energy and NuStar GP Holdings, LLC at the time (the 2017 Compensation Comparative Group). Our peer group was updated again in 2018, primarily to reflect further mergers and acquisitions in the industry (the Current Compensation Comparative Group). The companies included in the 2017 Compensation Comparative Group and the Current Compensation Comparative Group are identified in the tables below:

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2017 Compensation Comparative Group

Company	Ticker
1. Boardwalk Pipeline Partners, LP	BWP
2. Buckeye Partners, L.P.	BPL
3. Calumet Specialty Products Partners, L.P.	CLMT
4. Enable Midstream Partners, LP	ENBL
5. Enbridge Energy Partners, L.P./Enbridge Energy Management, L.L.C.	EEP/EEQ
6. Energy Transfer Partners, L.P. /Energy Transfer Equity, L.P. (1)	ETP/ETE
7. EnLink Midstream Partners, LP/EnLink Midstream, LLC	ENLK/ENLC
8. Enterprise Products Partners L.P.	EPD
9. Genesis Energy, L.P.	GEL
10. Holly Energy Partners, L.P.	HEP
11. Magellan Midstream Partners, L.P.	MMP
12. MPLX LP	MPLX
13. ONEOK, Inc.	OKE
14. SemGroup Corporation	SEMG
15. Sunoco Logistics Partners L.P. (1)	SXL
16. Targa Resources Corp.	TRGP

(1) Although Energy Transfer Partners, L.P. and Sunoco Logistics Partners L.P. merged in April 2017, both entities were included as separate peer companies in the 2017 Compensation Comparative Group because their executive compensation for the year ended December 31, 2016 was publicly disclosed separately and considered along with the compensation of the other peer companies as part of the evaluation of our 2017 compensation.

Current Compensation Comparative Group

Company	Ticker
1. Buckeye Partners, L.P.	BPL
2. Crestwood Equity Partners LP	CEQP
3. DCP Midstream, LP	DCP
4. Enable Midstream Partners, LP	ENBL
5. Enbridge Energy Partners, L.P.	EEP
6. Energy Transfer Partners, L.P. (1)	ETP
7. EnLink Midstream Partners, LP	ENLK
8. Enterprise Products Partners L.P.	EPD
9. Genesis Energy, L.P.	GEL
10. Magellan Midstream Partners, L.P.	MMP
11. MPLX LP	MPLX
12. ONEOK, Inc.	OKE
13. Plains All American Pipeline, L.P.	PAA
14. SemGroup Corporation	SEMG
15. Targa Resources Corp.	TRGP

(1) Although Energy Transfer Partners, L.P. merged with Energy Transfer Equity, L.P. in October 2018 and no longer has publicly traded common equity, Energy Transfer Partners, L.P. was included in the Current Compensation Comparative Group because its executive compensation for the year ended December 31, 2017 was publicly disclosed and considered along with the compensation of the other peer companies as part of the evaluation of our 2018 compensation.

At the Compensation Committee's request, EPPA also reviews survey data reported on a position-by-position basis to obtain additional information regarding compensation of comparable positions. The survey data consists of general industry data for specific executive positions reported in published executive compensation surveys. We refer to the competitive survey data, together with the 2017 Compensation Comparative Group data or the Current Compensation Comparative Group data, as applicable, as the "Compensation Comparative Data."

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Process and Timing of Compensation Decisions

The Compensation Committee reviews and approves all compensation of the NEOs. The CEO develops recommendations for the compensation of the other NEOs in consultation with our Human Resources department and with EPPA. In making these recommendations, the CEO considers the Compensation Comparative Data and evaluates the individual performance of each NEO and their respective contributions to NuStar Energy. The recommendations are then reviewed by the Compensation Committee, which may accept the recommendations or may make adjustments to the recommended compensation based on the Compensation Committee's assessment of the individual's performance and contributions to NuStar Energy.

As required by the Compensation Committee's charter, the CEO's compensation is reviewed and approved by the Compensation Committee based on the Compensation Comparative Data and the Compensation Committee's independent evaluation of the CEO's contributions to NuStar Energy's performance.

Each year, the Compensation Committee reviews each NEO's Total Direct Compensation, including base salary and the target levels of annual incentive and long-term incentive compensation. The review includes a comparison with competitive market data provided by EPPA (as described above), an evaluation of the Total Direct Compensation of the NEOs from an internal equity perspective and a review of reports on the compensation history of each NEO. Based on these reviews and evaluations, the Compensation Committee establishes annual salary rates for each NEO for the upcoming 12-month period and sets target levels of annual incentive and long-term incentive compensation. Although the target levels typically are established in July, the long-term incentives are reviewed again at the time of grant, generally in the fourth quarter for restricted units and in the first quarter for performance units. The Compensation Committee may also review salaries or grant long-term incentive awards at other times during the year because of new appointments, promotions or other extraordinary circumstances.

The following table summarizes the typical timing of some of our significant compensation events, although the timing may vary as the Compensation Committee deems appropriate.

Event	Timing
- Establish financial performance objectives for the current year's annual incentive bonus - Evaluate achievement of the bonus metric for the prior year - Review prior year financial performance for performance units - Grant performance units for the current year	First quarter
- Review NEO base salaries and targets for annual incentive bonus and long-term incentive grants for the current year	Third quarter
- Grant restricted units to employees, including the NEOs - Grant restricted units to non-employee directors pursuant to the director compensation program - Set meeting dates for action by the Compensation Committee for the upcoming year	Fourth quarter

Additional information regarding the timing of the 2018 long-term incentive grants is discussed below under "Restricted Units" and "Performance Units."

Elements of Executive Compensation

Compensation for our NEOs primarily consists of the following elements, which we refer to as Total Direct Compensation:

	Element	Form	Purpose
Fixed	Base Salary	Cash	- Foundation of the compensation program - Provides a fixed level of competitive pay - Reflects the individual's primary duties and responsibilities - Foundation for incentive opportunities and benefit levels
At-Risk	Annual Incentive Bonus	Cash or Units	- Focus NEOs on improving performance
At-Risk	Long-Term Equity-Based	Units	- Directly tie NEO financial reward opportunities with the rewards to unitholders, as measured by long-term unit price performance and payment

Incentives:	of distributions
- Restricted Units	- Time-vesting award focused on retention and increasing ownership levels
- Performance Units	- Performance-vesting award focused on attainment of performance measures

We also offer group medical and other insurance benefits to provide our employees (including our NEOs) affordable coverage at group rates, as well as pension benefits that reward continued service and a thrift plan that provides a tax-advantaged savings opportunity.

Relative Size of Primary Elements of Compensation

In setting compensation, the Compensation Committee considers the aggregate amount of compensation payable to each NEO and the form of the compensation. The Compensation Committee seeks to achieve the appropriate balance between salary, rewards earned for the achievement of company and personal objectives, and long-term incentives that align the interests of our NEOs with those of our unitholders. The size of each element is based on competitive market practices, as well as company and individual performance.

As illustrated by the chart below, approximately 81% of the annual target Total Direct Compensation of our CEO and, on average, approximately 69% of the annual target Total Direct Compensation of our other NEOs is at-risk incentive compensation (short-term and long-term incentives). The level of at-risk incentive compensation typically increases in relation to an NEO's responsibilities, with the level of incentive compensation for more senior executive officers being a greater percentage of Total Direct Compensation than for less senior executives. The Compensation Committee believes that tying a significant portion of an NEO's incentive compensation to NuStar Energy's performance more closely aligns the NEO's interests with those of our unitholders.

Target Percentages of Total Direct Compensation

Because we place such a large percentage of our Total Direct Compensation at risk in the form of variable pay (i.e., short-term and long-term incentives), the Compensation Committee does not adjust current compensation based upon realized gains or losses from prior incentive awards. For example, we will not reduce the size of a target long-term incentive grant in a particular year solely because NuStar Energy's unit price performed well during the immediately preceding years. We believe that adopting a policy of making such adjustments would penalize management's current compensation for NuStar Energy's prior success.

