
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **January 2, 2018**

Summit Materials, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other
Jurisdiction of Incorporation)

001-36873
(Commission File Number)

47-1984212
(I.R.S. Employer
Identification No.)

1550 Wynkoop Street, 3rd Floor
Denver, Colorado 80202
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(303) 893-0012**

Not Applicable
(Former Name or Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 4, 2018, Summit Materials, Inc. (the “Company”) announced that, effective January 8, 2018 (the “Commencement Date”), Karl H. Watson Jr. has been appointed Executive Vice President and Chief Operating Officer of the Company.

Mr. Watson, age 53, has more than 25 years of experience in the construction materials industry. From January 2017 to December 2017, Mr. Watson served as President, Cement & Southwest Ready Mix at Martin Marietta Materials, Inc. (“Martin Marietta”), a supplier of construction aggregates and heavy building materials. Prior to joining Martin Marietta, Mr. Watson served in various leadership positions at CEMEX, S.A.B. de C.V. (“CEMEX”), a Mexican cement manufacturer, and Rinker Group Ltd., an Australian building materials supplier which was acquired by CEMEX in 2007. From January 2016 to June 2016, Mr. Watson served as an advisor to CEMEX, where he was previously the President of CEMEX USA and Global Relation Manager, Network Leader, from 2011 to 2015. From 2008 to 2011, Mr. Watson served as President of CEMEX, Florida and CEMEX, East, USA. From 1988 to 2008, Mr. Watson served in various positions at Rinker Group Ltd., including, most recently, Regional President, Rinker Materials West from 2004 to 2008. Mr. Watson is currently on the board of directors of the Texas Aggregates & Concrete Association and on the executive committee of the Portland Cement Association where he served as the vice chairman from 2013 to 2015. He is a past chairman of the National Ready Mix Concrete Association and the Florida Concrete and Products Association and was on the board of directors of the National Stone, Sand and Gravel Association from 2007 to 2011. Mr. Watson has a Bachelor’s of Science degree in Business Administration from Palm Beach Atlantic University. There are no transactions involving Mr. Watson requiring disclosure under Item 404(a) of Regulation S-K.

Pursuant to the terms of the offer letter between with Summit Materials Holdings L.P. (“Holdings”) and Mr. Watson (the “Offer Letter”), effective as of the Commencement Date, Mr. Watson’s annual base salary will be \$550,000 and he will be eligible to participate in the Company’s annual bonus plan with a target bonus of 75% of his annual base salary, with a potential bonus of up to two times the target annual bonus for extraordinary performance. Additionally, Mr. Watson is eligible to participate in the Company’s long term equity incentive plan and will be granted an initial award of \$2 million in restricted stock units, which will vest in equal annual installments over three years, subject to his continued employment through each such vesting date; provided that such award will become fully vested in the event his employment is terminated without Cause (as defined in the applicable award agreement). The Offer Letter also provides that Mr. Watson will receive a one-time cash sign-on bonus of \$300,000, which will be paid on or within 30 days following the Commencement Date. However, such sign-on bonus is subject to recoupment by the Company if Mr. Watson terminates his employment within two years following the Commencement Date.

In addition, the Offer Letter provides that Mr. Watson will be eligible to participate in the Company’s employee benefits plans and programs as in effect from time to time, on the same basis as those benefits are generally made available to other executive officers.

Furthermore, Mr. Watson will be entitled to participate in the Company’s Executive Severance Plan at the level applicable to Executive Vice Presidents. Information regarding the Executive Severance Plan is described in the Company’s Form 8-K filed on December 21, 2017, which description is incorporated by reference herein. For the purposes of the Offer Letter, the definition of Constructive Termination applicable to Mr. Watson under the Executive Severance Plan also includes the Company not appointing him as its Chief Executive Officer on or prior to the third anniversary of the Commencement Date.

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The foregoing summary of the Offer Letter does not purport to be complete and is qualified in its entirety by reference to the Offer Letter itself, which is filed hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On January 4, 2018, the Company issued a press release announcing the appointment of Mr. Watson. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information included under Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section. The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, unless specifically incorporated by reference into any such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 [Offer Letter, dated as of December 19, 2017, between Summit Materials Holdings L.P. and Karl Watson](#)
99.1 [Press Release of Summit Materials, Inc. dated January 4, 2018](#)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf

by the undersigned hereunto duly authorized.

SUMMIT MATERIALS, INC.

