2020

ANNUAL REPORT

LOCAL PRESENCE.
NATIONAL SCALE.
BUILDING MORE TOGETHER.

LETTER FROM **THE CHAIRMAN**

Howard Lance

Howard Lance
Chairman of the Board of Directors
Summit Materials, Inc.

To Our Valued Stakeholders:

On behalf of the Board of Directors, and all the Summit Materials employees, I want to thank those on the frontlines of the COVID-19 pandemic who have worked to keep all of us safe. We also offer our sympathies to those who have personally experienced loss during this time.

Despite the challenges 2020 presented, it was an exceptional year for our Company. Summit produces the essential materials that support the comforts of life, including by supplying industries like residential construction, energy production and transportation infrastructure.

Our role was proven more important than ever in 2020 as we achieved record Adjusted EBITDA and cash flows, allowing us to reduce our debt ratio to the lowest it has ever been.

In 2020 we welcomed our new CEO, Anne Noonan. Anne has been working tirelessly since her first days and we are particularly excited about her leadership in establishing the Elevate Summit strategy presented to investors on March 16, 2021. Elevate Summit is a comprehensive program designed to maximize returns to our stakeholders by focusing on key financial goals: achieving greater than 30% Adjusted EBITDA Margin, greater than 10% Return on Invested Capital (ROIC), and a leverage ratio of less than three times. Guiding these ambitious, multi-year objectives are our mission, vision and values that are described in this Annual Report. Our vision is to be the most socially responsible, integrated construction materials solutions provider collaborating with stakeholders, to deliver differentiated innovations and solve our customers' challenges.

As part of our commitment to social responsibility we continue to advance and improve sustainability programs across the Company. We also continue to provide deeper levels of transparency and accountability to our stakeholders. In 2020 we completed an extensive greenhouse gas emissions study that enables increased visibility into our impact on the environment and will allow us to plan reduction efforts in the coming years - we are wholly in support of achieving carbon neutrality by 2050.

We are also committed to improving our human capital management, with focus on the areas of safety, talent management and recruitment.

With regards to corporate governance, as we indicated last year, the Board of Directors believes that a classified board structure and supermajority voting requirements are no longer necessary, and the Company has included in this year's annual meeting agenda proposals to (i) declassify the Board of Directors, and (ii) eliminate the supermajority voting requirement. Additionally, we are pleased to note that with Anne Noonan's appointment, Summit has now achieved gender parity on its Board.

Thank you again for your continued support of Summit Materials. We recognize and appreciate the responsibility that your commitment brings. We believe strongly in Summit Materials, the dedication of our nearly 6,000 employees, and the opportunities that lie ahead.

Sincerely,

Howard Lance

Howard Lance, Chairman of the Board of Directors of Summit Materials, Inc.

LETTER FROM **THE CEO**

Anne P. Noonan

Anne P. Noonan
Chief Executive Officer
Summit Materials, Inc.

To Our Valued Stakeholders:

This is my first letter to you as CEO of Summit Materials, and as I said upon accepting this role, it is an honor to lead this Company into its next phase of growth and value creation. We are grateful for the continued trust and support of our shareholders, customers and communities.

In 2020, the world and global economy faced unprecedented difficulties due to the COVID-19 pandemic. On behalf of Summit Materials, I want to thank all the frontline workers who have labored so hard to keep us safe. I also want to thank all of Summit's employees, as essential workers, you have persevered in the face of great adversity to continue to provide the infrastructure that is vital to the communities we serve. Finally, to all those who have struggled or have lost loved ones over the course of the pandemic, we extend our deepest sympathies.

Even during the challenging circumstances of this past year, our employees were able to not only adapt all our procedures to address COVID but better our safety record. From 2019 to 2020, we improved our recordable incident rate by 6% and our lost time incident rate by 62%.

From a financial perspective, 2020 was an outstanding year for Summit. We reported net income of $138 million and Adjusted EBITDA of $485 million.[1] Our aggregates businesses, particularly in the West Segment, delivered superb results, driven by robust demand in Utah and superior margin performance. We were also pleased with the strong performance generated by our ready mix, asphalt, and paving lines of business across Texas. These successes helped offset a challenging year for our Kentucky and Cement businesses. Kentucky was impacted by the cancellation of lettings due to funding conditions, while our Cement business was hindered by the temporary shutdown of its waste recycling business.

Throughout 2020, we committed to increase cash flow from operations and improve our balance sheet. We reduced our leverage ratio from 3.6x to 3.2x Net Debt to EBITDA,[1] which is the lowest in Company history. We also increased our ROIC, from 7.5% in 2019 to 8.1% in 2020.[1]

Summit's team spent the last few months developing our strategy for the future, in careful consideration of feedback from investors and other stakeholders. I want to thank each investor who participated in our perception study as well as our customers, who also gave us great insight.

During this process we defined Summit's Mission, Vision, and Values which are set forth in the pages that follow and will guide our decisions moving forward, including our new strategic roadmap. We call this new initiative Elevate Summit, and it includes four core strategic priorities:

- Market Leadership: Where we are dedicated to being the leader in exurban and rural markets to enhance our long-term value to customers and stakeholders
- Asset Light Approach: Where we will focus on developing strategic partnerships to do more business with less invested capital
- Social Responsibility: Where we are committed to improving our social and human impact, land reclamation practices, and carbon emissions
- Innovation: Where we will focus on enhancing our value proposition to customers by leveraging technology, anticipating their current and future needs, and delivering customized solutions when and how they want them.

Execution of our strategic priorities will be enabled by a culture of excellence, simplification, and standardization. We've set ambitious, yet achievable goals by which we'll measure success, which include driving towards an Adjusted EBITDA margin of greater than 30%; a ROIC of greater than 10%, and less than three times Net Debt to EBITDA. Investor feedback suggests that achievement of these goals will further enhance alignment with shareholders.

I want to close by again thanking our nearly 6,000 employees whose hard work is the reason for our performance in 2020 – your determination and dedication to the Company's success, particularly during a global pandemic, is inspiring. Finally, I want to thank our Board of Directors for their continued counsel and all of our stakeholders, including our investors and customers, for their ongoing commitment and support.

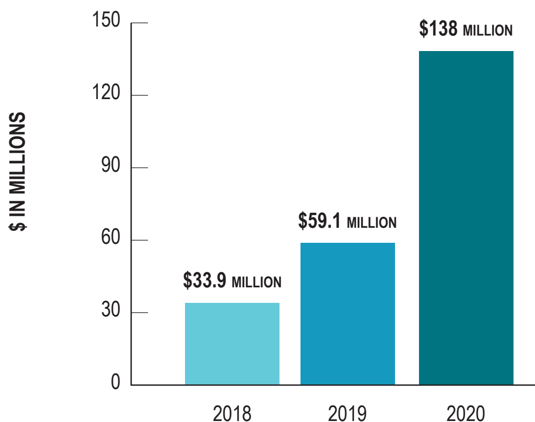
Sincerely,

Anne P. Noonan, Chief Executive Officer of Summit Materials, Inc.

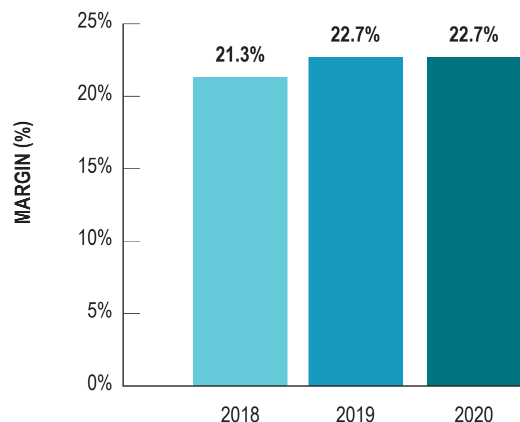
(1) This is a non-GAAP measure, please see the reconciliations at the back of this report.

FINANCIAL DATA

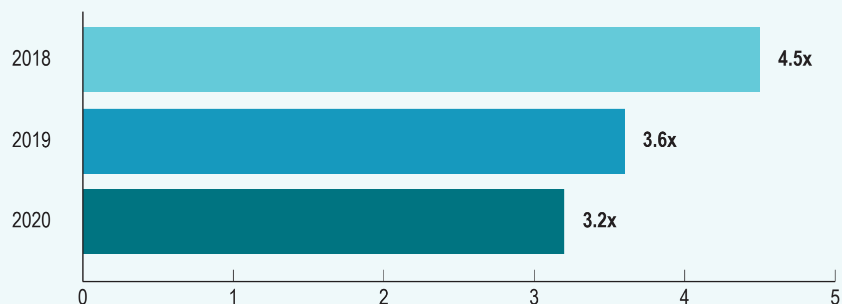
NET INCOME ATTRIBUTABLE TO SUMMIT, INC.



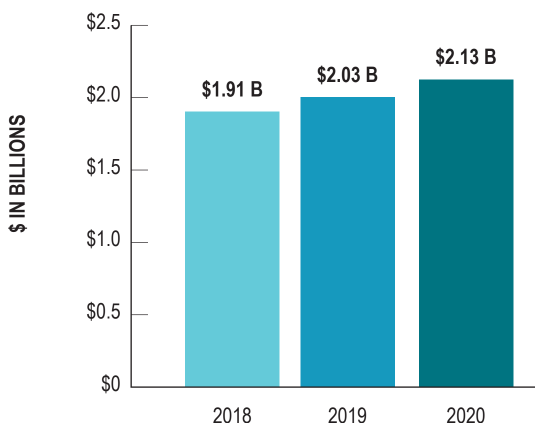
ADJUSTED EBITDA MARGIN[1]



YEAR-END NET LEVERAGE[1]



NET REVENUE



FINANCIAL DATA SUMMARY

In 2020, our net revenue increased 5.1% over 2019, and we reported earnings of $138.0 million, or $1.21 per basic share. Additionally, operating income increased 5.4% to $225.2 million. We achieved these results, despite challenges due to COVID, as a result of the tireless work of our nearly 6,000 employees and by focusing on sustainable growth with investments in greenfields and acquisitions aligned with end markets that are underpinned by strong growth fundamentals.

(1) This is a non-GAAP measure, please see the reconciliations at the back of this report.

ELEVATE

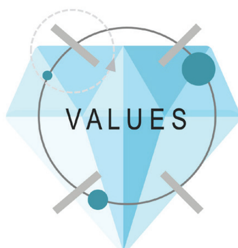
SUMMIT MATERIALS

ELEVATE SUMMIT IS DESIGNED TO YIELD LONG-TERM RESULTS

>30%	>10%	<3x
Adjusted EBITDA Margin	*Return on Invested Capital (ROIC)*	*Net Debt to EBITDA*

Summit's mission is to provide the foundation to connect our communities today and build a better tomorrow.

Summit's vision is to be the most socially responsible, integrated construction materials solution provider, collaborating with stakeholders to deliver differentiated innovations and solve our customers' challenges.



SAFETY: We are committed to keeping our employees, customers, and communities safe in all that we do.

INTEGRITY: We build trust by doing what's right and remaining accountable, even when no one is watching.

SUSTAINABILITY: We answer to the impact of our actions and seek out opportunities to develop innovative practices and solutions.

INCLUSIVITY: We act intentionally to bring together our local communities and drive equity for all stakeholders.

SUMMIT **SUSTAINABILITY**

Sustainability is a core value at Summit Materials. Our commitment to being stewards of our environment and thoughtful members of our communities is central in our strategy to drive long-term stakeholder value. We work hard to continuously evolve our sustainability program and goals to meet the expectations of our stakeholders, and the rapidly evolving world. Through the following efforts, we are able to showcase the most important initiatives across our companies and their significant impact.

WILDLIFE HABITAT COUNCIL

We are dedicated to land conservation through our partnership with the Wildlife Habitat Council, including the 8 certified programs we manage, which use more than 2,500 acres of land, benefiting 27 species directly, 6 different types of habitats, and thousands of employee hours.

RECYCLED CONCRETE

In 2020, we recycled more than 407,000 tons of concrete. This includes returns, old roadways, and material that is recrushed and reused or sold as blocks.

APPROX. IN TONS

407K

RECYCLED METAL

We recycled more than 3,000 tons of metals in 2020. We did so by scrapping old and retired equipment, recycling drums, and other materials such as aluminum and cans through our Recycling facility in Kansas.

MORE THAN

3,000T

RECYCLED RAP

Recycled Asphalt accounted for approximately 16% of our total asphalt production in 2020. For this process, we mill and reuse worn out road ways and roofing shingles.

APPROX. **16%**

OF SUMMIT MATERIAL'S TOTAL ASPHALT PRODUCTION IN 2020

SUMMIT RESPONDS TO COVID

Everything starts with safety at Summit. Despite the challenges of the COVID-19 pandemic, we were able to improve on several safety metrics and incorporate COVID-19 safety protocols to ensure the safety of our workforces. Safety is an integral part of our culture at Summit and the pandemic has been a reminder that our commitment to the health and safety of our employees, customers, and the communities we serve is ever paramount. We thank our nearly 6,000 employees whose dedication and hard work contributed immeasurably to the Company's success in 2020, especially under such unprecedented circumstances. Below are just a few highlights from an exceptional year at Summit.

HAND WASHING STATIONS

Our work is often in places where hand washing is a challenge. Employees at our operating company, RK Hall, developed and built mobile hand washing stations to ensure that employees had the ability, even at the most remote jobsites, to wash their hands.

TRAINING AND RISK ASSESSMENT

Every customer or vendor who visits any of our mine sites, must complete site-specific training and risk assessment. To enable our teams to conduct such trainings and assessments safely during the pandemic, the safety team at our operating company, Hamm, devised a system to perform the training outside with 6 feet social distancing measures in place and sanitizing stations outside of scalehouses.

E-TICKETING SYSTEM

The pandemic expedited our efforts in offering a contactless and paperless experience for our customers. To meet this need, the Company implemented an eTicketing solution, providing for paperless transactions and electronic signatures maximizing social distancing and in turn keeping our customers and employees as safe as possible while continuing to operate our businesses.