Individual Performance and Personal Objectives

The Compensation Committee evaluates our NEOs' individual performance and personal objectives with input from our CEO. Our CEO's performance is evaluated by the Compensation Committee in consultation with other members of the Board.

Assessment of individual performance may include objective criteria, but is a largely subjective process. The criteria used to measure an individual's performance may include use of quantitative criteria (e.g., execution of projects within budget, improving an operating unit's profitability, or timely completion of an acquisition or divestiture), as well as more qualitative factors, such as the NEO's ability to lead, communicate and successfully adhere to NuStar Energy's core values (i.e., environmental and workplace safety, integrity, work commitment, effective communication and teamwork). There are no specific weights given to any of these various elements of individual performance.

The Compensation Committee uses its evaluation of individual performance to supplement the compensation criteria established by the Compensation Committee and adjust an NEO's recommended compensation. For example, although an individual's indicated bonus may be calculated to be $100,000 based on NuStar Energy's performance, the individual's performance evaluation might result in a reduction or increase in that amount.

Base Salaries

The Compensation Committee reviews the base salaries for our NEOs annually based on recommendations by our CEO, with input from EPPA and our Human Resources department. Our CEO's base salary is reviewed and approved by the Compensation Committee based on its review of recommendations by EPPA, our Chairman and our Human Resources department.

The competitiveness of base salaries for each NEO's position is determined by an evaluation of the Compensation Comparative Data described above. Base salaries may be adjusted to achieve what is determined to be a reasonably competitive level or to reflect promotions, the assignment of additional responsibilities, individual performance or the performance of NuStar Energy.

For 2016 base salaries, the Compensation Committee considered, among other factors, the Consumer Price Index, the average base salary increase anticipated by nationwide compensation surveys, the increases required by NuStar Energy's union contracts and the anticipated increases by other local companies and raised the base salaries of each of the NEOs effective on July 1, 2016 to remain competitive.

During July 2017, EPPA performed a comprehensive review of our NEOs' Total Direct Compensation. After consultation with EPPA, the Chairman (in the case of the CEO's base salary) and the CEO (in the case of the base salaries for each other NEO), the Compensation Committee raised the base salaries of each of the NEOs effective on each of July 1, 2017 and July 1, 2018 to remain competitive.

On July 23, 2018, Ms. Perry was promoted to Executive Vice President–Mergers & Acquisitions, Strategic Direction and Investor Relations and Corporate Secretary. In recognition of her promotion, the Compensation Committee approved an interim increase in Ms. Perry's annual base salary, effective August 1, 2018, from $309,000 to $339,900 and requested that EPPA update its analysis of Total Direct Compensation for each of our executive officers, including our NEOs. After consultation with EPPA following EPPA's updated analysis, and with the Chairman (in the case of the CEO's base salary) and the CEO (in the case of the base salaries for each other NEO), the Compensation Committee raised the base salaries of each of our NEOs, effective November 1, 2018. The 2018 base salary increases for our NEOs are presented in the table below.

Name	Annualized Base Salary at December 31, 2017 ($)	July 1, 2018 Increase to December 31, 2017 Annualized Base Salary ($)	November 1, 2018 Increase to July 1, 2018 Annualized Base Salary ($)(1)	Annualized Base Salary at December 31, 2018 ($)
Barron	592,250	17,850	39,900	650,000
Shoaf	360,200	10,800	34,000	405,000
Brown	388,000	11,700	10,300	410,000
Perry	300,000	9,000	41,000	350,000
Oliver	328,000	9,800	7,200	345,000

(1) The amount reported for Ms. Perry includes the August 1, 2018 increase of $30,900 described above in connection with her promotion, as well as a $10,100 increase effective November 1, 2018 following EPPA's updated analysis of executive compensation.

Annual Incentive Bonus and Special Bonus Awards

Our NEOs participate in the same annual incentive program in which all of our domestic employees participate. In its discretion, the Compensation Committee may also award special bonuses to employees from time to time, paid in cash or in units.

Our annual incentive bonuses historically have been based on the following three factors under our annual incentive bonus plan:

- the individual's position, which is used to determine a targeted percentage of annual base salary that may be awarded as incentive bonus. Generally, the target amount for the NEOs is set following the analysis of market practices in the Compensation Comparative Group with reference to the median bonus target available to comparable executives in those companies;
- NuStar Energy's attainment of specific performance goals, which typically are established by the Compensation Committee during the first quarter of the year; and
- a discretionary evaluation by the Compensation Committee of both NuStar Energy's performance and, in the case of the NEOs, the individual's performance.

The Compensation Committee did not make any changes to the annual incentive bonus targets for our NEOs during 2016 or 2017. After consultation with EPPA following EPPA's updated 2018 analysis of Total Direct Compensation, and with the Chairman (with respect to the CEO) and the CEO (with respect to each other NEO), the Compensation Committee raised the annual incentive bonus targets for Mr. Shoaf and Ms. Brown from 60% to 65%, for Ms. Perry and Mr. Oliver from 55% to 60% and retained Mr. Barron's existing annual incentive bonus target. The following table shows each NEO's annual incentive bonus target for the fiscal year ended December 31, 2018 (expressed as a percent of base salary paid).

Name	Annual Incentive Bonus Target (% of base salary paid)
Barron	100
Shoaf	65
Brown	65
Perry	60
Oliver	60

Determination of Annual Incentive Target Opportunities

As illustrated in the table above, each NEO has an annual incentive opportunity generally based on a stated percentage of his or her salary paid that year. The target amount is awarded for achieving a 100% score on our performance goal under the annual incentive bonus plan. For example, in a year with a 100% score, an NEO paid $200,000 with a target annual incentive opportunity equal to 60% of his base salary paid would be eligible to receive a bonus of $120,000 based on those performance goals.

Once the performance goals have been reviewed and measured, the Compensation Committee has the authority to exercise its discretion in evaluating NuStar Energy's performance. In exercising this discretionary judgment, the Compensation Committee considers such relevant performance factors as growth, attainment of strategic objectives, acquisitions and divestitures, safety and environmental compliance, as well as other considerations. This discretionary judgment may result in an increase or decrease to the aggregate earned award for all employees that is based upon the attainment of NuStar Energy's annual performance goals.

The CEO develops individual annual incentive bonus recommendations for the other NEOs based upon the methodology described above. In addition, both the CEO and the Compensation Committee may make adjustments to the recommended annual incentive bonus amounts based upon an assessment of an individual's performance and contributions to NuStar Energy. The CEO and the Compensation Committee also review and discuss each NEO's bonus on a case-by-case basis, considering such factors as teamwork, leadership, individual accomplishments and initiative, and may adjust the bonus awarded to a specific NEO to reflect these factors.

The bonus target for the CEO is decided solely by the Compensation Committee, and the Compensation Committee may make discretionary adjustments to the calculated level of bonus for the CEO based upon its independent evaluation of the CEO's performance and contributions.

Company Performance Objectives

Since 2014, our annual incentive bonus has been designed to focus our NEOs on improving NuStar Energy's distributable cash flow (DCF). In the MLP investment community, DCF has been widely regarded as a significant indicator of operating performance. As such, the Compensation Committee believed the measure appropriately aligned managements' interest with our unitholders' interest. Accordingly, in the first quarter of each year, the Compensation Committee typically would establish a bonus pool for all employees based on DCF such that employees would receive a 100% bonus for the year if NuStar Energy achieved a specified target distribution coverage ratio (DCR). DCF and DCR are non-GAAP measures of performance derived from our financial statements. DCF is determined by adjusting our net income for depreciation and amortization expense, unrealized gains and losses arising from certain derivative contracts and other non-cash items, including non-cash gains or losses or impairment charges. We further adjust our earnings by (1) subtracting our aggregate annual reliability capital expenditures, (2) adding non-cash unit-based compensation expenses for awards that we intend to satisfy with the issuance of units upon vesting and (3) adding or subtracting, as applicable, certain cash receipts and disbursements not included in net income. DCR is determined by dividing DCF applicable to common limited partners by the distributions applicable to common limited partners.

