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reclassifications in accordance with the terms of the amended and restated operating agreement of Global LLC and any applicable exchange agreement. When a holder surrenders Class B units or Class B1 units of Global LLC and a corresponding number of shares of Class B common stock or Class B1 common stock for shares of our Class A common stock, (i) Global LLC will cancel the Class B units or Class B1 units as applicable, (ii) Global LLC or will issue additional Class A units to us, (iii) we will redeem and cancel a corresponding number of shares of our Class B common stock or Class B1 common stock, as applicable, and (iv) we will issue a corresponding number of shares of Class A common stock to such holder. See “—Exchange Agreement.”

Distributions

Global LLC’s amended and restated operating agreement will provide that, distributions by Global LLC will be allocated and made to holders of units:

- of cash in respect of a specific quarter, as described below under the captions “—Distributions during the Subordination Period,” “—Distributions after the Subordination Period” and “—IDRs” in accordance with the respective number of membership units of Global LLC held; and
- in respect of all other distributions (e.g. distributions in respect of a winding-up, liquidation and extraordinary transactions), in accordance with the respective number of membership units of Global LLC held.

*Subordination**General*

Global LLC’s amended and restated operating agreement will provide that, during the Subordination Period (as described below), the Class A units and Class B1 units (if any) will have the right to receive quarterly distributions in an amount equal to \$0.2750 per unit, which amount is defined as the “Minimum Quarterly Distribution,” plus any arrearages in the payment of the Minimum Quarterly Distribution on the Class A units and Class B1 units from prior quarters, before any distributions may be made on the Class B units. The Class B units are deemed “subordinated” because for a period of time, referred to as the “Subordination Period,” the Class B units will not be entitled to receive any distributions from Global LLC until the Class A units and Class B1 units have received the Minimum Quarterly Distribution plus any arrearages in the payment of the Minimum Quarterly Distribution from prior quarters. Furthermore, no arrearages will be paid on the Class B units. The practical effect of the subordinated Class B units is to increase the likelihood that during the Subordination Period there will be sufficient CAFD to pay the Minimum Quarterly Distribution on the Class A units and Class B1 units.

The subordination of the Class B units is in addition to the Distribution Forbearance Provisions applicable to the Class B units described below under the caption “—Distribution Forbearance Provisions.”

Subordination Period

The “Subordination Period” means the period beginning on the closing date of this offering and extending until each of the following tests has been met, which will be a minimum three-year period ending no earlier than the beginning of the period for which a distribution is paid for the first quarter of 2018:

- distributions of CAFD on each of the outstanding Class A units, Class B units and Class B1 units equaled or exceeded \$1.1000 per unit (the annualized Minimum Quarterly Distribution) for each of three non-overlapping, four-quarter periods immediately preceding that date;