SUMMIT MATERIALS

2021 / NOTICE OF ANNUAL MEETING & PROXY STATEMENT

NOTICE OF 2021 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON WEDNESDAY, MAY 19, 2021

The 2021 Annual Meeting of Stockholders (the ''Annual Meeting'') of Summit Materials, Inc. (''Summit Materials'' or the ''Company'') will be held at 8:00 a.m., Mountain Time, on Wednesday, May 19, 2021, on the Internet through a virtual web conference at *www.virtualshareholdermeeting.com/SUM2021* in light of COVID-19 (Coronavirus). The Annual Meeting is being held for the following purposes:

1 To elect the three nominees for director, named in the attached Proxy Statement (the ''Proxy Statement'') to serve until the 2024 Annual Meeting of Stockholders and until their respective successors are elected and qualified;

2 To approve, on a nonbinding advisory basis, the compensation of our named executive officers (''NEOs''), as disclosed in the Proxy Statement;

3 To ratify the appointment of KPMG LLP (''KPMG'') as our independent registered public accounting firm for our fiscal year ending January 1, 2022;

4 To approve and adopt an amendment and restatement of the Company's 2015 Omnibus Incentive Plan;

5 To approve and adopt the Company's 2021 Employee Stock Purchase Plan;

6 To approve and adopt an amendment to the Company's amended and restated Certificate of Incorporation (which we refer to as the ''Charter'') to remove the three separate classes of directors of the Board of Directors (the ''Board'') of the Company and replace with one class of directors and to make certain non-substantive changes related thereto (the ''Declassification Amendment'');

7 To approve and adopt an amendment to the Company's Charter to reduce the vote required to amend certain provisions of the Company's Charter and Bylaws to the affirmative vote of the holders of a majority of the total voting power of the then-outstanding shares of stock of the Company (the ''Majority Vote Amendment'');

8 To approve and adopt an amendment to the Company's Charter to add an exclusive federal forum selection provision for any action arising under the federal securities laws of the United States of America (the ''Federal Forum Selection Amendment''); and

9 To approve and adopt an amendment to the Company's Charter to delete, in its entirety, Article X regarding the Company's waiver of Section 203 of the Delaware General Corporation Law and to make certain non-substantive amendments related thereto and to reflect the fact that The Blackstone Group Inc. together with its affiliates, subsidiaries, successors and assigns no longer owns 30% or more in voting power of the stock of the Company entitled to vote generally in the election of directors (the ''Sponsor Amendment''); and

10 To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The Board recommends you vote (i) ''FOR'' the election of each of the nominees to the Board; (ii) ''FOR'' the approval, on a nonbinding advisory basis, of the compensation of our NEOs, as disclosed in the Proxy Statement; (iii) ''FOR'' the ratification of the appointment of KPMG as our independent registered public accounting firm; (iv) ''FOR'' the approval and adoption of the amendment and restatement of the Company's 2015 Omnibus Incentive Plan; (v) ''FOR'' the approval and adoption of the

Company's 2021 Employee Stock Purchase Plan; (vi) ''FOR'' the approval and adoption of an amendment of the Company's Charter to approve the Declassification Amendment; (vii) ''FOR'' the approval and adoption of an amendment of the Company's Charter to approve the Majority Vote Amendment; (viii) ''FOR'' the approval and adoption of an amendment of the Company's Charter to approve the Federal Forum Selection Amendment; and (ix) ''FOR'' the approval and adoption of an amendment of the Company's Charter to approve the Sponsor Amendment.

The Board has fixed March 24, 2021 as the record date for determining stockholders entitled to receive notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof. Only stockholders of record at the close of business on that date will be entitled to notice of, and to vote at, the Annual Meeting. A list of these stockholders will be open for examination by any stockholder for any purpose germane to the Annual Meeting for a period of 10 days prior to the Annual Meeting at our principal executive offices at 1550 Wynkoop Street, 3rd Floor, Denver, Colorado 80202, and electronically during the Annual Meeting at www.virtualshareholdermeeting.com/SUM2021 when you enter your control number. This Notice of 2021 Annual Meeting of Stockholders, Proxy Statement and form of proxy are being distributed and made available on or about April 5, 2021. As always, we encourage you to vote your shares prior to the Annual Meeting.

By Order of the Board of Directors

Christopher B. Gaskill
Chief Legal Officer

Denver, Colorado
April 5, 2021

SUMMIT MATERIALS
AT A GLANCE

WHO WE ARE

Summit Materials is an integrated supplier of heavy-side construction materials such as aggregates, cement, ready-mix concrete, and asphalt, as well as paving services.

We offer customers a single-source provider for construction materials and related downstream products through our vertical integration. Our operations benefit from Summit's access to capital, IT resources, performance optimization practices and a highly-experienced management team. We believe this model allows us to realize the benefits of locally invested operators with the expertise and economies of scale of a larger entity.

We provide nearly 6,000 jobs and believe our human capital is our greatest asset. We support our employees with:

- Health and wellness programs
- Training and development programs with broad participation throughout all levels of the Company
- An excellent safety track record
- Robust community engagement including support for local STEM education projects

We value diversity, equity, and inclusion (''DEI''):

- 28% of our workforce identifies as non-white
- 50% of our Board of Directors is female and 50% of our executive officers are female, including our Chief Executive Officer
- We have made conscious strides to address DEI within our business, including:
  - Increasing diversity in our workforce, and in 2020, over half of the participants in our internship program identified as non-white
  - Instituting DEI and unconscious bias awareness training at our business
- To continue to move us forward in the areas of DEI, as well as continuing to develop our workforce, the Compensation Committee recently renamed itself the Human Capital and Compensation Committee, and amended its charter to more clearly reflect its oversight of talent development, diversity and inclusion, employee engagement and company culture

Our geographic and end-user diversification and integration help us withstand market cycles:

- We operate in 21 states and one Canadian province
- Our end market base is roughly 39% state infrastructure-related and approximately 61% residential and non-residential (based on net revenues)

We focus on sustainability and community involvement to secure a stable and profitable future:

- Environmental programs support profitability:
  - Recycled more than 407,000 tons of concrete and more than 3,000 tons of metal in 2020
  - Recycled asphalt accounted for 16% of total tons produced in 2020
  - On average, 36% of our cement plants' energy came from alternative fuel in 2020. This equates to the amount of power that an estimated 117,000 American homes use in one year
- We remain focused on exploring new, innovative ways in which we can meaningfully reduce the environmental impact where we operate and are wholly in support of achieving carbon neutrality by 2050
- Approximately 500 students participated in educational events that we hosted, the majority of which occurred prior to lockdowns resulting from the COVID-19 pandemic
- Our employees volunteered approximately 1,000 hours to their communities through company sponsored engagement
- Our vendor code of conduct, human rights, and environmental policies govern our interactions with our stakeholders
- Our sustainability website (*summit-materials.com/sustainability/*) further describes our deep commitment to the environment and the communities in which we operate

The Company's strong performance was reflected in record net income of $138 million.

2020 PERFORMANCE

In 2020, net revenue increased 5.1% over 2019, and we reported earnings of $138.0 million, or $1.21 per basic share.

Operating income increased 5.4% to $225.2 million:

- Primarily driven by net revenue gains in our aggregates and products lines of business
- Our West Segment reported higher revenue from all lines of business
- Net income of $138.0 million, record adjusted EBITDA of $485.0 million (a non-GAAP financial measure) and free cash flow of $245.6 million (a non-GAAP financial measure).
- We focused on sustainable growth with investments in greenfields and acquisitions aligned with end markets that are underpinned by strong growth fundamentals
- Reduced our leverage ratio to 3.2X Net Debt to Adjusted EBITDA (a non-GAAP financial measure), the lowest debt ratio in the Company's history

* See ''Reconciliation of Non-GAAP Measures to GAAP'' on Annex A.

OUR GOVERNANCE

- Separate independent Chairman and Chief Executive Officer
- 50% of Board members are female
- Age diversity on the Board; short average tenure; no over-boarded directors
- The Board includes senior operational and financial executives with materials, technology, supply chain and investor expertise

Letter from the Chairman

To Our Valued Stakeholders:

2020 was an unprecedented year as we confronted the global challenge of the COVID-19 pandemic. On behalf of the Board of Directors, and all of the Summit Materials employees, I want to thank those on the frontlines who have worked to keep all of us safe. We also offer our sympathies to those who have personally experienced loss due to the pandemic.

Notwithstanding the macro difficulties, 2020 was an exceptional year for our Company. Summit Materials produces the essential materials that support the comforts of life that are now more important than ever. Construction of our homes, schools, roads, hospitals, windfarms, and distribution centers require aggregates, cement, ready-mix concrete and asphalt. As a result of strong demand, we achieved record Adjusted EBITDA and cash flows, allowing us to reduce our debt ratio to the lowest in Company history.

We also welcomed our new CEO, Anne Noonan. We are excited about her leadership as we position the Company for its next chapter of value creation. Anne jumped in with both feet and her fresh perspective, vision and enthusiasm are true assets for the Company.

As I noted last year, integral to our strategy in driving long-term stakeholder value is our commitment to being stewards of our environment and thoughtful members of our communities. We continue to make significant efforts to advance and improve our sustainability programs across the Company. We also continue to refine our disclosures, providing a deeper level of transparency and accountability to our stakeholders.

In 2020 we completed an extensive greenhouse gas emissions study that enables increased visibility into our impact and will allow us to plan reduction efforts in the coming years—we are wholly in support of achieving carbon neutrality by 2050.

We are also improving our environmental footprint by recycling and reusing resources. One highlight of those efforts involves our asphalt operations, which derived 16% of our products from recycled material. Additionally, we recycled 407,000 tons of concrete, and more than 3,000 tons of metals.

Finally, I would be remiss not to note our reclamation and conservation efforts, we now have more than 2,500 acres across the country being used for our certification programs by the Wildlife Habitat Council. We were also recently awarded the Governor's Mined Land Reclamation Award by the Kansas Department of Transportation.

With regards to corporate governance, as we indicated last year, the Board of Directors believes that a classified board structure and supermajority voting requirements are no longer necessary, and the Company has included in this year's annual meeting agenda proposals to (i) declassify the Board of Directors, and (ii) eliminate the supermajority voting requirement. Additionally, we are pleased to note with Anne Noonan's appointment to our Board of Directors, Summit has now achieved gender parity on its Board. Research shows a strong relationship between Board gender balance and corporate performance.

Thank you again for your continued support of Summit Materials. We recognize and appreciate the responsibility that your commitment brings. The strength and resilience of the Company is evident, and we thank Summit's founder, Tom Hill, for laying the groundwork for this business. We believe strongly in Summit Materials, the dedication of our nearly 6,000 employees, and the opportunities that lie ahead.

Sincerely,

Howard Lance
Chairman of the Board of Directors
Summit Materials, Inc.

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OUR BOARD OF DIRECTORS

ITEM 1
ELECTION OF DIRECTORS

The board of directors (the ‘‘Board’’) of Summit Materials, Inc. (‘‘Summit Materials’’ or the ‘‘Company’’) currently has eight seats, divided into three classes: Class I, Class II and Class III. Each class consists, as nearly as possible, of one-third of the total number of directors.

- Our Class III directors are Howard L. Lance, Anne K. Wade and Susan A. Ellerbusch, and their terms will expire at this Annual Meeting.

- Our Class I directors are Anne P. Noonan, Joseph S. Cantie and Anne M. Cooney, and their terms will expire at the 2022 Annual Meeting.

- Our Class II directors are John R. Murphy and Steven H. Wunning, and their terms will expire at the 2023 Annual Meeting.

The Board proposes that Mr. Lance and Mss. Wade and Ellerbusch be reelected to Class III for new terms of three years each. Each nominee for director will, if elected, continue in office until the 2024 Annual Meeting and until the director’s successor has been duly elected and qualified, or until the earlier of the director’s death, resignation or removal.

If the Declassification Amendment (Proposal 6) is approved and adopted by the Company’s stockholders, (i) the current Class I directors will be elected at the 2022 Annual Meeting to serve for a term of one year, (ii) the current Class I and II directors will be elected at the 2023 Annual Meeting to serve for a term of one year, and (iii) the current Class I, II and III directors will be elected at the 2024 Annual Meeting to serve for a term of one year, at which time all directors will be elected to serve for one year terms at all subsequent Annual Meetings.

The proxy holders named on the proxy card intend to vote the proxy (if you are a stockholder of record) for the election of each of these nominees, unless you indicate on the proxy card that your vote should be withheld for any of the nominees. Under Securities and Exchange Commission (‘‘SEC’’) rules, proxies cannot be voted for a greater number of persons than the number of nominees named.

Each nominee has consented to be named as a nominee in this Proxy Statement and to serve if elected. If any nominee is not able to serve, proxies will be voted in favor of the other nominees and may be voted for a substitute nominee, unless the Board chooses to reduce the number of directors serving on the Board.

THE BOARD RECOMMENDS A VOTE “FOR” EACH NOMINEE

Who We Are

We, the members of your Board, take seriously our jobs of overseeing Summit Materials on your behalf and on behalf of our employees, customers, suppliers and other stakeholders, all of whom uniquely matter to us.

The Board has nominated three directors to be elected at the Annual Meeting to each serve for three-year terms ending with the 2024 Annual Meeting of Stockholders and until a successor is duly elected and qualified, or until the earlier of the director's death, resignation or removal. Each nominee is currently a director of the Company and has agreed to serve if elected. The age shown below for each director is as of May 19, 2021, which is the date of the Annual Meeting.

Directors Whose Terms Expire at the 2021 Annual Meeting

Howard L. Lance

Age: 65

Director since 2012

Chairman since 2013

BOARD COMMITTEES

- Compensation
- Nominating and Corporate Governance

OTHER BOARDS

- Change Healthcare, Inc.
- New Vista Acquisition Corp

Howard L. Lance is the former President and Chief Executive Officer of Maxar Technologies Inc. and its predecessor MacDonald, Dettwiler and Associates Ltd., a global communications and information company, a position he held from May 2016 until January 2019.