However, for 2018, due to the significance of the then-pending Distribution Reset and Merger, the Compensation Committee delayed consideration of annual performance measures for NuStar Energy until after the closing of the Merger on July 20, 2018. Following the closing of the Merger, the Compensation Committee determined that its overall assessment of NuStar Energy's 2018 performance at its January 2019 meeting would include, without limitation, the Compensation Committee's consideration of the implementation of the Distribution Reset, the Merger, the issuance of the Series D preferred units, the continued integration of the Permian Crude System acquired in the Permian Basin, NuStar Energy's total unitholder return and the Compensation Committee's overall evaluation of employee performance.

Determination of Awards

Annual Incentive Bonus. Based on our 2016 DCR results, our executive officers, including our NEOs, earned cash bonus awards under the annual incentive bonus plan at 125% of their respective bonus targets for 2016. Based on our 2017 DCR results, our executive officers, including our NEOs, were not eligible to receive a bonus award for 2017 under the annual incentive bonus plan. The Compensation Committee recognized NuStar Energy's significant accomplishments during 2017, including the successful acquisition of the Permian Crude System and NuStar Energy's achievement of its best safety record in the history of the company, with only one employee recordable injury and zero lost-time injuries. The Compensation Committee also considered the strain on NuStar Energy's business, and the MLP sector generally, from continued low crude oil prices and the further negative impact on NuStar Energy of several unexpected items, such as losses at seven facilities impacted by five hurricanes, losses resulting from unplanned turnarounds and downtime at customers' refineries, a decline in results at our St. Eustatius terminal from under-utilization by an important customer there due to deteriorating conditions in Venezuela and the expense of an unanticipated reliability project on our ammonia pipeline. After considering our 2017 DCR results and these additional factors, upon the recommendation of executive management (other than with respect to the CEO) and our Chairman (with respect to the CEO), the Compensation Committee decided not to award cash bonuses under the annual incentive bonus plan for any of our executive officers, including our NEOs, for 2017.

For the 2018 annual incentive bonus determination, the Compensation Committee considered, among other things, the implementation of the Distribution Reset, the Merger, the issuance of the Series D preferred units, the sale of the European Operations, NuStar Energy's reduced leverage and improved coverage, the continued integration of the Permian Crude System acquired in the Permian Basin, NuStar Energy's total unitholder return and the Compensation Committee's overall evaluation of employee performance. Based on this review at its January 18, 2019 meeting, the Compensation Committee approved annual incentive bonus awards for our NEOs in the dollar amounts set forth in the table below.

Name	Annual Incentive Bonus for 2018 ($)

Barron	700,000
Shoaf	277,522
Brown	295,686
Perry	220,150
Oliver	240,552

The Compensation Committee approved the payment of the 2018 annual incentive bonus amounts for our executive officers in the form of fully vested NuStar Energy common units, with a grant date of February 11, 2019. The number of units awarded was determined for each officer by dividing the respective dollar amounts approved by the Compensation Committee on January 18, 2019 by the closing price of a NuStar Energy common unit on the NYSE on February 8, 2019, as set forth in the table below. The fully vested NuStar Energy common units were issued pursuant to the NuStar GP Holdings, LLC Long-Term Incentive Plan (as amended from time to time, the NSH LTIP), which we assumed in the Merger. The dollar values of those units (based on the closing price of a NuStar Energy common unit on the NYSE on the February 11, 2019 grant date) are reported in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

Name	Number of Common Units Granted
Barron	28,363
Shoaf	11,244
Brown	11,980
Perry	8,920
Oliver	9,746

Special Bonus Awards. Following the closing of the Merger, in the Compensation Committee's discretion and in recognition of our executive officers' hard work, on July 23, 2018, the Compensation Committee awarded special bonuses to each executive officer, including our NEOs, in the form of fully vested common units through our 2000 Long-Term Incentive Plan (as amended from time to time, the 2000 LTIP) in an amount equal to 50% of each such executive officer's bonus target with respect to 2017, as shown in the following table for our NEOs.

Name	Number of Common Units Granted
Barron	12,318
Shoaf	4,495
Brown	4,842
Perry	3,342
Oliver	3,751

In addition, in consideration of their significant efforts to complete the Distribution Reset, the Merger and the issuance of Series D preferred units, on July 23, 2018, the Compensation Committee approved additional special bonuses in the form of fully vested common units pursuant to the 2000 LTIP for Mr. Barron, Mr. Shoaf and Ms. Perry, who received awards of 5,075 units, 3,087 units and 2,571 units, respectively. The special bonus awards are included in the "Unit Awards" column of the Summary Compensation Table.

Long-Term Incentive Awards

We provide NuStar Energy common unit-based, long-term incentive compensation to employees, including our NEOs, and to non-employee directors through the 2000 LTIP and the NSH LTIP. The 2000 LTIP and the NSH LTIP each provide for NuStar Energy common unit awards and a variety of NuStar Energy common unit-based awards, including unit options, phantom or restricted units and performance units. Long-term incentive awards vest over a period determined by the Compensation Committee, with performance units vesting upon the achievement of performance goals.

Under the design of our long-term incentive awards, a target long-term incentive award opportunity expressed as a percentage of base salary is established for each plan participant, including each NEO. This percentage reflects the fair value of the awards to be granted.

The Compensation Committee did not make any changes to the individual long-term incentive target percentages for our NEOs during 2016. In July 2017, following EPPA's comprehensive review of our NEOs' Total Direct Compensation, the Compensation Committee raised the long-term incentive targets for Mr. Barron from 200% to 250%, for Mr. Shoaf and Ms. Brown from 150% to 180% and for Ms. Perry from 100% to 110%, and retained the existing target for Mr. Oliver. Following EPPA's updated 2018 analysis, in October 2018 the Compensation Committee raised the long-term incentive targets for Mr. Barron from 250% to 325%, for Ms. Perry from 110% to

150% and for Mr. Oliver from 125% to 130%, and retained the existing targets for Mr. Shoaf and Ms. Brown. The following table shows each NEO's long-term incentive target for 2018 (expressed as a percent of base salary).

Name	Long-Term Incentive Target (% of base salary)
Barron	325
Shoaf	180
Brown	180
Perry	150
Oliver	130

The Compensation Committee allocates a percentage of long-term incentive award value to performance-based awards and a percentage to awards that focus on retention and increasing ownership levels of executive officers (including our NEOs). Since the fourth quarter of 2011, the target levels of long-term incentive award value have been allocated in the following manner:

- 35% performance units; and
- 65% restricted units.

The Compensation Committee reviews and approves long-term incentive grants for each of the NEOs. The CEO develops individual grant recommendations for the other NEOs based upon the methodology described above, but both the CEO and the Compensation Committee may make adjustments to the recommended grants based upon an assessment of an individual's performance and contributions to NuStar Energy. Grants to the CEO are decided solely by the Compensation Committee following the methodology described above, and the Compensation Committee may make discretionary adjustments to the calculated level of long-term incentives for the CEO based upon its independent evaluation of the CEO's performance and contributions.

Restricted Units

Restricted units comprise approximately 65% of each NEO's total NuStar Energy long-term incentive target. The Compensation Committee expects to grant restricted units on an annual basis.

Prior to the Merger, the restricted unit portion of each NEO's long-term incentive target included approximately 70% NuStar Energy restricted units granted by the Compensation Committee under the 2000 LTIP and 30% NuStar GP Holdings, LLC phantom units (which we refer to as "restricted units" in this proxy statement) granted by NuStar GP Holdings, LLC's compensation committee under the NSH LTIP to reflect the fact that the performance of NuStar GP Holdings, LLC was directly tied to the performance of NuStar Energy since NuStar GP Holdings, LLC's sole asset was its interest in NuStar Energy. Pursuant to the terms of the merger agreement, at the closing of the Merger, all outstanding NuStar GP Holdings, LLC restricted unit awards granted prior to the Merger converted, on the same terms and conditions as were applicable to the awards immediately prior to the Merger, into awards of NuStar Energy restricted units (the Converted Awards). The number of NuStar Energy restricted units subject to the Converted Awards was determined based on the 0.55 exchange ratio provided in the merger agreement. Following the Merger, 100% of the restricted units awarded are NuStar Energy restricted units.