Date: January 4, 2018

By: /s/ Anne Lee Benedict
Name: Anne Lee Benedict
Title: Chief Legal Officer

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Section 2: EX-10.1 (EX-10.1)

Exhibit 10.1



1550 Wynkoop Street, 3rd Fl
Denver, Colorado 80202
(303) 893-0012 *Office*
(303) 893-6993 *Fax*
summit-materials.com

December 19, 2017

Dear Karl,

It is my pleasure to confirm the offer by Summit Materials Holdings, L.P., a Delaware limited partnership (together with its affiliates Summit Materials, LLC, a Delaware limited liability company, and Summit Materials, Inc., a Delaware corporation, "Summit"), to you for the position of Executive Vice President and Chief Operating Officer of Summit, reporting to Tom Hill, Summit's President and Chief Executive Officer. Your appointment is subject to approval by the Board of Directors of Summit Materials, Inc. (the "Board"), and your compensation package as outlined herein is subject to approval of the Board's Compensation Committee (the "Compensation Committee"). This offer is contingent upon your completing all applicable pre-employment screening and paperwork as further detailed below. The terms of our offer are as follows:

1. Commencement Date: The date your employment with Summit commences (the "Commencement Date") will be January 8, 2018.
2. Annual Base Salary: Starting annual base salary of \$550,000, payable in accordance with Summit's customary payroll practices. The annual base salary will be reviewed annually by the Compensation Committee, and may be increased (but not decreased) in the sole discretion of the Board and/or Compensation Committee.
3. Annual Cash Bonus Target: Seventy-five percent (75%) of annual base salary, with a potential bonus of up to two (2) times the target annual bonus for extraordinary performance, and performance metrics to be established in accordance with the Compensation Committee's policies applicable to Summit's executive officers.
4. Long Term Equity Incentive Plan: Annual target award established by the Compensation Committee. Initial award of \$2 million in restricted stock units, to be made on or promptly following the Commencement Date, which award will vest in equal annual installments over three (3) years, subject to continued employment through each such vesting date; provided that such award will become fully vested in the event your employment is terminated by Summit without Cause (as defined in the applicable award agreement).
5. Sign-on Bonus: On or within thirty (30) days following the Commencement Date, Summit will pay you a one time, lump sum sign-on bonus of \$300,000 (the "Sign-on Bonus"), less applicable withholding; provided, that you will be required to repay the full Sign-On Bonus should you resign from Summit within twenty-four (24) months following the Commencement Date.
6. Executive Severance Plan: You will participate in Summit's Executive Severance Plan, with eligibility at the level applicable to Executive Vice Presidents; provided, that the

definition of "Constructive Termination" contained therein as it applies to you shall include Summit not appointing you as its Chief Executive Officer on or prior to the third (3rd) anniversary of the Commencement Date, subject to all of the other terms and conditions of the Executive Severance Plan, including, without limitation, the cure and notice provisions contained therein.

7. Employee Benefits. You will be eligible to participate in Summit's employee benefits plans and programs as in effect from time to time, on the same basis as those benefits are generally made available to other executive officers of Summit. Medical benefits will commence on the first day of the month following the sixtieth (60th) day after the Commencement Date, and for the interim period from the Commencement Date to the date coverage begins, Summit will reimburse you for "COBRA" premiums you pay for continued medical coverage from your prior employer.

8. Relocation. In connection with your employment by Summit, you hereby agree to relocate your primary residence to the Denver, Colorado area. In connection with such relocation, Summit will reimburse you for the following expenses:

- a. One seven (7)-day house hunting trip to the Denver, Colorado area for you and your significant other including airfare, lodging, meals and car rental.
- b. Reimbursement for all closing costs associated with the sale of your current primary home including realtor sales commissions, attorney fees, document preparation and transfer fees.
- c. Direct payment for reasonable expenses associated with the packing, shipping and unpacking of your household goods from your current primary home, including full replacement insurance.
- d. Reimbursement for reasonable expenses associated with the physical move of your family including airfare, lodging, meals and car rental.
- e. Shipment of one vehicle to the Denver, Colorado area with associated vehicle shipment insurance.
- f. Up to three (3) months of storage for household goods subsequent to your permanent relocation to the Denver, Colorado area.

All of the expenses listed above in this paragraph 8 must be documented and submitted to Summit in accordance with its ordinary reimbursement practices. At its discretion, Summit may utilize a third-party relocation services provider to coordinate with you directly and manage your relocation to the Denver, Colorado area.

Any taxable reimbursements/payments by Summit described above in this paragraph 8 will be “grossed up” by Summit using an assumed tax rate that Summit deems applicable to your situation.

Should you resign from Summit within twenty-four (24) months following the Commencement Date, you hereby agree to reimburse Summit for one hundred percent (100%) of the above-listed relocation costs (as well as any other costs that Summit may elect to pay or reimburse you for in connection with your relocation), including any “gross up” payment, within thirty (30) days following your resignation.