Career Highlights

- President and Chief Executive Officer, Maxar Technologies Inc. (May 2016-January 2019)
- Executive Advisor to The Blackstone Group Inc. (2012-April 2016)
- President & CEO, Harris Corporation (2003-2011)

Skills / Experience

- Leadership experience
- Extensive management and operational experience

Education

- BS in Industrial Engineering, Bradley University
- MS in Management from the Krannert School of Management at Purdue University

Also...

Before joining Harris Corporation, Mr. Lance was co-president of NCR Corporation and Chief Operating Officer of its Retail and Financial Group. Previously, he spent 17 years with Emerson Electric Co., where he held senior management positions including Executive Vice President of its Electronics and Telecommunications segment, Chief Executive Officer and director of its Astec electronics subsidiary in Hong Kong, Group Vice President of its Climate Technologies segment and President of its Copeland Refrigeration division.

Anne K. Wade

Age: 49

Director since 2016

BOARD COMMITTEES

- Audit

OTHER BOARDS

- Man Group plc
- Big Society Capital Ltd.
- NextEnergy Renewables

Anne K. Wade is currently a partner at Leaders' Quest, an organization focused on culture, values, and driving social and financial impact in major corporations.

Career Highlights

- As part of Leaders' Quest, Co-Director of the Banking Futures initiative in the UK (2014-2017)
- Senior Vice President and Director, Capital International, a part of the Capital Group Companies (1995-2012)

Skills / Experience

- Financial and investing experience
- Extensive knowledge of infrastructure sectors

Education

- BA, *magna cum laude*, Harvard University
- MS, London School of Economics

Also...

Ms. Wade is a Member of the Board of Trustees of the Heron Foundation in New York.

Susan A. Ellerbusch

Age: 53

Director since 2018

BOARD COMMITTEES

- Audit

Chief Executive Officer of Air Liquide North America LLC, the North American subsidiary of Air Liquide S.A., a world leader in gases, technologies and services for industry and health, with a presence in 80 countries and more than 3 million customers and patients.

Career Highlights

- Chief Executive Officer of Air Liquide USA LLC (June 2017-September 2019)
- President, Air Liquide Large Industries U.S. (September 2015-June 2017)
- Various executive positions, including President, BP Biofuels North America from 2008 to 2015

Skills / Experience

- Management and operational experience
- Extensive knowledge of chemicals and energy industries

Education

- BS in genetics, University of Illinois Urbana-Champaign
- MBA, University of Illinois Chicago

Also...

As head of Air Liquide's operations in the U.S. and Canada, Ms. Ellerbusch leads the company's Large Industries, Industrial Merchant, Health Care, Hydrogen Mobility and Electronics businesses.

Directors Whose Terms Expire at the 2022 Annual Meeting

Anne P. Noonan

Age: 57

Director since 2020

BOARD COMMITTEES

N/A

OTHER BOARDS

- CF Industries Holdings, Inc.

Anne P. Noonan was named the President and Chief Executive Officer of Summit Materials on September 1, 2020. Prior to joining Summit Materials, Ms. Noonan served as president and chief executive officer and as a director of OMNOVA Solutions Inc. (''OMNOVA''), a global provider of emulsion polymers, specialty chemicals, and engineered surfaces for a variety of commercial, industrial, and residential end uses, with manufacturing, technical, and other facilities located in North America, Europe, China, and Thailand, from December 2016 until April 1, 2020 when OMNOVA was acquired by Synthomer plc.

Career Highlights

- President and Chief Executive Officer, Summit Materials (September 2020-present)
- President and Chief Executive Officer, OMNOVA (November 2016-April 2020)
- President, Performance Chemicals, OMNOVA (2014- November 2016)

Skills / Experience

- Public company governance experience
- Operational expertise
- Environmental and safety expertise
- Extensive experience in risk management and accounting and finance
- Corporate strategy, strategic imitative, and mergers & acquisitions expertise

Education

- BS in Chemistry, University College Dublin, Ireland
- MS in Organometallic Chemistry, University College Dublin, Ireland

Also...

Ms. Noonan spent 27 years at Chemtura Corporation, a global manufacturer of specialty chemicals.

Joseph S. Cantie

Age: 57

Director since 2016

BOARD COMMITTEES

- Audit

OTHER BOARDS

- TopBuild Corp
- Howmet Aerospace Inc.

Joseph S. Cantie is the former Executive Vice President and Chief Financial Officer of ZF TRW, a division of ZF Friedrichshafen AG, a global automotive supplier, a position he held from May 2015 until January 2016.

Career Highlights

- Executive Vice President and Chief Financial Officer of TRW Automotive Holdings Corp., which was acquired by ZF Industries in May 2015 (2003-2015)
- Various executive positions at TRW Automotive Holdings Corp. (1999-2003)
- Various executive positions, including Vice President and Controller of LucasVarity Plc (1996-1999)

Skills / Experience

- Financial and operating experience
- Extensive knowledge of the industrial sector

Education

- BS, State University of New York at Buffalo

Also...

Mr. Cantie spent 10 years at KPMG and is a certified public accountant.

Anne M. Cooney

Age: 61

Director since 2018

BOARD COMMITTEES

- Compensation
- Nominating and Corporate Governance (Chair)

OTHER BOARDS

- The Manitowoc Company, Inc.

Anne M. Cooney is the former President of the Process Industries and Drives Division of Siemens Industry, Inc., a division of Siemens AG, a multinational conglomerate primarily engaged in industrial engineering, electronics, energy, healthcare and infrastructure activities, a position she held from October 2014 until her retirement in December 2018.

Career Highlights

- President, Process Industries and Drives Division of Siemens Industry, Inc. (2014-2018)
- Chief Operating Officer for Siemens Healthcare's Diagnostics division (2011-2014)
- President, Drives Technologies Division, Siemens Industry, Inc. (2009-2011)

Skills / Experience

- Leadership experience
- Management and operational experience

Education

- BS in Industrial Management, Gannon University
- MBA, Emory University

Also...

Ms. Cooney was Vice President of Manufacturing at Aladdin Industries and held key managerial positions with the General Electric Company.

Directors Whose Terms Expire at the 2023 Annual Meeting

John R. Murphy

Age: 70

Director since 2012

BOARD COMMITTEES

- Audit (Chair)
- Nominating and Corporate Governance

OTHER BOARDS

- O'Reilly Automotive, Inc.
- Alight Solutions LLC
- Apria Healthcare LLC

John R. Murphy served as Summit Materials' Interim Chief Financial Officer from January 2013 to May 2013 and from July 2013 to October 2013.

Career Highlights

- Senior Vice President and Chief Financial Officer of Smurfit-Stone Container Corporation (2009-2010)
- Various senior management roles, including Chief Financial Officer and President and Chief Operating Officer and as President and Chief Executive Officer, of Accuride Corporation (1998-2008)

Skills / Experience

- Financial expertise
- Management experience

Education

- BS in Accounting, Pennsylvania State University
- MBA, University of Colorado

Also...

Mr. Murphy is a Certified Public Accountant.

Steven H. Wunning

Age: 70

Director since 2016

BOARD COMMITTEES

- Compensation (Chair)
- Nominating and Corporate Governance

OTHER BOARDS

- The Sherwin Williams Company
- Kennametal Inc.
- Black & Veatch Holding Company

Steven H. Wunning served as Group President and Executive Office Member for Caterpillar Inc. (''Caterpillar'') from January 2004 until his retirement in February 2015. He joined Caterpillar in 1973.

Career Highlights

- Group President and Executive Office Member for Caterpillar from January 2004 until his retirement in February 2015.
- Various executive positions at Caterpillar, including Vice President, Logistics Division from January 2000 to January 2004 and Vice President, Logistics & Product Services Division from November 1998 to January 2000.

Skills / Experience

- Extensive board and management experience
- Industrial and building products industry expertise

Education

- BS in Metallurgical Engineering from Missouri University of Science and Technology
- MBA, University of Illinois Urbana-Champaign

Also...

Mr. Wunning serves on the Board of Trustees of Missouri University of Science and Technology.

Board Organization

Good corporate governance at Summit Materials starts at the top—with how we, as the Board, are governed. We believe our board governance incorporates best-practice standards as appropriate for our Company:

- We have an independent board chairman
- All members of our committees are independent
- All of our non-employee directors are independent
- All directors may request that items be added to the Board's agenda or the agenda of any committee on which they serve

Our Board is currently divided into three classes. Each year our stockholders are asked to elect the directors comprising one of the classes for a three-year term. The Board believes that the classified board structure served the Company well following its IPO by promoting continuity and stability. However, the Board now feels, given the Company's continued growth and maturation following the IPO, that a classified board structure is no longer necessary**. Accordingly, the Board has included Proposal 6 in this Proxy Statement to declassify the Board.**

Director Independence Determination

Under our Corporate Governance Guidelines and the NYSE corporate governance rules for listed companies, a director is not independent unless the Board affirmatively determines that he or she does not have a direct or indirect material relationship with us or any of our subsidiaries. In addition, the director must meet the bright-line test for independence set forth by the NYSE rules. Our Corporate Governance Guidelines define independence in accordance with the independence definition in the current NYSE rules. Our Corporate Governance Guidelines require the Board to review the independence of all directors at least annually. In the event a director has a relationship with the Company that is relevant to his or her independence and is not addressed by the objective tests set forth in the NYSE independence definition, the Board will determine, considering all relevant facts and circumstances, whether such relationship is material.

Our Board has affirmatively determined that each of Messrs. Cantie, Lance, Murphy, and Wunning and each of Mss. Cooney, Ellerbusch and Wade is independent, under the guidelines for director independence set forth in the Corporate Governance Guidelines and under all applicable NYSE rules, including with respect to applicable committee membership. Our Board also has determined that (i) each of the members of the Audit Committee, Messrs. Cantie and Murphy and Mss. Ellerbusch and Wade, is ''independent'' for purposes of Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the ''Exchange Act''), and ''financially literate'' as required by NYSE rules and (ii) each of Messrs. Cantie and Murphy qualify as a ''financial expert'' as defined by SEC regulations.

In making its independence and financial literacy determinations, the Board considered and reviewed all information known to it, including information identified through annual directors' questionnaires.

Board Leadership

The Board directs and oversees the management of the business and affairs of the Company in a manner consistent with the best interests of the Company. The Board's responsibility is one of oversight, and in performing its oversight role, the Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with our stockholders.

In accordance with the Company's belief that its long-term success includes being good stewards of the environment, the Board oversees and supports the Company's initiatives in these areas. In addition, the Board takes pride in supporting the Company's efforts to offer a safe work environment to its employees and being a good corporate citizen in its local communities.

In accordance with our Corporate Governance Guidelines, the Board selects the Company's Chairman and the Company's Chief Executive Officer in any way it considers in the best interests of the Company and, accordingly, does not have a policy on whether the roles of Chairman and Chief Executive Officer should be separate or combined and, if separate, whether the Chairman should be selected from the independent directors. We believe that the separation of the Chairman of the Board and Chief Executive Officer positions is appropriate corporate governance for us as this time. Accordingly, Mr. Lance serves as the Chairman of the Board while Ms. Noonan serves as our Chief Executive Officer. Our Board believes that this structure best encourages the free and open dialogue of differing views and provides for strong checks and balances.

Corporate Governance Documents

Our investor relations website at *investors.summit-materials.com/govdocs*, ''Governance Documents,'' has additional information on our board governance and corporate governance, including our Corporate Governance Guidelines, our Code of Business Conduct and Ethics; and the charters approved by the Board for the Audit Committee, the Human Capital and Compensation Committee, and the Nominating and Corporate Governance Committee.

Board Meetings and Committees

The Board meets regularly during the year and holds special meetings and acts by unanimous written consent when circumstances require. During 2020, there were ten (10) meetings of the Board. Each director attended at least 75% of the aggregate of the total number of meetings of the Board (held during the period for which he or she was a director) and the total number of meetings held by all committees on which he or she served (during the periods that he or she served) during 2020. In addition, directors are expected to make every effort to attend any meetings of stockholders. All of our directors attended the 2020 Annual Meeting of Stockholders.

The Board has established an Audit Committee, a Human Capital and Compensation Committee, and a Nominating and Corporate Governance Committee (collectively, the ''Committees''). The Committees keep the Board informed of their actions and assist the Board in fulfilling its oversight responsibility to stockholders. The table below provides current membership information as well as meeting information for the last fiscal year.

Name	Audit Committee	Human Capital and Compensation Committee	Nominating and Corporate Governance Committee
Anne P. Noonan			
Howard L. Lance*		●	●
Joseph S. Cantie	●		
Anne M. Cooney		●	Chair
Susan A. Ellerbusch	●		
John R. Murphy	Chair		●
Anne K. Wade	●		
Steven H. Wunning		Chair	●
Total Meetings in 2020	7	7	3

* Independent chairman of the Board.

The functions performed by these Committees, which are set forth in more detail in their charters, are summarized below.

Audit Committee

Our Audit Committee consists of Messrs. Murphy and Cantie and Mss. Ellerbusch and Wade, with Mr. Murphy serving as chair.

Our Audit Committee is responsible for, among other things:

- selecting and hiring our independent registered public accounting firm, and approving the audit and non-audit services to be performed by our independent registered public accounting firm;
- assisting the Board in evaluating the qualifications, performance and independence of our independent registered public accounting firm;
- assisting the Board in monitoring the quality and integrity of our financial statements and our accounting and financial reporting;
- assisting the Board in monitoring our compliance with legal and regulatory requirements;
- reviewing the adequacy and effectiveness of our internal control over financial reporting;
- assisting the Board in monitoring the performance of our internal audit function;
- reviewing with management and our independent registered public accounting firm our annual and quarterly financial statements;

- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters;

- preparing the Audit Committee Report that the rules and regulations of the SEC require to be included in our annual proxy statement;

- review and discuss with management and our independent registered public accounting our guidelines and policies with respect to risk assessment and risk management, including the major financial risk exposures and the steps management has taken to monitor and control such exposures; and

- review our information technology security controls with our Head of Information Technology and evaluate the adequacy of our information technology security program, compliance and controls with the Head of Information Technology.