No units are issued at the time of grant and restricted unit awards represent the right to receive common units upon vesting. The awards are calculated from an assumed unit value based on the average closing price of the common units for the first 10 business days of the four-week period before the committee meeting at which the awards are to be approved. The restricted units all vest over five years in equal increments on the anniversary of the grant date, and common unit distribution equivalents are paid in cash quarterly for all unvested restricted units.

The 2018 annual awards of NuStar Energy restricted units were approved by the Compensation Committee on October 24, 2018. The Compensation Committee determined that the grants would be made under the NSH LTIP as soon as administratively practicable and no earlier than the third business day following our third quarter earnings release. Due to the time required to award and implement the grants, the 2018 annual grants were not effective until November 16, 2018. The following table sets forth the restricted units granted to each of our NEOs in 2018.

Name	Restricted Units Granted in 2018
Barron	49,250
Shoaf	16,995
Brown	17,205
Perry	12,240

Oliver 10,455

For more information regarding the 2018 restricted unit grants, see the table entitled "Grants of Plan-Based Awards During the Year Ended December 31, 2018."

Performance Units

Performance units comprise approximately 35% of each NEO's total NuStar Energy long-term incentive target. The number of performance units awarded is determined by multiplying the annual base salary rate by the NEO's long-term incentive target percentage, and then multiplying that product by 35%. That product is divided by the assumed value of an individual unit, which is the product of (x) the average closing price of the common units for the first 10 business days of the four-week period before the committee meeting at which the awards are to be approved and (y) a factor reflecting the risk that the award might be forfeited.

Performance units are earned only upon NuStar Energy's achievement of a performance measure for the performance period. The Compensation Committee believes this type of incentive award strengthens the tie between each NEO's pay and our performance.

Since 2014, the target performance measure for performance unit awards has been NuStar Energy achieving a specific DCR established in the first quarter of the year, after taking into account the aggregate expense of the performance units. However, as described above, for 2018, due to the significance of the then-pending Distribution Reset and Merger, the Compensation Committee delayed consideration of annual performance measures for NuStar Energy until after the closing of the Merger on July 20, 2018. Following the closing of the Merger, the Compensation Committee determined that its overall assessment of NuStar Energy's 2018 performance at its January 2019 meeting would include, without limitation, the Compensation Committee's consideration of the implementation of the Distribution Reset, the Merger, the issuance of the Series D preferred units, the continued integration of the Permian Crude System acquired in the Permian Basin, NuStar Energy's total unitholder return and the Compensation Committee's overall evaluation of employee performance.

Performance units have been awarded pursuant to the 2000 LTIP, with each award subject to vesting in three annual increments (or tranches), as illustrated in the table below, based upon: (1) with respect to 2016 and 2017 performance, our DCR during the one-year performance periods that end on December 31 of the applicable year; and (2) with respect to 2018 performance, the Committee's assessment of performance, as described above.

Annual Performance Target	2016 Target= DCR 1.03 : 1	2017 Target= DCR 1.01 : 1	2018 Target (see above)
2016 Award Tranche Eligible to Vest	1st	2nd	3rd
2017 Award Tranche Eligible to Vest	N/A	1st	2nd
2018 Award Tranche Eligible to Vest	N/A	N/A	1st
Performance Achieved for One-Year Performance Period	1.07 : 1	0.63 : 1	100%
Percent of Eligible Units Vested for One-Year Performance Period	150%	0%	100%

If a specific performance metric falls between the benchmarks established by the Compensation Committee for the applicable performance period, the percentage vesting with respect to performance during that period is determined through straight-line interpolation. The Compensation Committee retains the full discretion to vest up to 200% of performance units available for vesting, regardless of the metric that NuStar Energy attains for the applicable performance period.

At its July 2018 meeting, the Compensation Committee considered the structure of performance unit awards and determined that one-half of any performance units not earned in a given performance period would be carried forward for one additional performance period, with up to 100% of such performance units carried forward having the opportunity to vest based upon NuStar Energy's performance in the following performance period. In addition, in July 2018, the Compensation Committee used its discretion to determine that one-half of the performance units that did not vest with respect to 2017 performance would be carried forward for one additional performance period, with the opportunity for up to 100% of such performance units carried forward to vest based upon NuStar Energy's 2018 performance (the Carried Forward Units).

Additional information is provided below regarding the performance targets established by the Compensation Committee and the performance attained by NuStar Energy for each of the 2016, 2017 and 2018 performance periods.

- 2016 Performance Period. The target measure established by the Compensation Committee on February 24, 2016 for performance unit vesting with respect to 2016 performance was NuStar Energy achieving a DCR of 1.03:1, with all units eligible for vesting as follows based on the DCR for 2016:

Level	DCR	% Performance Units Earned
Below Threshold	Below 1.00 : 1	0%
Threshold	1.00 : 1	90%
Target	1.03 : 1	100%
Exceeds Target	1.07 : 1	150%
Maximum	1.12 : 1	200%

On January 26, 2017, the Compensation Committee determined that NuStar Energy achieved a DCR of 1.07:1 for 2016 and, in accordance with the award terms, the performance units available to vest under the applicable tranche for each of the 2014 awards, 2015 awards and 2016 awards with respect to 2016 performance vested at 150%.

- 2017 Performance Period. The target measure established by the Compensation Committee on February 23, 2017 for performance unit vesting with respect to 2017 performance was NuStar Energy achieving a DCR of 1.01:1, with all units eligible for vesting as follows based on the DCR for 2017:

Level	DCR	% Performance Units Earned
Below Threshold	Below 1.00 : 1	0%
Threshold	1.00 : 1	90%
Target	1.01 : 1	100%
Exceeds Target	1.05 : 1	150%
Maximum	1.10 : 1	200%

On January 25, 2018, the Compensation Committee determined that NuStar Energy achieved a DCR of 0.63:1 for 2017 and, in accordance with the award terms, the performance units available to vest under the applicable tranche for each of the 2015 awards, 2016 awards and 2017 awards with respect to 2017 performance did not vest.

- 2018 Performance Period. As described above, due to the significance of the then-pending Distribution Reset and Merger, the Compensation Committee delayed consideration of annual performance measures for NuStar Energy until after the closing of the Merger on July 20, 2018, and on July 23, 2018 the Compensation Committee awarded the target number of performance units set forth below and approved the Carried Forward Units set forth below for our NEOs:

Name	Performance Units Awarded	Carried Forward Units
Barron	28,045	5,370
Shoaf	12,282	2,492
Brown	13,230	2,684
Perry	6,252	1,311
Oliver	7,767	1,890

On January 18, 2019, the Compensation Committee determined that, based on the factors described above, the performance units available to vest under the applicable tranche for each of the 2016 awards, 2017 awards and 2018 awards and the Carried Forward Units with respect to 2018 performance vested at 100%. See the table entitled "Grants of Plan-Based Awards During the Year Ended December 31, 2018."

Perquisites and Other Benefits

Perquisites

We provide only minimal perquisites to our NEOs. Each of our NEOs received federal income tax preparation services and personal liability insurance in 2018. For more information on perquisites, see the Summary Compensation Table and its footnotes.

Other Benefits

We provide other benefits, including medical, life, dental and disability insurance in line with competitive market practices. Our NEOs are eligible for the same benefit plans provided to our other employees, including our pension plans, 401(k) thrift plan (the Thrift Plan), and insurance and supplemental plans chosen and paid for by employees who desire additional coverage. Our NEOs and other employees whose compensation exceeds certain limits are eligible to participate in non-qualified excess benefit programs whereby those individuals can choose to make larger contributions than allowed under the qualified plan rules and receive correspondingly higher benefits. These plans are described below under "Post-Employment Benefits."