9. Vacation. You will be entitled to three (3) weeks of vacation per year as well as the holidays that Summit observes.

10. Executive Representation. By signing this letter you represent that: (1) you are not a party to any agreement that would prohibit you from entering into employment with Summit; (2) no trade secret or proprietary information belonging to your previous employers will be disclosed by you at Summit and that no such information, whether in the form of documents, memoranda, software, drawings, etc., will be retained by you or brought with you to Summit; and (3) you have brought to Summit’s attention and provided Summit with a copy of any agreement, order of any court or administrative body or any other similar item that may affect your future employment at Summit, including but not limited to any non-disclosure, non-competition, non-solicitation or invention assignment agreements containing future work restrictions.

11. Conditional Offer. This letter is a confirmation of a conditional employment offer and should not be construed as an employment contract. Upon acceptance, we will provide you with new-hire paperwork, including an acknowledgement of your agreement to abide by Summit’s Code of Conduct, an Officer’s Questionnaire, and an I-9 form, which is required by the government to verify employment eligibility. Our offer is further subject to satisfactory completion of a background check, drug screening and reference checks.

Please acknowledge your agreement with the terms of this letter by signing and returning this letter for our files by email to anne.benedict@summit-materials.com.

Karl, we are excited about our future and delighted to welcome you to Summit.

Sincerely,

/s/ Tom Hill

Name: Tom Hill
Title: President & CEO

AGREED AND ACCEPTED:

/s/ Karl Watson

Karl Watson

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Section 3: EX-99.1 (EX-99.1)

Exhibit 99.1



1550 Wynkoop Street, 3rd Fl
Denver, Colorado 80202

(303) 893-0012 *Office*
(303) 893-6993 *Fax*
summit-materials.com

Summit Materials Announces Appointment of Chief Operating Officer

Denver, Colorado (January 4, 2018) — Summit Materials, Inc. (NYSE: SUM), a leading vertically integrated construction materials company, announced today that, effective January 8, 2018, Karl H. Watson Jr. has been appointed Executive Vice President and Chief Operating Officer, succeeding Douglas C. Rauh.

Tom Hill, CEO of Summit, stated, “We are very pleased to have Karl join Summit. I have known him for years and his depth and breadth of experience in our industry will add impactful leadership to our already strong team. I am confident that Karl will make a great partner as we strengthen Summit for our next phase of growth.”

Mr. Watson said, “I am excited to have the opportunity to work for such a dynamic and successful company. Under Tom’s leadership, Summit has experienced significant transformational growth, and I am looking forward to contributing to its continued success.”

Mr. Watson has more than 25 years of experience in the construction materials industry. In 2017, he served as President, Cement & Southwest Ready Mix at Martin Marietta Materials, Inc., a supplier of construction aggregates and heavy building materials. Prior to joining Martin Marietta, Mr. Watson served in various leadership positions at Cemex, S.A.B. de C.V., a Mexican cement manufacturer, including President, Cemex USA. Prior to Cemex’s acquisition of Rinker Group Ltd., an Australian building materials supplier, Mr. Watson held various executive positions at Rinker in both the United States and Australia.

Mr. Watson is currently on the board of directors of the Texas Aggregates & Concrete Association and on the executive committee of the Portland Cement Association where he served as the vice chairman from 2013 to 2015. He is a past chairman of the National Ready Mix Concrete Association and the Florida Concrete and Products Association and was on the board of directors of the National Stone, Sand and Gravel Association from 2007 to 2011. Mr. Watson has a Bachelor’s of Science degree in Business Administration from Palm Beach Atlantic University.

About Summit Materials

Summit Materials is a leading vertically integrated materials-based company that supplies aggregates, cement, ready-mix concrete and asphalt in the United States and British Columbia, Canada. Summit is a geographically diverse, materials-based business of scale that offers customers a single-source provider of construction materials and related downstream products in the public infrastructure, residential and nonresidential, and end markets. Summit has a strong track record of successful acquisitions since its founding and continues to pursue growth opportunities in new and existing markets. For more information about Summit Materials, please visit www.summit-materials.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the federal securities laws, which involve risks and uncertainties. Forward-looking statements include all

statements that do not relate solely to historical or current facts, and you can identify forward-looking statements because they contain words such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “intends,” “trends,” “plans,” “estimates,” “projects” or “anticipates” or similar expressions that concern our strategy, plans, expectations or intentions. These forward-looking statements are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements to be different from future results, performance or achievements expressed or implied by such forward-looking statements. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, it is very difficult to predict the effect of known factors, and, of course, it is impossible to anticipate all factors that could affect our actual results.

In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be realized. Important factors could affect our results and could cause results to differ materially from those expressed in our forward-looking statements, including but not limited to the factors discussed in the section entitled “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. Such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission (“SEC”), which are accessible on the SEC’s website at www.sec.gov. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law.

Contacts

Mr. Noel Ryan
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noel.ryan@summit-materials.com

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