Audit Committee Member Independence; Financial Literacy; Financial Expert

	Independent under NYSE governance standards and Rule 10A-3 of Exchange Act	Financially Literate	Audit Committee Financial Expert
John R. Murphy (Chair)	✓	✓	✓
Joseph S. Cantie	✓	✓	✓
Susan A. Ellerbusch	✓	✓	
Anne K. Wade	✓	✓	

Human Capital and Compensation Committee

In 2021, the Company's compensation committee was renamed the Human Capital and Compensation Committee to emphasize the Company's commitment to (i) diversity, equity, and inclusion, (ii) talent management, and (iii) fostering employee engagement and strengthening the Company's culture. Our Human Capital and Compensation Committee consists of Messrs. Wunning and Lance and Ms. Cooney, with Mr. Wunning serving as chair.

Our Human Capital and Compensation Committee is responsible for, among other things:

- reviewing and approving or making recommendations to the Board with respect to corporate goals and objectives relevant to the compensation of our Chief Executive Officer, evaluating his/her performance in light of those goals and objectives and determining and approving his/her compensation level based on such evaluation;

- reviewing and approving, or making recommendations to the Board with respect to, the compensation of our other executive officers, including annual base salary, bonus, equity-based incentives and other benefits;

- reviewing and recommending the compensation of our directors;

- reviewing and discussing annually with management our ''Compensation Discussion and Analysis'' disclosure required by SEC rules;

- preparing the Compensation Committee Report required by the SEC to be included in our annual proxy statement;

- reviewing and making recommendations with respect to our equity compensation plans;

- review, periodically, the Company's (i) talent management strategies, such as the Company's recruitment, development, promotion and retention programs; (ii) diversity and inclusion within the Company; and (iii) employee engagement and company culture; and

- reviewing and discussing with our Chief Executive Officer the Company's succession plans for key positions at the senior officer level, including the qualifications, experience, and development priorities for these individuals.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee consists of Messrs. Lance, Murphy, and Wunning and Ms. Cooney, with Ms. Cooney serving as chair.

Our Nominating and Corporate Governance Committee is responsible for, among other things:

- assisting our Board in identifying prospective director nominees and recommending nominees to the Board;
- overseeing the annual evaluation of management;
- overseeing the annual evaluation of the Board in conjunction with our Chairman's regular informal interviews with our current directors to ensure the Board is functioning properly;
- reviewing and advising the Board on developments in corporate governance practices;
- developing and recommending a set of corporate governance guidelines; and
- recommending members for each committee of our Board.

Director Nominations

The Nominating and Corporate Governance Committee identifies individuals believed to be qualified as candidates to serve on the Board and selects, or recommends that the Board select, the nominees for all directorships to be filled by the Board or by our stockholders at an annual or special meeting.

In identifying candidates for membership on the Board, the Committee takes into account all factors it considers appropriate, which may include:

- individual qualifications, including strength of character, mature judgment, familiarity with the Company's business and industry, independence of thought and an ability to work collegially; and
- all other factors the Committee considers appropriate, which may include age, diversity of background, existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations such as antitrust issues, corporate governance background, relevant career experience, relevant technical skills, relevant business or government acumen, financial and accounting background, executive compensation background and the size, composition and combined expertise of the existing Board.

Although the Nominating and Corporate Governance Committee considers diversity in all its forms, including diversity of viewpoints, background and experiences, the Company does not have a formal diversity policy. **The Board is proud of the gender diversity it has been able to accomplish over the last few years, which has resulted in the Board being comprised of 50% females and 50% males.** At the same time, the Board recognizes that other forms of diversity, including racial and ethnic diversity, are not represented on the Board. However, the Board is committed to increasing its overall diversity and has retained a third-party search firm to help identify potential candidates.

The Committee also may consider the extent to which the candidate would fill a present need on the Board. When evaluating whether to re-nominate existing directors, the Committee considers matters relating to the retirement of current directors, as well as the performance of such directors.

The Nominating and Corporate Governance Committee evaluates director candidates recommended by stockholders on the same basis as it considers other nominees. Any recommendation submitted to the Chief Legal Officer and Secretary should be in writing and should include any supporting material the stockholder considers appropriate in support of that recommendation, but must include information that would be required under the rules of the SEC to be included in a proxy statement soliciting proxies for the election of such candidate and the written consent of the candidate to serve as one of our directors, if elected. Stockholders wishing to propose a candidate for consideration may do so by submitting the above information to the attention of the Chief Legal Officer and Secretary, Summit Materials, Inc., 1550 Wynkoop Street, 3rd Floor, Denver, Colorado 80202. All recommendations for nomination received by the Chief Legal Officer and Secretary that satisfy the requirements of our Amended and Restated Bylaws (the ''Bylaws'') relating to such director nominations will be presented to the Nominating and Corporate Governance Committee for its consideration. Please see the section entitled ''Future Shareholder Proposals and Nominations'' for information regarding the advance notice provisions applicable to stockholder director nominations set forth in our Bylaws.

Compensation Committee Interlocks and Insider Participation

During 2020, the members of the Human Capital and Compensation Committee were Messrs. Wunning, Ted A. Gardner (through May 19, 2020) and Lance and Ms. Cooney, none of whom was, during the fiscal year, an officer or employee of the Company and none of whom has ever served as an officer of the Company. During 2020, none of our executive officers served as a director or member of the compensation committee (or other committee serving an equivalent function) of any other entity whose executive officers served on our Human Capital and Compensation Committee or the Board.

Board Operations

The Board believes that the practices it follows and the guidelines it adopts governing how it operates set an important tone at the top. Among other things the Board:

- meets regularly;
- meets periodically in executive session of its independent directors;
- has the authority to retain independent advisors;
- enables directors to have access to management;
- limits the number of public company boards on which directors may serve;
- expects its members as well as the Company's executives to satisfy the stock ownership guidelines; and
- prohibits its members and the Company's executives from taking specified hedging and pledging actions with the Company's stock.

Executive Sessions and Communications with Directors

The Board's independent directors meet at regularly scheduled executive sessions without management present. Mr. Lance presides at executive sessions of independent directors.

Stockholders and other interested parties may communicate with the Board by writing to the Chief Legal Officer and Secretary, Summit Materials, Inc., 1550 Wynkoop Street, 3rd Floor, Denver, Colorado 80202. Written communications may be addressed to the Chairman of the Board, the chairperson of any of the Audit, Nominating and Corporate Governance, and Human Capital and Compensation Committees, or to the non-management or independent directors as a group. The Chief Legal Officer will forward such communications to the appropriate party.

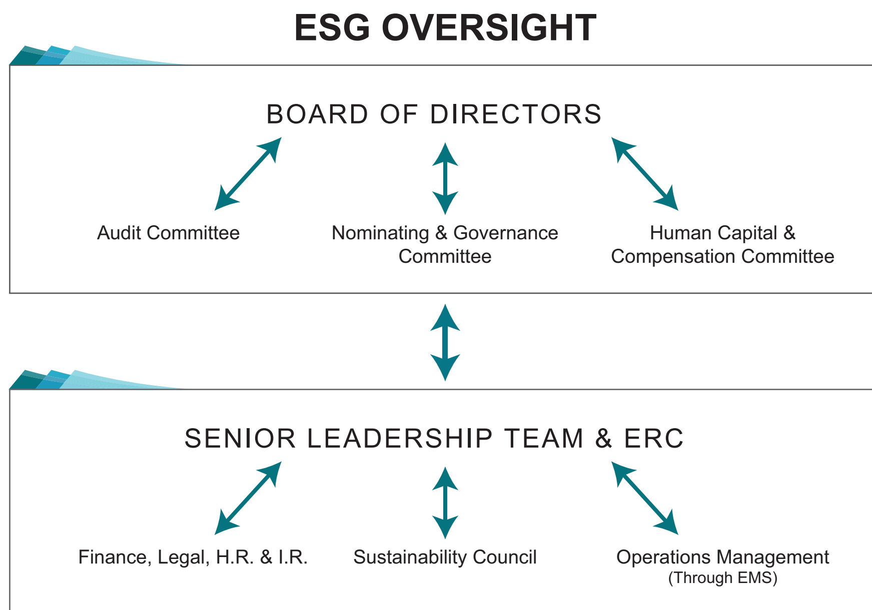
Risk Oversight

The Board exercises direct oversight of strategic risks to the Company. The Audit Committee reviews guidelines and policies governing the process by which senior management assesses and manages the Company's exposure to risk, including the Company's major financial and operational risk exposures and the steps management takes to monitor and control such exposures. The Human Capital and Compensation Committee oversees risks relating to the Company's compensation and human capital management policies and practices. Each committee charged with risk oversight reports to the Board on those matters.

With respect to cybersecurity risk oversight, our Board and our Audit Committee receive updates from our information technology team to assess the primary cybersecurity risks facing the Company and the measures the Company is taking to mitigate such risks. In addition to such updates, our Board and our Audit Committee receive updates from management as to changes to the Company's cybersecurity risk profile or significant newly identified risks.

Environmental Risk and Social Issues

The Company recognizes that environmental, social and governance (“ESG”) performance is essential to the Company’s long-term success and is an important issue to many of its stockholders. As a result, the Company has implemented the following oversight structure to ensure that the Company’s performance in these areas is monitored appropriately:



In light of the importance of environmental and climate change matters to the Company, its shareholders, communities, customers, and employees, and the associated risks the Company faces, the full Board oversees environmental risk factors and receives regular updates from management and the Company’s sustainability team on the Company’s environmental risk profile and key risk mitigating initiatives. The Company’s management functions involved in overseeing and managing climate risk include, but are not limited to, safety, sustainability, finance and internal audit, and legal. Furthermore, each of the Company’s operations has personnel responsible for maintaining compliance with environmental rules and regulations.

In addition, the Company views sustainability as one of its core values and takes its responsibilities to the lands it operates on seriously. The Company has a dedicated Enterprise Risk Committee (the “ERC”) that continually identifies and evaluates environmental and other risks, including the Company’s compliance with environmental rules and regulations. The committee reports to the Audit Committee. The ERC undertakes regular, systematized review of the environmental risks affecting the Company, including those associated with climate change, that may affect the Company’s businesses and also meets with key leaders in the Company’s operations to identify and address such risks.

The Company has established an Environmental Management System (the “EMS”) to facilitate its ongoing compliance with environmental rules and regulations. The Company is in the process of implementing this system across its operations.

With respect to abnormal weather and other physical effects of climate change, to which, as an outdoor business, the Company is acutely attuned, the Company is seeking to monitor and reduce its contribution to climate change. The Company’s efforts include, but are not limited to, the following:

- Alignment with the United Nations Sustainable Development Goals to guide and influence the Company’s programs and reporting;
- Recycling of hazardous waste, and use of such waste as an alternative fuel source to power the Company’s cement plants;
- Use of hybrid vehicles and equipment;
- Use of recycled materials, including recycled asphalt and recycled concrete;
- Managing and tracking the Company’s fleet;
- Managing and mitigating the Company’s waste;

- Promoting progressive reclamation and biodiversity focused actions; and
- Managing the Company's water use, with a focus on areas of water scarcity.

The Company also continues to comprehensively focus on its energy inputs, CO_2 and other pollutant emissions from its cement plants. From an energy use standpoint, the Company's alternative fuel usage rate of 35% to 40% at its cement plants is notable in comparison to the average U.S. industry rate of 25% as reported by the U.S. Environmental Protection Agency in 2008. The Company is very proud of the advancements that it has made in recent years to (i) accept more diverse materials at its hazardous waste recycling business, (ii) increase its alternative fuel use, and (iii) divert thousands of pounds of waste from landfills. The Company is working to develop a long-term strategy to address its CO_2 emissions from its cement operations.

With respect to the rest of the Company's business, in 2020 our internal audit group completed a comprehensive review of the Company's greenhouse gas (''GHG'') emissions reporting capabilities across all of the Company's operations. This assessment focused on Scope 1 and Scope 2 emissions, which represent emissions from direct operations and indirect electricity purchases, respectively. Once the Company has implemented the appropriate reporting framework and controls, the Company will be positioned to establish metrics and goals related to emissions and other factors contributing to climate change. As the Company systematizes its approach to mitigating its climate impact, it will continue to pursue and expand upon the beneficial initiatives it is already implementing, such as the use of hybrid vehicles, a robust recycling and waste program, and sourcing alternative fuels to power its operations.

Furthermore, the Company seeks to carry out progressive reclamation whenever possible, and it believes in the protection and restoration of areas of high biodiversity value. In 2014, the Company established a partnership with the Wildlife Habitat Council. We currently have eight sites certified by the Wildlife Habitat Council, covering approximately 2,500 acres across the country and received recognition for our reclamation efforts in Kansas having been awarded the Governor's Mined Land Reclamation Award by the Kansas Department of Transportation, an indicator of the Company's values in action. We remain focused on exploring new, innovative ways in which the Company can meaningfully reduce the environmental impact where we operate and are wholly in support of achieving carbon neutrality by 2050

Finally, the Company values the communities in which it operates and offers engagement through STEM education programs to enhance local education programs, encourage transparency and outreach.

Code of Ethics

The Company's Code of Business Conduct and Ethics applies to all of its officers, directors and employees, including its principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions and is posted on our website. The Company's Code of Business Conduct and Ethics is a ''code of ethics,'' as defined in Item 406(b) of Regulation S-K. The Company will make any legally required disclosures regarding amendments to, or waivers of, provisions of our Code of Business Conduct and Ethics on its website. The information contained on, or accessible from, the Company's website is not part of this Proxy Statement by reference or otherwise.

Short Sales and Hedging Policy

The Company's Securities Trading Policy prohibits directors, officers, and employees (''Summit Materials Personnel''), family members of Summit Materials Personnel and trusts, corporations and other entities controlled by any such persons (collectively, ''Insiders'') from trading in options, warrants, puts and calls or similar instruments on the Company's securities or selling such securities ''short'' (i.e., selling stock that is not owned and borrowing the shares to make delivery). In addition, Summit Materials Personnel are prohibited under the Securities Trading Policy from engaging in any transactions (including variable forward contracts, equity swaps, collars and exchange funds) that are designed to hedge or offset any decrease in the market value of the Company's equity securities.