Post-Employment Benefits

Pension Plans

For a discussion of our Pension Plan, as well as the Excess Pension Plan, please see the narrative description accompanying the table entitled "Pension Benefits for the Year Ended December 31, 2018."

Nonqualified Deferred Compensation Plan (Excess Thrift Plan)

The Excess Thrift Plan provides unfunded benefits to those employees whose annual additions under the Thrift Plan are subject to the limitations under §415 of the Internal Revenue Code of 1986, as amended (the Code), and/or who are constrained from making maximum contributions under the Thrift Plan by §401(a)(17) of the Code, which limits the amount of an employee's annual compensation that may be taken into account under that plan. The Excess Thrift Plan is comprised of two separate components, consisting of (1) an "excess benefit plan" as defined under §3(36) of The Employee Retirement Income Security Act of 1974, as amended (ERISA), and (2) a plan that is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. Each component of the Excess Thrift Plan consists of a separate plan for purposes of Title I of ERISA. To the extent a participant's annual total compensation exceeds the compensation limits for the calendar year under §401(a)(17) of the Code ($275,000 for 2018) or a participant's annual additions under the Thrift Plan are limited by the maximum annual additions permitted under §415 of the Code ($55,000 for 2018), the participant's Excess Thrift Plan account is credited with that number of hypothetical NuStar Energy units that could have been purchased with the difference between:

- the total company matching contributions that would have been credited to the participant's account under the Thrift Plan had the participant's contributions not been limited pursuant to §401(a)(17) and/or §415; and
- the actual company matching contributions credited to such participant's account.

Each of our NEOs participated in the Excess Thrift Plan in 2018.

Change of Control Severance Arrangements

We initially entered into change of control severance agreements with each of our NEOs in, or prior to, 2007. The change of control severance agreements are intended to ensure the continued availability of these executives in the event of certain transactions culminating in a "change of control" as defined in the agreements. The change of control severance agreements have three-year terms and are automatically extended for one year upon each anniversary unless we give notice not to extend. If a "change of control" (as defined in the agreements) occurs during the term of an agreement, then the agreement becomes operative for a fixed three-year period. The agreements provide generally that the NEO's terms and conditions of employment (including position, location, compensation and benefits) will not be adversely changed during the three-year period after a change of control.

The agreements contain tiers of compensation and benefits based on each NEO's position. Each tier corresponds to a certain "severance multiple" used to calculate cash severance and other benefits to be provided under the agreements. Compensation and benefits under the agreements are triggered upon the occurrence of any of the following in connection with a change of control:

- termination of employment by the employer other than for "cause" (as defined in the agreements), death or disability;
- termination by the NEO for "good reason" (as defined in the agreements);
- termination by the NEO other than for "good reason"; and
- termination of employment because of death or disability.

These triggers were designed to ensure the continued availability of these executives following a change of control, and to compensate them at appropriate levels if their employment is unfairly or prematurely terminated during the applicable term following a change of control.

The following table sets forth the severance multiple applicable to each NEO, based on his or her current officer position.

Name	Applicable Officer Position	Severance Multiple
Barron	Chief Executive Officer	3
Shoaf	Executive Vice President	2.5
Brown	Executive Vice President	2.5
Perry	Executive Vice President	2.5
Oliver	Senior Vice President	2

When determining the amounts and benefits payable under the agreements, the Compensation Committee sought to secure compensation that is competitive in our market in order to recruit and retain executive officer talent. Consideration was given to the principal economic terms found in written employment and change of control agreements of other publicly traded companies. For more information regarding payments and benefits that may be provided under our change of control severance arrangements, see our disclosures below under the caption "Potential Payments upon Termination or Change of Control."

The Merger did not trigger a "change of control," as defined under any NuStar Energy or NuStar GP Holdings, LLC plan or award, including the change of control severance agreements described above.

Employment Agreements

None of the NEOs have employment agreements, other than the change of control severance agreements described above. As a result, in the event of a termination, retirement, death or disability that is not related to a change of control, an NEO will only receive the compensation or benefits to which he or she would be entitled under the terms of the defined contribution, defined benefit, medical or long-term incentive plans, as applicable.

Impact of Accounting and Tax Treatments

Accounting Treatment

Unit-Based Compensation

On March 1, 2016, NuStar GP, LLC transferred and assigned to NuStar Services Company LLC (NuStar Services Co), a wholly owned subsidiary of ours, employment of all of NuStar GP, LLC's employees. In connection with the employee transfer on March 1, 2016, we assumed all outstanding awards under the 2000 LTIP. The transfer of the outstanding awards qualified as a plan modification. Therefore, we measured the fair value of then-outstanding awards to domestic employees (including our NEOs) based on the common unit price on the transfer date. Restricted units awarded to international employees are liability-classified awards that are cash-settled and measured at fair value based on the common unit price at each reporting period.

Restricted Units. Our restricted unit awards are considered "phantom" units, as they represent the right to receive our common units upon vesting. We account for restricted units expected to result in the issuance of our common units upon vesting as equity-classified awards. The restricted units granted to our domestic employees (including our NEOs) generally vest over five years and the restricted units granted to non-employee directors generally vest over three years. We record compensation expense ratably over the vesting period based on the fair value of the units at the grant date (for domestic employees, including our NEOs) or the fair value of the units measured at each reporting period (for non-employee directors) using the market price of our common units on the applicable date. Common unit distribution equivalents paid with respect to outstanding, unvested equity-classified restricted units reduce equity, similar to cash distributions to unitholders.

Performance Units. Performance units are equity-classified awards that vest in three increments (tranches) and represent the right to receive our common units, based upon our achievement of the performance measure set by the Compensation Committee during the one-year performance periods that end on December 31 of the applicable year. Under applicable accounting standards, a tranche of performance units is not considered "granted" until the Compensation Committee has set the performance measure for that specific tranche of the award. Therefore, performance units are measured at the grant date fair value once the performance measure is established for a specific tranche. In addition, since the performance units granted do not receive common unit distribution equivalents, the estimated fair value of these awards does not include the per unit distributions expected to be paid to common unitholders during the vesting period. We record compensation expense ratably for each vesting tranche over its one-year service period if it is probable that the specified performance measure will be achieved. Additionally, changes in the actual or estimated outcomes that affect the quantity of performance units expected to be converted are recognized as a cumulative adjustment.

Unit Awards. Unit awards are equity-classified awards of fully vested common units. We record compensation expense based on the fair value of the common units on the grant date using the market value of our common units on the grant date.

Tax Treatment

We are a limited partnership and not a corporation for U.S. federal income tax purposes. Therefore, we are not subject to the executive compensation deduction limitations under Section 162(m) of the Code.

Compensation-Related Policies

Unit Ownership Guidelines

We believe that ownership of NuStar Energy units aligns the interests of our directors and executives with those of NuStar Energy's unitholders. We have long emphasized and reinforced the importance of unit ownership among our executives and directors, and our Board has approved the unit ownership and retention guidelines described below.

Non-Employee Director Unit Ownership Guidelines

During their service as a Board member, non-employee directors are expected to acquire and hold NuStar Energy units with an aggregate value of at least two times their annual cash retainer. Directors have five years from their initial election to the Board to meet the target unit ownership guidelines, and they are expected to continuously own sufficient units to meet the guidelines, once attained. As of December 31, 2018, each of our directors exceeded the ownership levels set forth in the unit ownership guidelines.

Officer Unit Ownership Guidelines

Unit ownership guidelines for the officers set forth below are as follows:

Officer	Value of NuStar Energy Units Owned
CEO/President	4.0x base salary
EVP serving on CEO's officer committee	3.0x base salary
SVP serving on CEO's officer committee	2.0x base salary
VP serving on CEO's officer committee	1.0x base salary

The officers subject to the unit ownership and retention guidelines, including each of our NEOs, are expected to meet the applicable guidelines within five years of becoming subject to the guidelines or receiving a subsequent promotion corresponding to a higher multiple in the table above, and are expected to continuously own sufficient units to meet the guidelines, once attained. As of December 31, 2018, each of our NEOs exceeded (or is on track to exceed within the required time period following a promotion) the ownership levels set forth in the unit ownership guidelines.

Unit Ownership

For purposes of satisfying the unit ownership guidelines, the following units are considered owned:

- units owned directly;
- units owned indirectly through possession of the right to sell, transfer and/or vote such units; and
- unvested restricted or phantom units granted under the long-term incentive plans.

Unexercised unit options and unvested performance units are not considered owned for purposes of satisfying the unit ownership guidelines.

Prohibition on Insider Trading and Speculation in NuStar Energy Units

We have established policies prohibiting our officers, directors and employees from purchasing or selling our securities while in possession of material, nonpublic information or otherwise using such information for their personal benefit or in any manner that would violate applicable laws and regulations. Our directors, officers and certain other employees are prohibited from trading in our securities for the period beginning on the last business day of each calendar quarter through the first business day following our disclosure of our quarterly or annual financial results. In addition, our policies prohibit our officers, directors and employees from speculating in our units, such as by short selling (profiting if the market price of our units decreases), buying or selling publicly traded options (including writing covered calls), hedging or any other type of derivative arrangement that has a similar economic effect. Our directors, officers and certain other employees also are required to obtain consent from the CEO (or, in the case of the CEO, from the Chair of the Audit Committee) before they enter into margin loans or other financing arrangements that may lead to the ownership or other rights to their NuStar Energy securities being transferred to a third party.

EVALUATION OF COMPENSATION RISK

The Compensation Committee has focused on aligning our compensation policies with the long-term interests of NuStar Energy and avoiding short-term rewards for management decisions that could pose long-term risks to NuStar Energy. As described above in "Compensation Discussion and Analysis," the primary elements of our compensation program are base salary, annual incentive bonus and long-term incentives. We believe that our compensation program appropriately balances cash with equity-based compensation and fixed compensation with short- and long-term incentives such that no single pay element would motivate unnecessary risk taking.

NuStar Energy's compensation program is structured so that base salaries provide a fixed level of competitive pay that reflects the individual's primary duties and responsibilities, and a considerable amount of our management's compensation is tied to NuStar Energy's long-term fiscal health. Bonuses, including executive bonuses, typically are determined with reference to a performance measure selected by the Compensation Committee and applicable to all employees, as well as the Compensation Committee's review of each individual executive's performance. Due to the significance of the Distribution Reset and the Merger that occurred during 2018, the Compensation Committee evaluated 2018 performance based on several factors, as described above in "Compensation Discussion and Analysis." Historically, our long-term incentives have taken the form of performance units and restricted units that typically vest over three- and five-year periods, respectively, which we believe serves to align our employees' interests with the long-term goals of NuStar Energy. No business group or unit is compensated differently than any other, regardless of profitability. There also is a maximum number of performance units that may be earned, based on the performance of NuStar Energy relative to a performance measure selected by the Compensation Committee. Accordingly, we believe that our compensation policies encourage employees to operate our business in a fundamentally sound manner, align our executives' interests with those of our unitholders and do not create incentives to take risks that are reasonably likely to have a material adverse effect on NuStar Energy.

SUMMARY COMPENSATION TABLE

The following table provides a summary of compensation paid for the years ended December 31, 2018, December 31, 2017 and December 31, 2016 to our Chief Executive Officer, Chief Financial Officer and our three other most highly compensated executive officers serving during 2018. For each NEO, the table shows amounts earned for services rendered to us in all capacities in which the NEO served during the periods presented for that NEO. Mr. Oliver was not considered an "executive officer" for SEC reporting purposes prior to 2017 and, accordingly, his compensation is reported only with respect to 2018 and 2017.

Name and Principal Position	Year	Salary ($)	Bonus ($)(2)	Unit Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(3)	All Other Compensation ($)(4)	Total ($)
Bradley C. Barron President and Chief Executive Officer	2018	607,825	—	2,146,869	705,671	1,952	38,813	3,501,130
	2017	583,625	—	1,233,907	—	218,342	54,897	2,090,771
	2016	557,500	—	1,039,456	700,000	184,931	35,698	2,517,585
Thomas R. Shoaf Executive Vice President and Chief Financial Officer	2018	371,267	—	835,772	279,751	1,516	27,412	1,515,718
	2017	354,950	—	554,372	—	171,513	28,387	1,109,222
	2016	344,600	—	479,970	260,000	124,479	22,924	1,231,973
Mary Rose Brown Executive Vice President and Chief Administrative Officer	2018	395,567	—	791,870	298,062	3,406	26,151	1,515,056
	2017	382,350	—	597,187	—	188,315	60,689	1,228,541
	2016	371,200	—	516,952	280,000	142,437	24,520	1,335,109
Amy L. Perry Executive Vice President–Mergers & Acquisitions, Strategic Direction and Investor Relations and Corporate Secretary	2018	319,058	—	564,774	221,930	6,084	21,560	1,133,406
	2017	287,900	30,000	286,465	—	69,722	22,751	696,838
	2016	271,800	—	251,130	190,000	53,496	20,882	787,308
Daniel S. Oliver Senior Vice President–Marketing and Business Development	2018	334,100	—	514,002	242,480	—	22,462	1,113,044
	2017	323,150	—	382,223	—	142,129	29,973	877,475

(1) The amounts reported represent the aggregate grant date fair value of grants of NuStar Energy restricted units, NuStar Energy performance units, NuStar Energy fully vested units and, for 2017 and 2016, NuStar GP Holdings, LLC restricted units, as described below. Under a services agreement in effect prior to March 1, 2016, we reimbursed NuStar GP, LLC for 99% of the compensation expense associated with NuStar Energy awards. On March 1, 2016, NuStar GP, LLC transferred and assigned to NuStar Services Co, a wholly owned subsidiary of

ours, employment of all of NuStar GP, LLC's employees and we assumed all outstanding NuStar Energy awards. Our NEOs are employees of both NuStar Services Co and NuStar GP, LLC.

Restricted Units

The grant date fair value for restricted units presented in the Summary Compensation Table above was determined by multiplying the number of NuStar Energy restricted units granted for 2018 and the number of NuStar Energy restricted units and NuStar GP Holdings, LLC restricted units granted for 2017 and 2016 by the NYSE closing unit price of NuStar Energy common units or NuStar GP Holdings, LLC common units, as applicable, on the date of grant.

Performance Units

On March 1, 2016, in connection with the employee transfer, we assumed all outstanding NuStar Energy awards, and performance unit awards are now equity-classified awards. The transfer qualified as a plan modification, and we measured the fair value of then-outstanding awards based on our common unit price on the transfer date. Under applicable accounting standards, a tranche of performance units is not considered "granted" until the Compensation Committee has set the performance measure for that specific tranche of the award. Therefore, performance units are measured at the grant date fair value once the performance measure is established for a specific tranche (or, for 2016, the transfer date).

The grant date fair value presented in the Summary Compensation Table above includes the fair value of each tranche of performance units for which the Compensation Committee established a performance measure during that year. Accordingly, as illustrated in the table below:

- the amount reported for 2016 includes the one tranche of each of the 2014, 2015 and 2016 performance unit awards subject to vesting based on the performance criteria established by the Compensation Committee on February 24, 2016 with respect to 2016 performance;
- the amount reported for 2017 includes the one tranche of each of the 2015, 2016 and 2017 performance unit awards subject to vesting based on the performance criteria established by the Compensation Committee on February 23, 2017 with respect to 2017 performance; and
- the amount reported for 2018 includes the Carried Forward Units and the one tranche of each of the 2016, 2017 and 2018 performance unit awards subject to vesting based on the performance criteria established by the Compensation Committee on July 23, 2018 with respect to 2018 performance, as described in "Compensation Discussion and Analysis" above.