Director Compensation

In 2020, all of the Company's non-employee directors received annual cash compensation of $100,000. The independent chairperson of the Board received an additional $150,000 in cash compensation. The respective chairpersons of the Audit Committee, Human Capital and Compensation Committee and Nominating and Corporate Governance Committee (unless such chairperson is also the chairperson of the Board) received an additional $15,000, $10,000 and $10,000, respectively. Directors who are not employed by us may also receive compensation, from time to time, for service on any special committees of the Board. The Company reimburses its directors for any reasonable expenses incurred by them in connection with services provided in such capacity.

In addition, during 2020, all of the Company's non-employee directors received an annual award of restricted stock units (''RSUs'') valued at $125,000, which amount differs from the grant date fair value of the RSUs. A grant of 5,342 RSUs was made to each of Messrs. Lance, Cantie, Gardner, Murphy, and Wunning and Mss. Cooney, Ellerbusch, and Wade on February 28, 2020. The RSUs were granted under the Summit Materials, Inc. 2015 Omnibus Incentive Plan (the ''Omnibus Incentive Plan''), and the terms thereof are outlined in the table below. Further, the RSU awards are subject to the Company's incentive clawback policies, as in effect from time to time.

Aon plc, the Company's independent compensation consultant (the ''Independent Compensation Consultant''), performs a comprehensive competitive total compensation review for the Company's non-employee directors every other year. A competitive total compensation study was performed in November 2020, comparing the Company's total compensation structure and value to peer companies. The Company is currently competitively positioned. In the years the Independent Compensation Consultant does not perform a comprehensive review, they review broader U.S. market trends with the Human Capital and Compensation Committee.

Award Type	Vesting	Termination or Change in Control Provisions
RSUs	Vest on the first anniversary of the date of grant(1)	• **Death or Disability / By the Company Without Cause**: Unvested portion will immediately vest. • **Retirement(2) / Declining to Stand for Re-election to Our Board(3)**: Prorated portion immediately vests; settled at such time as would have been settled according to the original vesting schedule. • **Change in Control**: Accelerated only if not continued, converted, assumed or replaced by the Company or successor entity. • **By the Company For Cause**: Vested and unvested portions are forfeited.

(1) Beginning in 2020, non-employee directors have the right to defer the settlement of annual awards of RSUs until the earlier of (i) the first business day in a year, specified by the director, that is after the date of vesting provided in the RSU award agreement and (ii) a specified period after the director's service on the Board ends.

(2) ''Retirement'' is defined in the director form of RSU award agreement as a director's resignation from service on our Board (other than due to death or disability or termination by the Company without cause), prior to the expiration of his or her term and on or after the date he or she attains age seventy.

(3) In each case, as of or after the regular annual meeting of stockholders for the calendar year which includes the date of grant.

Director Compensation Table

The table below summarizes the compensation paid to non-employee directors for the year ended January 2, 2021.

Name	Fees Earned or Paid in Cash	Stock Awards(1)(2)	Total Compensation
Howard L. Lance	$250,000	$104,383	$354,383
Joseph S. Cantie	$100,000	$104,383	$204,383
Anne M. Cooney	$107,500	$104,383	$211,883
Susan A. Ellerbusch	$100,000	$104,383	$204,383
Ted A. Gardner(3)	$0	$104,383	$104,383
John R. Murphy	$115,000	$104,383	$219,383
Anne K. Wade	$100,000	$104,383	$204,383
Steven H. Wunning	$110,000	$104,383	$214,383

(1) The amounts reported in the Stock Awards column reflect the aggregate grant date fair value of RSUs granted in fiscal 2020, computed in accordance with ASC 718, utilizing the assumptions discussed in Note 13, *Stock-Based Compensation*, to our audited consolidated financial statements included in the 2020 Annual Report. As of January 2, 2021, each of our non-employee directors held 5,342 RSUs. As noted above, our targeted equity value is $125,000 annually.

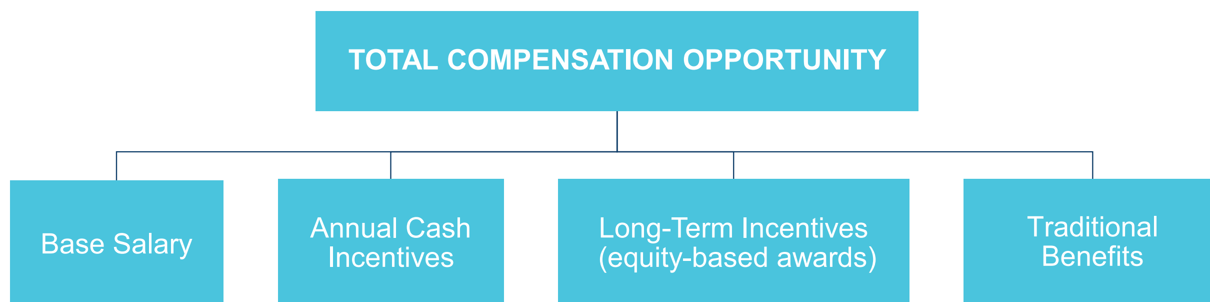
The value in this column does not necessarily match the $125,000 target because we calculate the number of RSUs to grant based on the 20-day average closing stock price immediately preceding the grant date in order to mitigate the potential impact of short-term stock price swings on our equity grants.

(2) We did not make any option awards to directors in fiscal 2020. As of January 2, 2021, Messrs. Lance and Murphy held 246,611 and 10,220 time-vesting Leverage Restoration Options, respectively. Time-vesting Leverage Restoration Options held by our directors have the same vesting terms as those held by our NEOs and described in ''Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table—Pre-IPO Long-Term Incentive Awards (Value From Modifications to Eliminate Misalignment Post-IPO).'' As of January 2, 2021, a limited liability company controlled by Mr. Gardner held 27,408 warrants, which became exercisable on March 17, 2016.

(3) After discussions with Mr. Gardner and in order to effectuate his wishes, the Board determined not to nominate Mr. Gardner for reelection at the 2020 Annual Meeting. As a result of Mr. Gardner not standing for reelection, a prorated portion of the RSUs granted to him vested and such RSUs shall settle according to the original vesting schedule. Mr. Gardner waived the cash compensation payable to him in 2020.

OUR PAY

Our "Say-on-Pay" Resolution Received 99% Support in 2020.



We believe our executive compensation structure is competitive, is aligned with current governance trends and contains stockholder-friendly features. These stockholder-friendly features include the following:

What We Do (Best Practice)

- ✓ Enforce strict insider trading, anti-hedging and anti-pledging policies
- ✓ Set robust stock ownership guidelines for executives and directors
- ✓ Provide provisions for recoupment ("clawback") of equity incentive compensation in our award agreements and adopted a policy for clawback of annual cash bonuses and equity incentive compensation
- ✓ Disclose performance goals for incentive programs
- ✓ Set a maximum payout limit on our annual and long-term incentive programs for our NEOs
- ✓ Incorporate double-trigger change-in-control provisions that are consistent with market practice
- ✓ Retain an independent compensation consultant that reports directly to the Human Capital and Compensation Committee
- ✓ Perform an annual compensation program risk assessment to ensure that the Company's compensation policies and practices are not reasonably likely to have a material adverse effect on the Company
- ✓ Strong alignment between pay and company performance
- ✓ Annual review of share utilization

What We Don't Do / Don't Allow

- ✗ No change-in-control severance multiple in excess of three times salary and target bonus
- ✗ No excise tax gross-ups upon a change in control
- ✗ No re-pricing or cash buyout of underwater stock options
- ✗ No enhanced retirement formulas
- ✗ No guaranteed compensation
- ✗ No market timing with granting of equity awards
- ✗ Substantially no perquisites for our NEOs
- ✗ No payment of dividends or dividend equivalents on unvested stock or unearned performance units

ITEM 2
NONBINDING ADVISORY VOTE ON THE COMPENSATION OF OUR NEOs

Under the Dodd-Frank Wall Street Reform Consumer Protection Act (the ''Dodd-Frank Act'') and Section 14A of the Exchange Act, our stockholders are entitled to vote to approve, on a nonbinding advisory basis, the compensation of our NEOs, as disclosed in this Proxy Statement in accordance with SEC rules. The compensation of our NEOs subject to the vote is disclosed in the Compensation Discussion and Analysis, the compensation tables, and the related narrative disclosure contained in this Proxy Statement. The compensation of our NEOs is designed to enable us to attract and retain talented and experienced executives to lead us successfully in a competitive environment, while ensuring that our executives remain incentivized to accomplish the Company's long-term business plan. As discussed in this Proxy Statement, the vast majority of each NEO's pay is at-risk and largely tied to challenging performance goals. We believe that our compensation policies and decisions are strongly aligned with our stockholders' interests.

The Board is asking our stockholders to indicate their support for the compensation of our NEOs as disclosed in this Proxy Statement by casting a nonbinding advisory vote ''FOR'' the following resolution:

''**RESOLVED**, that the compensation paid to our NEOs, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative disclosure, is hereby APPROVED.''

Because the vote to approve the compensation of our NEOs is advisory, it is not binding on the Board or the Company. Nevertheless, the views expressed by our stockholders, whether through this vote or otherwise, are important to management and the Board and, accordingly, the Board and the Human Capital and Compensation Committee intend to consider the results of this vote in making determinations in the future regarding executive compensation arrangements, as a part of its robust compensation review and assessment process. Nonbinding advisory approval of this proposal requires the vote of the holders of a majority of the voting power of the shares present in person or represented by proxy and entitled to vote on the matter at the Annual Meeting.

THE BOARD RECOMMENDS A VOTE "FOR" THE APPROVAL, ON A NONBINDING ADVISORY BASIS, OF THE COMPENSATION OF OUR NEOs, AS DISCLOSED IN THIS PROXY STATEMENT

Compensation Committee Report

The Human Capital and Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on this review and discussion, the Human Capital and Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included (incorporated by reference) in the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2021 and in this Proxy Statement.

Submitted by the Human Capital and Compensation Committee of the Board.

Steven H. Wunning, Chair
Anne M. Cooney
Howard L. Lance

Compensation Discussion and Analysis—Executive Summary

Named Executive Officers

The following Compensation Discussion and Analysis (''CD&A'') describes our 2020 executive compensation structure, earned by or paid to the following named executive officers (''NEOs''):

Anne P. Noonan	President and Chief Executive Officer
Brian J. Harris	Executive Vice President and Chief Financial Officer
Michael J. Brady	Executive Vice President and Chief Business Development Officer
Anne Lee Benedict(2)	Executive Vice President and Chief Legal Officer and Secretary
Thomas W. Hill(1)	Former President and Chief Executive Officer

(1) On September 1, 2020, Mr. Hill resigned from his role as President and Chief Executive Officer and as a member of the Board of the Company. From September 1, 2020 until December 31, 2020, Mr. Hill was employed as a Senior Advisor of the Company to assist in the transition of his role to Ms. Noonan. Since December 31, 2020, he has served as a consultant to the Company. See ''Narrative Disclosure to Summary Compensation Table and Grants of Plan Based Awards Table—Transition Agreement'' for more information.

(2) On March 29, 2021, Ms. Lee Benedict departed the Company.

Response to COVID-19 and 2020 Financial Highlights

Amid the unprecedented uncertainty caused by the COVID-19 pandemic, the Company responded admirably by swiftly instituting new safety protocols across its operations. These new safety protocols, which included social distancing when possible and providing employees with additional personal protective equipment, allowed these critical workers to perform their jobs throughout the lockdown periods. Construction is considered an essential business, and the Company employees exhibited extraordinary discipline and care to respond to these challenges. In addition, the Company provided full pay to its employees during quarantine periods when they were unable to work.

For the NEOs, 2020 base salary increases were delayed until July 31, 2020 due to the pandemic's impact on our business; however, the Company made each NEO retroactively whole for his or her base salary increase and no other adjustments were made to the compensation paid to our executives as a result of the COVID-19 pandemic.

The Board's oversight of strategy was prominent following the onset of the COVID-19 pandemic. The Board worked diligently to assess the impact of pandemic on all facets of the Company, examining macroeconomic and financial impacts, the effect of regulatory actions to combat the pandemic on the Company's operations, measures taken to protect health and safety of the Company's employees, investor perspectives and the Company's business continuity strategy. The Board applied this knowledge to provide advice and oversight to management as it worked toward the development of a strategy to mitigate the immediate and potential long-term impacts of the pandemic, protect the health of the Company and its employees and continue to execute on its strategic objectives and deliver value to shareholders. The Board and each of its Committees remained engaged on each of these initiatives throughout the year, regularly receiving updates from management, holding additional meetings, and providing input and oversight as we executed our strategy.

While the Company was not immune to the larger economic forces at play, the Company remained focused on serving its customers without interruption. In addition, the Company decided, as a result of the COVID-19 pandemic, to defer certain planned capital expenditures in 2020, including certain greenfield projects, to future periods. This allowed the Company to achieve the following in 2020:

- Net revenue increased 5.1% over 2019, and the Company reported record earnings of $138.0 million, or $1.21 per basic share.
- Operating income increased by 5.4% to $225.2 million, which was primarily driven by net revenue gains in the aggregates and products lines of business.
- The Company's West Segment reported higher revenue from all lines of business.
- Record annual net income of $138.0 million and record Adjusted EBITDA of $485.0 million (a non-GAAP financial measure) and free cash flow of $245.6 million (a non-GAAP financial measure) as the Company focused on sustainable growth with investments in greenfields and end markets that are underpinned by strong growth fundamentals.
- Reduced the Company's leverage ratio to 3.2X Net Debt to Adjusted EBITDA (a non-GAAP financial measure), the lowest leverage ratio in company history.

* See ''Reconciliation of Non-GAAP Measures to GAAP'' on Annex A.