Award	Tranche Considered "Granted" In 2018 with respect to 2018 Performance Measure	In 2017 with respect to 2017 Performance Measure	In 2016 with respect to 2016 Performance Measure
2016 Performance Unit Award	3rd	2nd	1st
2017 Performance Unit Award	2nd	1st	N/A
2018 Performance Unit Award	1st	N/A	N/A
Carried Forward Units	All Units	N/A	N/A

The grant date fair value of the performance units was determined by multiplying the probable number of Carried Forward Units eligible to vest with respect to 2018 performance and the probable number of performance units for all tranches eligible to vest with respect to 2018, 2017 and 2016 performance (as illustrated in the table above), respectively, by the NYSE closing unit price of NuStar Energy common units on the grant date (or, for 2016, the transfer date as described above), reduced by the per unit value of distributions not paid on performance units prior to vesting.

If the maximum number of performance units (100% for the Carried Forward Units and 200% for the other tranches considered granted in 2018, 2017 and 2016) had been used to determine the grant date fair value of performance units, the grant date fair value for performance units presented in the Summary Compensation Table for the 2018, 2017 and 2016 periods for each of our NEOs would have been as set forth in the table below:

Name	Grant Date Fair Value Based on Maximum Number of Performance Units		
	2018 ($)	2017 ($)	2016 ($)
Barron	942,214	1,077,444	618,393
Shoaf	422,209	499,944	305,958
Brown	454,776	538,471	329,513
Perry	218,813	262,865	158,535
Oliver	296,061	379,247	N/A

Units

Our NEOs received special bonuses in the form of fully vested NuStar Energy common units in July 2018. The grant date fair value for the units presented in the Summary Compensation Table above was determined by multiplying the number of units granted by the NYSE closing unit price of NuStar Energy common units on the date of grant. For additional information regarding the amounts reported, see "Compensation Discussion and Analysis—Elements of Executive Compensation—Annual Incentive Bonus and Special Bonus Awards."

Please see the "Long-Term Incentive Awards" section and the "Accounting Treatment" section of "Compensation Discussion and Analysis" above and Note 24 of the Notes to Consolidated Financial Statements in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2018 for additional information regarding the vesting schedules and the assumptions made in the valuation.

(2) The amounts reported as "non-equity incentive plan compensation" reflect:

- for 2018, the annual incentive bonus amounts with respect to 2018 performance, which the Compensation Committee approved paying in the form of fully vested common units pursuant to the NSH LTIP (the value reported is based on the closing price of a NuStar Energy common unit on the NYSE on the February 11, 2019 grant date); and
- for 2016, the annual incentive bonus amounts with respect to 2016 performance, which the Compensation Committee approved paying in cash pursuant to the annual incentive bonus plan.

Our NEOs did not receive cash annual incentive bonus amounts for 2017. Any annual incentive bonus amounts are paid in February of each year with respect to performance during the immediately preceding year. The amount reported as "bonus" for Ms. Perry for 2017 reflects a special cash bonus paid to Ms. Perry during 2017. For additional information regarding the amounts reported, see "Compensation Discussion and Analysis—Elements of Executive Compensation—Annual Incentive Bonus and Special Bonus Awards." For an explanation of the amount of salary and bonus in proportion to total compensation, see "Compensation Discussion and Analysis—Elements of Executive Compensation—Relative Size of Primary Elements of Compensation."

(3) The amounts reported reflect the amounts attributable to the aggregate change in the actuarial present value of each NEO's accumulated benefit under our defined benefit and actuarial pension plans, including supplemental plans (but excluding tax-qualified defined contribution plans and nonqualified defined contribution plans). For Mr. Oliver, the actuarial present value of his accumulated benefit under our defined benefit and actuarial pension plans declined by $23,034 between December 31, 2017 and December 31, 2018. However, because SEC regulations do not permit the inclusion of a negative number, the amount of this decline is not reported in the Summary Compensation Table for Mr. Oliver for 2018.

None of the NEOs received any above-market or preferential earnings on compensation that is deferred on a basis that is not tax-qualified during the periods presented.

(4) The amounts reported in this column for 2018 consist of the following for each NEO:

Name	Company Contribution to Thrift Plan ($)	Company Contribution to Excess Thrift Plan ($)	Tax Preparation ($)	Personal Liability Insurance ($)	Executive Health Exams ($)[(a)]	TOTAL ($)
Barron	16,500	19,897	850	1,566	—	38,813
Shoaf	16,500	5,776	850	1,566	2,720	27,412
Brown	13,639	10,096	850	1,566	—	26,151
Perry	16,500	2,644	850	1,566	—	21,560
Oliver	16,500	3,546	850	1,566	—	22,462

(a) The amount reported is the difference between the value of the respective NEO's health exams and the value of NuStar Energy's all-employee wellness assessments.

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PAY RATIO

As required by SEC regulations, we are providing the following information regarding the ratio of the annual total compensation of our President and Chief Executive Officer, Mr. Barron, to the median of the annual total compensation of our employees for our last completed fiscal year.

For 2018:

- the median of the annual total compensation of all of our employees (other than our President and Chief Executive Officer) was $109,683; and
- the annual total compensation of our President and Chief Executive Officer, as reported in the Summary Compensation Table above, was $3,501,130.

Accordingly, for 2018, the ratio of the annual total compensation of our President and Chief Executive Officer to the annual total compensation of our median employee was 32 to 1.

To determine our median employee, we identifed each individual employed by us on December 1, 2018 (our Determination Date), and, for each individual employed by us on the Determination Date, we examined each of the following elements of compensation (which we refer to as the Total Comparable Compensation) that we paid those employees during the period from December 1, 2017 through November 30, 2018 (the Compensation Review Period):

- salary, wages and any overtime paid during the Compensation Review Period;
- any bonus awards paid during the Compensation Review Period; and
- the grant date fair value of any restricted units awarded during the Compensation Review Period.

On November 30, 2018, we sold our European Operations. As a result of the sale, we no longer have employees in the United Kingdom or elsewhere in Europe and our total number of employees decreased by approximately 190. Accordingly, we selected December 1 as our Determination Date for 2018 (instead of using the October 1 determination date used to determine our median employee for 2017) to more accurately reflect our continuing employee base following the sale of the European Operations while still providing sufficient time for us to gather the necessary information from multiple countries and enabling us to make the identification of the median employee in a reasonably efficient and economical manner. As of our Determination Date, we had approximately 1,515 employees located in three countries. After identifying the median employee based on Total Comparable Compensation, we calculated the annual total compensation for the median employee for 2018 using the same methodology we use to calculate the annual total compensation for our NEOs for 2018, as set forth in the Summary Compensation Table above. We did not make any assumptions, adjustments or estimates to identify the median employee, to determine the Total Comparable Compensation for each employee or to determine the annual total compensation for the median employee.

GRANTS OF PLAN-BASED AWARDS
DURING THE YEAR ENDED DECEMBER 31, 2018

The following table provides information regarding grants of plan-based awards to our NEOs during 2018.

Name	Grant Date	Date of Approval by Compensation Committee of Equity-Based Awards	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Unit Awards: Number of Units (#)	Grant Date Fair Value of Unit Awards ($)
			Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)		
Barron	N/A (1)	N/A	N/A	607,825	1,215,650	—	—	—	—	—
	7/23/2018 (2)	7/23/2018	—	—	—	N/A	17,422	34,844	—	408,198
	7/23/2018 (3)	7/23/2018	—	—	—	N/A	5,370	5,370	—	125,819
	7/23/2018 (4)	7/23/2018	—	—	—	—	—	—	12,318	303,392
	7/23/2018 (5)	7/23/2018	—	—	—	—	—	—	5,075	124,997
	11/16/2018 (6)	10/24/2018	—	—	—	—	—	—	49,250	1,184,463
Shoaf	N/A (1)	N/A	N/A	241,323	482,647	—	—	—	—	—
	7/23/2018 (2)	7/23/2018	—	—	—	N/A	7,764	15,528	—	181,910
	7/23/2018 (3)	7/23/2018	—	—	—	N/A	2,492	2,492	—	58,387
	7/23/2018 (4)	7/23/2018	—	—	—	—	—	—	4,495	110,712
	7/23/2018 (5)	7/23/2018	—	—	—	—	—	—	3,087	76,033
	11/16/2018 (6)	10/24/2018	—	—	—	—	—	—	16,995	408,730
Brown	N/A (1)	N/A	N/A	257,118	514,237	—	—	—	—	—
	7/23/2018 (2)	7/23/2018	—	—	—	N/A	8,363	16,726	—	195,945
	7/23/2018 (3)	7/23/2018	—	—	—	N/A	2,684	2,684	—	62,886
	7/23/2018 (4)	7/23/2018	—	—	—	—	—	—	4,842	119,259
	11/16/2018 (6)	10/24/2018	—	—	—	—	—	—	17,205	413,780
Perry	N/A (1)	N/A	N/A	191,435	382,870	—	—	—	—	—
	7/23/2018 (2)	7/23/2018	—	—	—	N/A	4,014	8,028	—	94,048
	7/23/2018 (3)	7/23/2018	—	—	—	N/A	1,311	1,311	—	30,717
	7/23/2018 (4)	7/23/2018	—	—	—	—	—	—	3,342	82,313
	7/23/2018 (5)	7/23/2018	—	—	—	—	—	—	2,571	63,324
	11/16/2018 (6)	10/24/2018	—	—	—	—	—	—	12,240	294,372
Oliver	N/A (1)	N/A	N/A	200,460	400,920	—	—	—	—	—
	7/23/2018 (2)	7/23/2018	—	—	—	N/A	5,373	10,746	—	125,889
	7/23/2018 (3)	7/23/2018	—	—	—	N/A	1,890	1,890	—	44,283
	7/23/2018 (4)	7/23/2018	—	—	—	—	—	—	3,751	92,387
	11/16/2018 (6)	10/24/2018	—	—	—	—	—	—	10,455	251,443

(1) The amounts reported represent the target and maximum amounts that would potentially be payable to the NEOs as annual incentive bonus awards with respect to 2018 performance. The annual incentive bonus awards with respect to 2018 performance did not include a threshold amount that would potentially be payable to the NEOs. For the 2018 annual incentive bonus determination, the Compensation Committee considered the factors described under "Compensation Discussion and Analysis—Elements of Executive Compensation—Annual Incentive Bonus and Special Bonus Awards," and the Compensation Committee approved the payment of the 2018 annual incentive bonus amounts in the form of fully vested common units pursuant to the NSH LTIP. The dollar values of the actual bonus amounts paid with respect to 2018 performance are reported in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

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(2) Performance units were awarded by the Compensation Committee on July 23, 2018 pursuant to the 2000 LTIP. Performance units vest in three annual increments (tranches), based upon our achievement of the performance measure set by the Compensation Committee during the one-year performance periods that end on December 31 of the applicable year. The target performance measure for performance unit awards historically has been established in the first quarter of the year. However, for 2018, due to the significance of the then-pending Distribution Reset and Merger, the Compensation Committee delayed consideration of annual performance measures until after the closing of the Merger on July 20, 2018.

Under applicable accounting standards, a tranche of performance units is not considered "granted" until the Compensation Committee has set the performance measure for that specific tranche of the award. Therefore, performance units are measured at the grant date fair value once the performance measure is established for a specific tranche. In addition, since the performance units granted do not receive common unit distribution equivalents, the estimated fair value of these awards does not include the per unit distributions expected to be paid to unitholders during the vesting period.

The estimated future payouts and the grant date fair value presented in the table above with respect to performance units includes each tranche of performance units for which the Compensation Committee established a performance measure during 2018. For 2018, the amounts presented include the one tranche of each of the 2016, 2017 and 2018 performance unit awards that was subject to vesting based on the performance criteria established by the Compensation Committee on July 23, 2018 with respect to 2018 performance, as illustrated in the table below:

Award	Tranche Considered "Granted" in 2018 With Respect to 2018 Performance Measure
2016 Performance Unit Award	3rd
2017 Performance Unit Award	2nd
2018 Performance Unit Award	1st

For the performance period ended December 31, 2018, the performance units available to vest under the applicable tranche for each of the 2016 awards, 2017 awards and 2018 awards vested at 100% based on the performance level attained. See "Compensation Discussion and Analysis—Elements of Executive Compensation—Long-Term Incentive Awards—Performance Units" for a description of the terms of the performance unit awards, the performance measure and the performance level attained with respect to the 2018 performance period. See "Compensation Discussion and Analysis—Impact of Accounting and Tax Treatments—Accounting Treatment" and footnote (1) to the Summary Compensation Table above for information regarding the assumptions made in valuation.

(3) As described in "Compensation Discussion and Analysis—Elements of Executive Compensation—Long-Term Incentive Awards—Performance Units," at its July 23, 2018 meeting, as part of its consideration of the overall structure of performance unit awards, the Compensation Committee used its discretion to determine that the Carried Forward Units would have the opportunity to vest at 100% based upon NuStar Energy's 2018 performance. The estimated future payouts and the grant date fair value with respect to the Carried Forward Units are reported in the table above. See "Compensation Discussion and Analysis—Impact of Accounting and Tax Treatments—Accounting Treatment" and footnote (1) to the Summary Compensation Table above for information regarding the assumptions made in valuation.

(4) As described above under "Compensation Discussion and Analysis—Elements of Executive Compensation—Annual Incentive Bonus and Special Bonus Awards," following the closing of the Merger, in the Compensation Committee's discretion, on July 23, 2018, the Compensation Committee awarded special bonuses of fully vested common units pursuant to the 2000 LTIP to each executive officer, including our NEOs, in recognition of their hard work. The number of common units awarded and the grant date fair value of such common units are reported in the table above. See "Compensation Discussion and Analysis—Impact of Accounting and Tax Treatments—Accounting Treatment" and footnote (1) to the Summary Compensation Table above for information regarding the assumptions made in valuation.

(5) As described above under "Compensation Discussion and Analysis—Elements of Executive Compensation—Annual Incentive Bonus and Special Bonus Awards," in consideration of their significant efforts to complete the Distribution Reset, the Merger and the issuance of Series D preferred units, on July 23, 2018, the Compensation Committee approved additional special bonuses of fully vested common units pursuant to the 2000 LTIP for Mr.

Barron, Mr. Shoaf and Ms. Perry. The number of common units awarded and the grant date fair value of such common units are reported in the table above. See "Compensation Discussion and Analysis—Impact of Accounting and Tax Treatments

—Accounting Treatment" and footnote (1) to the Summary Compensation Table above for information regarding the assumptions made in valuation.

(6) Restricted units were approved by the Compensation Committee on October 24, 2018, and the grant date for these restricted units was set at that time for the date that was as soon as administratively practicable after the meeting and no earlier than the third business day following our third quarter earnings release. The restricted units were awarded pursuant to the NSH LTIP and vest 1/5 annually over five years beginning on the first anniversary of the grant date. All grantees receiving restricted units are entitled to receive an amount in cash equal to the product of (a) the number of restricted units granted to the grantee that remain outstanding and unvested as of the record date for such quarter and (b) the quarterly distribution declared by the Board for such quarter with respect to NuStar Energy's common units. The number of restricted units awarded and the grant date fair value of such restricted units are reported in the table above. See "Compensation Discussion and Analysis—Impact of Accounting and Tax Treatments—Accounting Treatment" and footnote (1) to the Summary Compensation Table above for information regarding the assumptions made in valuation.

OUTSTANDING EQUITY AWARDS
AT DECEMBER 31, 2018

The following table provides information regarding our NEOs' unvested restricted units (including Converted Awards) and the target amount of our NEOs' unvested performance units as of December 31, 2018. The value of the restricted units and performance units reported below was determined by multiplying (1) the number of units reflected in the table by (2) $20.93 (the closing price of NuStar Energy common units on December 31, 2018). None of our NEOs had outstanding unit option awards as of December 31, 2018.

	Unit Awards				
Name	Type of Award	Number of Units That Have Not Vested (#)	Market Value of Units That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Units or Other Rights That Have Not Vested ($)
Barron	Performance Unit (1)	—	—	45,156	945,115
	Restricted Unit (2)	85,573	1,791,043		