Chief Executive Officer Transition

2020 was a year of significant transition for the Company as it welcomed a new President and Chief Executive Officer, Ms. Noonan. She brings a wealth of Chief Executive Officer expertise and a fresh strategic perspective and value creation to the Company as we enter this important transition period following the departure of our long-time founder, Mr. Hill. He will continue to lend his strong industry experience and connections to the Company for three years, as covered in his Transition and Consulting Agreement (See ''Narrative Disclosure to Summary Compensation Table and Grants of Plan Based Awards Table—Transition Agreement'' for more information).

Compensation Discussion and Analysis—What We Paid

In 2020, our executive compensation structure consisted of four primary components: base salary; annual cash incentives; long-term equity incentives and traditional health/welfare plans. We provide substantially no perquisites to our NEOs.

2020 Compensation at a Glance

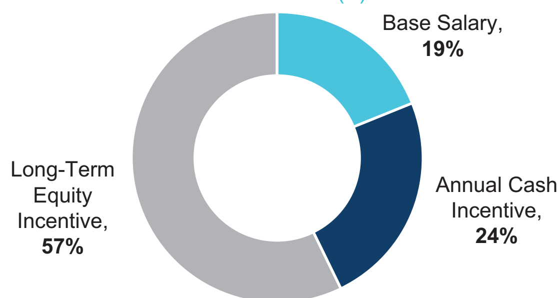
	Pay Element	Description	2020 Payout / Changes
Fixed	**Base Salary**	Fixed pay to recruit and retain executives	Base salaries increased for our NEOs (except for Ms. Noonan and Mr. Hill) as follows: Messrs. Harris and Brady by 3%, which was our standard merit increase for corporate employees in 2020, consistent with competitive market practices, and Ms. Lee Benedict by 5%. However, in light of the extraordinary circumstances surrounding the COVID-19 pandemic and its impact on the Company's business, the Company deferred giving effect to the base salary increases until July 31, 2020 at which time it made the increases retroactive. Ms. Noonan did not receive a base salary increase because her first day of employment with the Company was July 20, 2020.
Variable	**Annual Cash Bonus**	Annual cash incentives based on rigorous financial, operational and personal goals measured over one year: • 50% Adjusted EBITDA • 20% Operating Cash Flows • 10% Safety • 20% Personal Objectives	For 2020, our NEO target Annual Cash Bonus opportunities were the same as 2019. Each of our NEOs earned annual cash bonuses as set forth below in ''Elements of Pay: Annual Cash Incentives—2020 Actual Performance and Payouts.''
	Long-Term Equity Incentives	Annual long-term equity awards align executives' interests with stockholders. **50% Performance Units** • Vest 50% based on 3-year relative total shareholder return (''TSR'') compared to Materials and Capital Goods Companies (consisting of GICS industry groups 2010 and 1510) from the S&P 400 Midcap Index. • Capped at target if absolute TSR is negative. • Vest 50% based on 3-year average return on invested capital (''ROIC'') target. • Maximum payout is capped at 200% of target • Grants are based in the Company's Class A Common Stock. **50% RSUs** • Vest ratably over 3 years. • Grants are based in the Company's Class A Common Stock.	For 2020, our NEO target Long-Term Equity Incentive opportunities were the same as 2019. For the performance period January 1, 2018 through December 31, 2020, our Relative TSR ranked at the 11th percentile, resulting in a payout equal to 0% of target. Return on invested capital (ROIC) was added to our program structure in 2020 (for the performance period 2020-2022). We believe ROIC performance has a direct alignment with share price and stockholders' interests.
		One-time equity awards that align executives' interests with stockholders. **100% RSUs** • Vest ratably over 2 years. • Grants are based in the Company's Class A Common Stock.	Certain of our NEOs were awarded one-time equity awards as set forth below in ''Elements of Pay: One-Time Equity Grants.'' This was a critical 2020 action item for a broad group of high-performing senior leaders throughout the organization during the transition from our long-time founder to our new Chief Executive Officer.
Other	**Traditional Benefits**	Executive benefits are substantially similar to benefits offered to other employees.	No change

Pay Mix and Magnitude

The Human Capital and Compensation Committee believes that a significant majority of both the Chief Executive Officer's and other NEOs' pay should be at risk and not guaranteed. Compensation is tied to challenging performance objectives and this is illustrated in our pay mix. A large percentage of total target compensation is at risk through long-term equity awards and annual cash incentive awards. These awards are linked to performance measures that correlate with long-term stockholder value creation. The amounts actually realized by our NEOs with respect to these awards depend on a variety of factors, including the level of attainment of the relevant performance goals and the extent of vesting of performance units and RSUs and the value of our stock when performance units and RSUs vest.

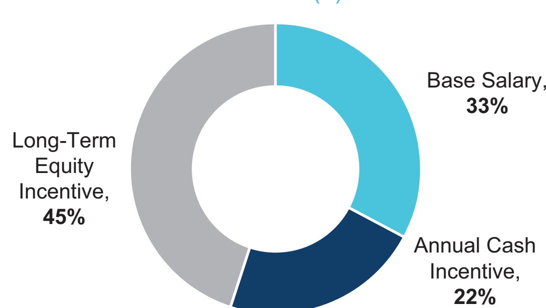
The target values of long-term equity incentive awards used in the charts below differ from the compensation reported in the Summary Compensation Table due to the use of the grant date fair value in the Summary Compensation Table which is calculated in accordance with ASC 718, utilizing the assumptions discussed in our audited consolidated financial statements included in the 2020 Annual Report. The mix of total direct compensation at target for 2020 for our Chief Executive Officer and the average of our other NEOs is shown in the charts below.

CHIEF EXECUTIVE OFFICER(1)



At-Risk Performance-Based Pay: 81%

AVERAGE OF OTHER NEOS(2)



At-Risk Performance-Based Pay: 67%

(1) Excludes the one-time cash sign-on bonus of $100,000 paid to Ms. Noonan.

(2) Other NEOs excludes Mr. Hill.

The Human Capital and Compensation Committee approved the following compensation targets for 2020:

	Base Salary	Annual Bonus Target as % of Base Salary	Long-Term Incentive Target as % of Base Salary
Anne P. Noonan	$925,000	125%	305%
Brian J. Harris	$601,000	75%	155%
Michael J. Brady	$530,450	60%	125%
Anne Lee Benedict	$450,000	60%	125%
Thomas W. Hill	$900,000	150%	360%

Elements of Pay: Base Salary

The Human Capital and Compensation Committee determines base salaries for the NEOs and other executives based on a number of factors, including but not limited to, the Human Capital and Compensation Committee's understanding of executive pay practices, individual performance, Company performance and management recommendations (except with respect to the Chief Executive Officer).

Base salaries increased for our NEOs (except for Ms. Noonan and Mr. Hill) as follows: Messrs. Harris and Brady by 3%, which was our standard merit increase for corporate employees in 2020, and Ms. Lee Benedict by 5%. In addition, these base salaries reflect a thorough review of competitive market data, internal alignment of total compensation opportunity, and are consistent with competitive market data provided by the Independent Compensation Consultant.

	2020 Target Base Salary	2019 to 2020 Increase(1)
Anne P. Noonan(2)	$925,000	NA
Brian J. Harris	$601,000	3.0%
Michael J. Brady	$530,450	3.0%
Anne Lee Benedict	$450,000	5.0%
Thomas W. Hill	$900,000	0%

(1) In light of the extraordinary circumstances surrounding the COVID-19 pandemic and its impact on the Company's business, the Company deferred giving effect to the base salary increases until July 31, 2020 at which time it made the increases retroactive.

(2) For 2020, Ms. Noonan was paid $418,931 of base salary based on the number of days Ms. Noonan was employed by the Company in 2020.

Elements of Pay: Annual Cash Incentives

2020 TARGET ANNUAL INCENTIVE AWARD OPPORTUNITIES

At the start of each fiscal year, the Board approves annual incentive compensation targets, as a percentage of target base salary, based on competitive market data provided by the Independent Compensation Consultant for our direct competitors and overall peer group, management's recommendations and other relevant factors. The 2020 annual incentive targets, as a percentage of target base salary, for our NEOs were unchanged from 2019 (other than Ms. Noonan whose first day of employment with the Company was July 20, 2020), as follows:

	Target Bonus
Anne P. Noonan	125%(1)
Brian J. Harris	75%
Michael J. Brady	60%
Anne Lee Benedict	60%
Thomas W. Hill	150%

(1) For 2020, Ms. Noonan's annual incentive award was prorated based on the number of days Ms. Noonan was employed by the Company in 2020.

2020 ANNUAL INCENTIVE METRICS

The metrics underlying our annual incentive were selected as the strongest indicators of our success. Adjusted EBITDA and operating cash flow are among our most important financial measures, while safety goals ensure that we focus on sustainable performance. Personal objectives measure progress against key milestones that are important to long-term value creation. The Board has discretion to adjust the target financial metrics to reflect, among other things, mergers, acquisitions, divestitures and other non-routine activity both inside and outside of management's control during the fiscal year.

For 2020, performance metrics and weightings were as follows for our NEOs:

Metric and Weighting	Definition / Notes
Adjusted EBITDA (50%)	Net income (loss) before interest expense (income), income tax expense (benefit) and depreciation, depletion and amortization, adjusted to exclude accretion, loss on debt financings, transaction costs, non-cash compensation and certain other non-cash and non-operating items.
Operating Cash Flow (20%)	Cash flow from earnings, after net capital expenditures, payments on finance leases, and change in working capital.
Safety (10%)(1) **Recordable Incident Rate (RIR)**	Any employee work-related injury that requires medical treatment and results in a positive diagnosis of an injury, a prescription or work restrictions (per OSHA), divided by hours worked.
Lost Time Incident Rate (LTIR)	Same as RIR but only includes injuries that result in at least one full day away from work.
Preventable Incident Rate (PVIR)	The number of preventable auto safety incidents, divided by miles driven.
Cost Per Man Hour (CPMH)	Based on the total incurred insurance-company-posted claim reserves on 12/31 of a given year for all workers compensation, general liability and auto liability claims divided by the hours worked in that same calendar year.
Personal Objectives (20%)	Varies by individual. See "Performance Targets and Payout Ranges—Personal Performance Goals."

(1) Safety metrics included various metrics related to the frequency and severity of reported incidents. For 2020, the safety metrics (and the weightings assigned to each safety metric for each NEO) included RIR (4% total award payout), LTIR (1.5% total award payout), PVIR (3% total award payout), and CPMH (1.5% total award payout).

PERFORMANCE TARGETS AND PAYOUT RANGES

The achievement factor for each of the performance metrics was determined by multiplying the weight attributed to each performance metric by the applicable payout percentage for each metric. For corporate EBITDA and corporate cash flow payout percentages were determined by calculating actual achievement against the target amount based on a pre-established scale.

Financial Performance

For corporate EBITDA and corporate operating cash flow, payout percentages for actual performance between the specified threshold, target, and maximum performance levels is interpolated on a straight-line basis. The following table shows the payout percentages associated with various levels of achievement of corporate EBITDA and operating cash flow:

	2020 Payout Percentage		
	25% (Threshold)	100% (Target)	200% (Maximum)
2020 Corporate EBITDA (Performance as a Percentage of Target)	90%	100%	110%
	5% (Threshold)	100% (Target)	150% (Maximum)
2020 Corporate Operating Cash Flow (Performance as a Percentage of Target)	90%	100%	110%

Safety Performance Targets

The overall safety metric achievement factor equals the sum of each metric's payout percentage multiplied by its weighting. The maximum payout opportunities for the safety metrics is 150% of target. For the safety metrics, payout percentages for actual achievement between the specified threshold, target and maximum levels were adjusted on a linear basis. For the safety metrics below, the lower the result, the stronger the performance. All safety targets, other than CPMH, required year-over-year improvement in performance.

	2020 Payout Percentage		
	0% (Threshold)	100% (Target)	150% (Maximum)
RIR—40% Safety	1.52	1.32	1.02
LTIR—15% Safety	0.194	0.17	0.138
PVIR—30% Safety	1.11	0.79	0.59
CPMH—15% Safety	0.21	0.17	0.14

Personal Performance Goals

Personal performance goals may be focused on any combination of corporate, business-unit, or role-specific accomplishments or behaviors that focus executives on accomplishing our long-term business plan. The maximum payout under the Personal Performance Goal portion of the annual incentive is 150% of target.

Anne P. Noonan

In connection with the hiring of Ms. Noonan in July 2020, no personal performance goals were established. Ms. Noonan's Personal Objective portion is based upon her overall performance assessment for 2020, as evaluated and determined by the Board and the Human Capital and Compensation Committee.

Brian J. Harris

Mr. Harris's personal performance goals included optimizing the Company's capital structure. In addition, Mr. Harris was to develop an information technology roadmap that embraces the long-term vision for the Company's information technology. Further, Mr. Harris was to maintain excellent relationships and communications with all major investors and expand the Company's EBITDA multiple. Finally, Mr. Harris was to work closely with Company's senior operating leadership to support realignment of organization structure.

Michael J. Brady

Mr. Brady's personal performance goals included leading and facilitating the sourcing and execution of select, high-value adding investments for the Company. In addition, Mr. Brady was to leverage development team resources to review under-performing operations within the Company. Further, Mr. Brady was to increase visibility and priority of safety assessments for acquisitions. Finally, Mr. Brady was to provide non-deal exposure to development team members to support business performance throughout the Company.

Anne Lee Benedict

Ms. Lee Benedict's personal performance goals included evaluating the Company's legal operations for resource efficiency opportunities. In addition, Ms. Lee Benedict was to help create safety training programming and refine the Company's litigation management program. Further, Ms. Lee Benedict was to continue to improve contract risk mitigation efforts. Finally, Ms. Lee Benedict was to evaluate the Company's environmental, safety, and governance policies and programs in order to identify opportunities for additional stakeholder engagement.

Thomas W. Hill

Mr. Hill's personal performance goals included executing the Company's 2020 operating plan and three (3) year strategic plan aspirations. In addition, Mr. Hill was to execute an effective organization plan that aligned talent to the strategic plan, including hiring a chief operational officer, establishing an operational and regional organization structure and succession plan. Further, Mr. Hill was to improve the communication among the Company's senior management teams and support the chief executive officer transition.

2020 ACTUAL PERFORMANCE AND PAYOUTS

The initial targets shown in the below table are based on the performance goals and funding scales approved in the first quarter of 2020. However, the targets for both corporate EBITDA and corporate operating cash were increased to account for acquisitions during the year. In addition, target corporate operating cash flow was increased as a result of the Company adjusting its planned capital expenditures in 2020 and electing to defer certain projects to future periods as a result of the COVID-19 pandemic. The actual results for the 2020 annual incentive plan were certified by the Human Capital and Compensation Committee as shown in the below table.

	Initial Target	Adjusted Target	Actual Results(1)	Adjusted Results	Payout Percentage	Weight	Weighted Payout Percentage
Corporate EBITDA ($ Millions)	$476	$491	$496	$510(2)	140%	50%	70%
Corporate Operating Cash Flow ($ Millions)	$229(3)	$270	$307(4)	NA	150%	20%	30%

(1) See ''Reconciliation of Non-GAAP Measures to GAAP'' on Annex A.

(2) Results for corporate EBITDA were adjusted in 2020 to reflect the impact of the explosion at our Green America Recycling facility that was a one-time unforeseeable and extraordinary event outside of the business's control, which resulted in it operating on a limited basis during the last eight months of 2020.

(3) The Company set the initial target for corporate operating cash flow below the initial target in 2019 and the actual result for 2019 because the Company budgeted significant capital expenditures for greenfield projects in 2020.

(4) The Company's actual results for corporate operating cash flow were 12%, 34%, and14% higher than 2019 actual results for corporate operating cash flow, 2020 initial target for corporate operating cash flow, and 2020 adjusted target for corporate operating cash flow, respectively.

Corporate safety (10% weight): Overall weighted performance was 79% of target, resulting in a weighted payout of 7.9% for each NEO.

The weighted financial and safety performance achievement for 2020 (80% combined weight) yields an actual incentive earned of 108% of target for each NEO. The remainder of each NEO's 2020 actual incentive earned is based on Personal Performance Goal performance (20% weight).

	2020 Base Salary	Target Incentive as a Percentage of Base Salary	Actual Incentive Earned as a Percentage of Base Salary	Annual Cash Incentive Earned
Anne P. Noonan(1)	$418,931	125%	159%	$665,480
Brian J. Harris	$601,000	75%	100%	$599,159
Michael J. Brady	$530,450	60%	76%	$400,781
Anne Lee Benedict	$450,000	60%	74%	$331,898
Thomas W. Hill	$900,000	150%	184%	$1,659,150

(1) For 2020, Ms. Noonan was paid $418,931 of base salary based on the number of days Ms. Noonan was employed by the Company in 2020. In addition, Ms. Noonan's annual cash incentive was prorated based on the number of days she was employed by the Company in 2020.

Elements of Pay: Long-Term Equity Incentives

Our long-term equity incentives for NEOs in 2020 consisted of a balance of performance units (50%) and RSUs (50%). The Human Capital and Compensation Committee uses competitive market data from our annual total compensation study to assist with targeted long-term incentive value. In addition, the Human Capital and Compensation Committee considers individual performance, potential future contributions to our business, internal equity and management's recommendations except in the case of the Chief Executive Officer.

Award Type	Weighting	Vesting	Value Tied To
Performance Units	50%	At the end of three years based 50% on relative TSR performance and 50% on ROIC performance	Three-year TSR ranking compared to companies in the S&P 400 Midcap Materials and Capital Goods Companies, and ROIC performance compared to targeted performance criteria
RSUs	50%	Vest over three years in equal annual installments on each anniversary of the grant date	Stock price performance

Performance Units Granted in 2020

The 2020 performance units focus our executives on the long term performance of the Company relative to industry peers and predetermined financial targets. The performance metrics are relative TSR and return on invested capital (''ROIC'').

The peer group for determining our relative TSR is separate and distinct from the peer group used to evaluate and set NEO compensation levels discussed under ''—Compensation Decision Process—Role of Peer Companies and Competitive Market Data.'' The Relative TSR peer group represents a broader array (approximately 65 to 70 companies) of industry peers competing for stockholders and investors.

ROIC is determined for the performance period by dividing (i) the arithmetic mean of the following for each fiscal year during the performance period: the Company's Adjusted EBITDA (as reported on the Company's audited financial statements) for each such fiscal year, reduced by depreciation, depletion and amortization charges for such fiscal year by (ii) the arithmetic mean of the following for each fiscal year during the performance period: the sum of the Company's total outstanding long-term debt, stockholders' equity, retained earnings and accumulated other comprehensive income, in each case, as reported on the Company's audited financial statements for such fiscal year. The Compensation Committee believes that including ROIC as a performance metric incentivizes management to maximize efficiency of capital deployed for the benefit of the Company's stockholders.

The performance period for the performance units granted in February 2020 began on January 1, 2020 and ends on December 31, 2022 and are earned based on performance against the target below. Earned amounts will be interpolated on a straight line basis for performance between threshold, target, and maximum performance requirements. Financial goals are established based on a review of historical and strategic forward-looking performance criteria and are established at reasonable but stretch performance requirements for threshold, target, and maximum payout opportunities. We will proactively disclose the ROIC performance requirements and performance attainment at the completion of the three-year performance period.

	Level of Achievement				
	Below Threshold	Threshold	Target	Maximum	Cap (if applicable)
Relative TSR Position	< 25th percentile	25th percentile	50th percentile	75th percentile	Capped at 100% if Company TSR is negative over performance period, regardless of ranking
Achievement Percentage	0%	50% of target	100% target	200% of target	

See ''—Treatment of Long-Term Incentive Awards Upon Termination or Change in Control'' for a description of the potential vesting of the NEOs' equity awards that may occur in connection with certain termination events and a change in control.

For 2020, the Human Capital and Compensation Committee set the target pay levels and made the grants set forth in the table below.

	2020 Target Long-Term Incentive as % of Base Salary	2020 Target Long-Term Incentive (1)	Performance Units Granted (#)	Restricted Stock Units Granted (#)
Anne P. Noonan	305%	$2,821,250	69,523	63,866(2)
Brian J. Harris	155%	$931,550	19,905	19,905
Michael J. Brady	125%	$663,062	14,168	14,168
Anne Lee Benedict	125%	$548,330	12,019	12,019
Thomas W. Hill	360%	$3,240,000	69,231	69,231

(1) The target award values shown vary from the values listed in the 2020 Grants of Plan Based Awards Table for two reasons. First, the 2020 Grants of Plan Based Awards Table uses the Monte Carlo valuation method, which determines the accounting expense for our performance units because 50% is based on Relative TSR. This generated an expense value approximately 23.4% higher than the actual value on the grant date for the awards issued on February 28, 2020 to each of our NEOs (other than Ms. Noonan), and an expense value approximately 26.1% higher than the actual value on the grant date for the awards issued on July 20, 2020 to Ms. Noonan. However, we do not believe the Monte Carlo accounting model is appropriate for purposes of setting total compensation opportunity. Second, to mitigate the potential impact of short-term stock price swings on our equity grants, we use the 20-day average closing stock price immediately preceding the grant date to determine the grant size, rather than the closing stock price on the actual grant date as shown in the 2020 Grants of Plan Based Awards Table.

(2) Pursuant to Ms. Noonan's offer letter, the number of RSUs awarded to Ms. Noonan for 2020 were prorated at 75% of the aggregate target grant date value.

Performance Units Earned for the Performance Period 2018—2020

No performance units were earned for the 2018—2020 performance period, granted in 2018.

Performance units were granted to our NEOs then employed by the Company that were subject to Relative TSR performance for the three-year performance period beginning January 1, 2018 and ending December 31, 2020. The Relative TSR peer group was companies in the S&P Building & Construction Select Industry Index. Relative TSR performance was based on dividends plus beginning and ending stock prices based on the trailing 20-day average closing price. During the performance period, our Relative TSR ranked at the 11th percentile, which was below the threshold performance requirement, resulting in a payout equal to 0% of target.

ONE-TIME EQUITY AWARDS

The leadership transition from long-time founder to a new Chief Executive Officer was a major event in our corporate history, for both our stockholders and our management talent. To transition through this period and maintain leadership continuity, the Board strongly believed it was appropriate to make a special one-time RSU transition grant to a broad group of critical leaders. The Board identified 28 high performing leaders and made special one-time RSU transition grants of approximately 400,000 aggregate shares, with the Company's NEOs receiving less than 18% of the aggregate grant. The RSU transition grants were designed to have a grant date fair value equal to 75% of each NEO's base salary. The RSUs vest over two years in equal annual installments on each anniversary of the grant date. The value of each RSU is tied to the Company's stock price performance.

	Restricted Stock Units Granted (#)	Grant Date Fair Value
Brian J. Harris	26,656	$420,632
Michael J. Brady	23,527	$371,256
Anne Lee Benedict	19,959	$314,953

Retirement, Perquisites, and Other Benefits

We have a tax-qualified contributory retirement plan established to qualify as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code of 1986, as amended (the ''Code''). The plan covers all U.S. employees, including our NEOs, who are limited to their annual tax deferred contribution limit as allowed by the Internal Revenue Service (the ''IRS''). We provide for matching contributions to the plan, including 100% of pre-tax employee contributions, up to 4% of eligible compensation. Employer contributions vest immediately.

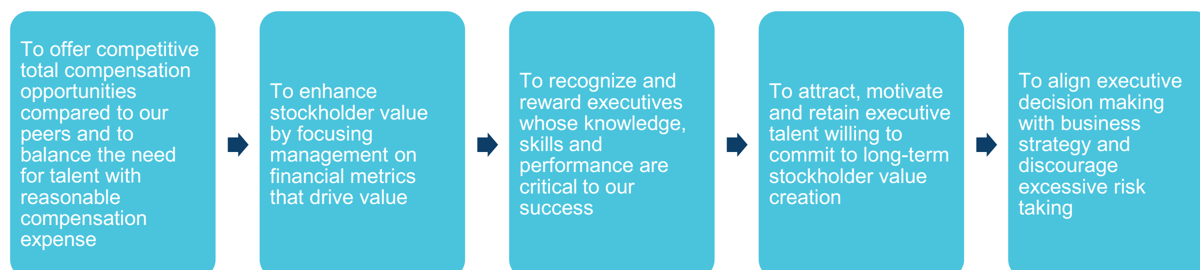
The Company also offers the members of a select group of management or highly compensated employees, including the NEOs, the opportunity to supplement their retirement savings through the Summit Materials Deferred Compensation Plan (the ''DCP''). An eligible participant in the DCP may elect to defer up to 50% of such participant's base salary compensation and up to 100% of such participant's designated discretionary bonus award compensation and annual incentive award compensation. The DCP also permits Company-provided credits to participants' accounts, but no such credits are currently being made. Additional information about the DCP is reflected in ''—2020 Non-Qualified Deferred Compensation'' below.

Compensation Discussion and Analysis—How We Paid

Our Compensation Philosophy

Our executive compensation program is intended to attract, motivate and retain executive officers and to align the interests of our executive officers with stockholders' interests.

The Board's objectives for our program include, but are not limited to, the following:



Say-on-Pay Votes

In 2020, the Human Capital and Compensation Committee considered the outcome of the stockholder advisory vote on 2019 executive compensation when making decisions relating to the compensation of our NEOs and our executive compensation program and policies. Our stockholders voted at our 2020 annual meeting, in a nonbinding advisory vote, on the 2019 compensation paid to our NEOs. Our stockholders overwhelmingly (99%) approved the compensation of our NEOs. Based on the level of support, the Human Capital and Compensation Committee determined that stockholders generally support our compensation practices. The Company has determined to hold this advisory, say-on-pay vote annually, consistent with the stated preferences of our stockholders and with the results of our 2016 Annual Meeting of Stockholders where the majority of the votes cast were in favor of an annual advisory vote. The next non-binding advisory vote regarding such frequency will be held at the 2022 Annual Meeting of Stockholders, in accordance with SEC rules.

In addition, the Company continued its efforts to reach out to investors for feedback in 2020. During the second half of 2020, the Company's investor relations and legal departments contacted the Company's top 20 institutional investors and engaged in conversations with a significant portion of the investor base. The feedback received in these conversations was generally positive in regard to the Company's compensation programs. The Human Capital and Compensation Committee intends to continue to consider the views of our stockholders when designing, reviewing and administering the Company's compensation programs and policies.

Compensation Decision Process

Role of the Human Capital and Compensation Committee

The Human Capital and Compensation Committee is responsible to our Board for oversight of our executive compensation program. The Human Capital and Compensation Committee is responsible for the review and approval of all aspects of our program.

Among its duties, the Human Capital and Compensation Committee is responsible for:

- Assessing competitive market data from the Independent Compensation Consultant
- Reviewing each NEO's performance in conjunction with competitive market data and, accordingly, approving compensation recommendations including, but not limited to, base salary, annual bonus, long-term incentives, and benefits/perquisites
- Considering, recommending and approving incentive plan goals, achievement levels, and program structure
- Incorporating meaningful input from our stockholders, if applicable

Role of Management	For each NEO excluding herself, our Chief Executive Officer recommends to the Human Capital and Compensation Committee compensation levels for NEOs based on a review of market data and individual performance. The Human Capital and Compensation Committee reviews and discusses all recommendations prior to approval, then submits all recommendations to the Board for approval. For the Chief Executive Officer, during executive session without the Chief Executive Officer present, the Human Capital and Compensation Committee is solely responsible for assessing performance and making compensation recommendations to the Board for approval. Management does not make compensation-related recommendations for the Chief Executive Officer.
Role of the Independent Compensation Consultant	In 2020, the Human Capital and Compensation Committee retained the Independent Compensation Consultant in accordance with Human Capital and Human Capital and Compensation Committee's charter. The Independent Compensation Consultant reports directly to the Human Capital and Compensation Committee. The Human Capital and Compensation Committee retains sole authority to hire or terminate the Independent Compensation Consultant, approve its fees, determine the nature and scope of services and evaluate the Independent Compensation Consultant's performance. A representative of the Independent Compensation Consultant attends Human Capital and Compensation Committee meetings, as requested, and communicates with the Human Capital and Compensation Committee chair between meetings. The Human Capital and Compensation Committee makes all final decisions and recommendations. The Independent Compensation Consultant's roles include, but are not limited to, the following: • Advising the Human Capital and Compensation Committee on executive compensation trends and regulatory developments; • Developing a peer group of companies for determining competitive compensation amounts and practices; • Providing a total compensation study for executives against peer companies; • Providing advice to the Human Capital and Compensation Committee on governance best practices, as well as any other areas of concern or risk; and • Reviewing and commenting on proxy disclosure items, including the CD&A. The Human Capital and Compensation Committee has assessed the independence of the Independent Compensation Consultant, considering all relevant factors, including those set forth in Rule 10C-1(b)(4)(i) through (vi) under the Exchange Act. Based on this review, the Human Capital and Compensation Committee concluded that there are no conflicts of interest raised by the work performed by the Independent Compensation Consultant and that the Independent Compensation Consultant is independent.

Role of Peer Companies and Competitive Market Data

In the Fall of 2019, to assist with 2020 compensation decisions, the Independent Compensation Consultant performed a competitive pay study. To develop competitive market values for the NEOs, the Independent Compensation Consultant developed, and the Human Capital and Compensation Committee approved, a peer group of 16 companies, which were the same companies used in the prior year except for (i) the removal of USG Corp. as a result of it being acquired and (ii) the replacement of NCI Building Systems Inc. (''NCI'') with Cornerstone Building Brands, Inc. (''Cornerstone''). Cornerstone is the resulting company of the merger between NCI and Ply Gem Building Products.

The peer group development criteria included:

- *Industry*: Companies in the building products, construction materials, and mining industries
- *Company size*: Approximately 0.4x to 3x times our annual revenues (primary factor), with market capitalization reviewed as a secondary factor
- *ISS*: Companies considered by Institutional Shareholder Services (''ISS'') to be the Company's compensation peers and used in ISS' annual report regarding the Company
- *Peers of Peers*: Companies used in the peer groups of potential peer companies
- *Consistency:* Companies contained in the peer group in the prior year

The approved peer group had annual revenues which ranged from approximately $890 million to $5 billion, with average / median annual revenue of approximately $2.4 billion and $1.9 billion, respectively. For our Fall 2019 total compensation study, our annual revenues were estimated at approximately $2.2 billion. The Independent Compensation Consultant developed size adjusted market values (regression analysis) for each position using our annual revenue.

The 50th percentile for total compensation is a key reference point for the Human Capital and Compensation Committee; however, the Human Capital and Compensation Committee also considers other factors, including, experience, performance and expected future contributions. For positions where peer company proxy data was not available, the Independent Compensation Consultant utilized published and private compensation survey sources.

PEER GROUP

- Armstrong World Industries, Inc.
- Boise Cascade Company
- Compass Minerals International, Inc.
- CONSOL Energy Inc.
- Cornerstone Building Brands, Inc.
- Dycom Industries, Inc.
- Eagle Materials Inc.
- Gibraltar Industries, Inc.
- Granite Construction Inc.
- Louisiana-Pacific Corp.
- Martin Marietta Materials, Inc.
- Masonite International Corporation
- Quanex Building Products Corp.
- Simpson Manufacturing Company
- US Concrete Inc.
- Vulcan Materials Company

TIMING OF COMPENSATION DECISIONS

Pay recommendations for our executives, including the NEOs, are typically made by the Human Capital and Compensation Committee at its first scheduled meeting of the fiscal year, typically held in February around the same time we report our fourth quarter and year-end financial results for the preceding fiscal year and provide our financial guidance for the upcoming year (the ''first meeting''). This timing allows the Human Capital and Compensation Committee to have a complete financial performance picture prior to making compensation decisions.

Decisions with respect to prior year performance, as well as annual equity awards, base salary increases and target performance levels for the current year are typically made at the first meeting. Any equity awards recommended by the Human Capital and Compensation Committee at this meeting are reviewed by the Board and, if approved, are dated on the date approved by the Board either at a subsequent board meeting or via written consent. As such, the Human Capital and Compensation Committee does not time the grants of equity incentives to the release of material non-public information.

The exceptions are grants to executives who are promoted or hired from outside the Company during the year, and discretionary grants made throughout the year for retention and extraordinary purposes. These executives may receive compensation changes or equity grants effective or dated, as applicable, as of the date of their promotion, hiring date, or other Board approval date.

DETERMINATION OF CHIEF EXECUTIVE OFFICER COMPENSATION

At the first meeting, in executive session without the Chief Executive Officer present, the Human Capital and Compensation Committee also reviews and evaluates Chief Executive Officer performance, and determines performance achievement levels, for the prior fiscal year. The Human Capital and Compensation Committee also reviews competitive compensation data from the peer group companies. The Human Capital and Compensation Committee typically approves, or presents, pay recommendations for the Chief Executive Officer to the Board, excluding the Chief Executive Officer, for approval. If applicable, during executive session, the Board conducts its own review and evaluation of the Chief Executive Officer's performance taking into consideration the recommendations of the Human Capital and Compensation Committee.

EQUITY PLAN

The Company maintains the Omnibus Incentive Plan which allows for grants of equity-based awards in the form of stock options, stock appreciation rights, restricted stock and RSUs, performance units, undivided fractional limited partnership interests in Summit Holdings and other stock-based awards. Pursuant to Proposal 4, the Company is requesting that its stockholders adopt and approve an amendment to the Omnibus Incentive Plan to increase the number of shares authorized for issuance under the plan by 4,000,000 shares.

Governance of Executive Compensation

STOCK OWNERSHIP GUIDELINES

We have established stock ownership guidelines for our Chief Executive Officer, officers reporting to the Chief Executive Officer, and directors. The approved guidelines are as follows:

- Chief Executive Officer: 6x base salary
- Officers reporting to the Chief Executive Officer: 2.5x base salary
- Directors: 4x annual cash retainer

Participants are expected to comply with the ownership requirements within five years of the later of (a) December 12, 2015 and (b) an appointment to a qualified position. Once the ownership requirements have been satisfied, future declines in share price will not affect compliance so long as the participant holds the number of equity interests he or she had at the time he or she achieved the expected ownership level. As of February 15, 2021, all of our executive officers have met or exceeded the ownership expectations under the guidelines. In addition, despite Ms. Noonan having until September 1, 2025 to comply with the ownership guidelines, as of February 15, 2021, she had holdings valued at nearly 5x of her base salary, in part due to an open market purchase of 66,000 shares of the Company's common stock.

The following components satisfy the ownership guidelines: Equity interests owned directly or indirectly (e.g., by or with a spouse or held in trust for the individual or one or more family members of the individual), equity interests, including limited partnership interests (the ''LP Units'') and unvested RSUs, held in qualified or nonqualified savings, profit sharing, or deferred compensation accounts, value of in-the-money spread of shares underlying vested but unexercised stock options and value of in-the-money spread of shares underlying vested but unexercised warrants. At least annually, the Human Capital and Compensation Committee monitors participants' compliance with these guidelines.

INCENTIVE COMPENSATION RECOUPMENT (''INCENTIVE CLAWBACK'') POLICIES

Our Board adopted a Policy for Clawback of Incentive Compensation (the ''Policy'') because it believes that it is in the best interests of the Company and its stockholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. This policy applies to any current and former ''officer'' of the Company, as such term is defined under Rule 16a-1(f) of the Exchange Act (the ''Covered Executives''). The Policy applies to annual cash bonuses and equity incentive compensation (''Incentive Compensation''). Under the Policy, if the Company is required to prepare an accounting restatement of the reported financial results of the Company or any of its segments due to (a) the material non-compliance of the Company with any financial reporting requirement (unless due to a change in accounting policy or applicable law) and (b) intentional misconduct by a Covered Executive, then the Human Capital and Compensation Committee may require any Covered Executive to repay to the Company any ''Excess Compensation.'' Excess Compensation means that part of the Incentive Compensation received by a Covered Executive during the one-year period preceding the publication of the restated financial statement that the Committee determines was in excess of the amount that such Covered Executive would have received had such Incentive Compensation been calculated based on the financial results reported in the restated financial statement.

In addition, each of the RSU, stock option and performance unit award agreements under the Omnibus Incentive Plan generally provides that if a restrictive covenant violation occurs or the Company discovers after a termination of employment or services that grounds existed for ''cause'' (as defined in the Omnibus Incentive Plan) at the time thereof, then the participant shall be required, in addition to any other remedy available (on a non-exclusive basis), to pay to the Company, within ten business days of the Company's request to the participant therefor, an amount equal to the aggregate after-tax proceeds (taking into account all amounts of tax that would be recoverable upon a claim of loss for payment of such proceeds in the year of repayment) the participant received upon the sale or other disposition of, or distributions in respect of, the equity award thereunder and any shares issued in respect thereof (minus, in the case of options, the aggregate cost (if any) of the shares). Without limiting the foregoing, all awards are subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with applicable law. Our policy will be updated to comply with the SEC's final regulations as part of the Dodd-Frank Act.

Compensation Risk Assessment

Our governance policies and compensation structure are not reasonably likely to have a material adverse effect on the Company. The Independent Compensation Consultant and management delivered a compensation risk assessment report to the Human Capital and Compensation Committee in 2020. The following features of our program mitigate risk:

- ✓ The Human Capital and Compensation Committee consults with the Independent Compensation Consultant to assist with annual compensation decisions
- ✓ The Human Capital and Compensation Committee approves the annual incentive plan's financial goals at the start of the fiscal year, and approves the performance achievement level and final payments earned at the end of the fiscal year
- ✓ The Human Capital and Compensation Committee benchmarks total compensation opportunity for executive positions using multiple survey sources and has discretion over payout calculations and oversight of compensation plans for our executives
- ✓ We utilize a mix of cash and equity variable incentive programs, with a balanced mix of RSUs and performance units, which are subject to multi-year vesting
- ✓ Our performance units payout opportunities are capped at 200% of the target total opportunity
- ✓ We utilize competitive change-in-control severance programs to help ensure executives continue to work towards our stockholders' best interests in light of potential employment uncertainty
- ✓ Executive officers are subject to minimum stock ownership guidelines
- ✓ Incentive clawback policies that permit the Company to recoup annual cash bonuses and equity incentive compensation paid on the basis of financial results that are subsequently restated

Compensation Tables

Summary Compensation Table

The following table sets forth the compensation of our NEOs for the fiscal years ended 2020, 2019 and 2018, and their respective titles as of January 2, 2021.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Anne P. Noonan President and Chief Executive Officer, Director	2020	418,931	100,000	2,660,726	—	665,480	132,583	3,977,720
Brian J. Harris Executive Vice President, Chief Financial Officer	2020	601,000	—	1,289,485	—	599,159	16,364	2,506,008
	2019	583,495	—	1,272,672	—	442,982	15,964	2,315,113
	2018	566,500	—	1,521,907	—	—	13,694	2,102,101
Michael J. Brady Executive Vice President, Chief Business Development Officer	2020	530,450	—	989,689	—	400,781	14,527	1,935,447
	2019	515,000	—	905,861	—	310,313	14,748	1,745,922
	2018	500,000	—	769,241	—	—	13,292	1,282,533
Anne Lee Benedict Executive Vice President, Chief Legal Officer, and Secretary	2020	450,000	—	839,582	—	331,898	13,498	1,634,978
	2019	425,887	—	749,131	—	259,685	13,073	1,447,776
Thomas W. Hill(5) Former President and Chief Executive Officer, Former Director	2020	900,000	—	5,672,018	—	1,659,150	31,729	8,262,897
	2019	900,000	—	4,559,198	—	1,328,738	24,493	6,812,429
	2018	900,000	—	3,750,312	—	—	23,693	4,674,005

(1) The amount reported in the Bonus column for 2020 reflects the one-time cash sign-on bonus of $100,000 paid to Ms. Noonan pursuant to her offer letter.

(2) The amounts reported in the Stock Awards column for 2020 reflect the aggregate grant date fair value of stock awards granted in fiscal 2020, calculated in accordance with ASC 718, utilizing the assumptions discussed in Note 13, *Stock-Based Compensation*, to our audited consolidated financial statements included in the 2020 Annual Report. The fiscal 2020 awards consist of time-vesting RSUs and performance units. As the performance units vest according to Relative TSR, they are subject to market conditions, and not performance conditions, as defined under ASC 718, and therefore have no maximum grant date fair values that differ from the grant date fair values presented in the table.

(3) Reflects non-equity incentive plan compensation awards for services rendered during the fiscal year presented. For more information, see ''Compensation Discussion and Analysis—Compensation Elements—Annual Cash Incentives.''

(4) All Other Compensation includes the following items for 2020: (a) amounts contributed by Summit LLC under the Summit Materials, LLC Retirement Plan, and (b) payments for term life and/or disability insurance and (c) a one-time $200 stipend paid to all employees for working from home. Amounts contributed to the Summit Materials, LLC Retirement Plan are matching contributions up to 4% of eligible compensation subject to IRS limits. In 2020, Messrs. Harris, Brady, and Hill and Ms. Benedict each received matching contribution of $11,400, and Ms. Noonan received a matching contribution of $6,000. Matching contributions are immediately vested. For more information, see ''Compensation Discussion and Analysis—Compensation Elements—Retirement, Perquisites, and Other Benefits.'' Payments for term life and/or disability insurance in 2020 were as follows: Ms. Noonan, $581; Mr. Harris, $3,564; Mr. Brady, $2,927; Ms. Benedict, $698; and Mr. Hill, $12,343. The amount reported for Ms. Noonan also includes moving expenses and a gross up of taxable moving expenses of $126,002. The amount reported for Mr. Hill also includes moving expenses of $7,986. The amount reported for Messrs. Harris and Brady and Ms. Benedict also includes matching contributions of $1,200 each for contributions under the HSA employer health care benefits.

(5) On September 1 , 2020, Mr. Hill resigned from his role as President and Chief Executive Officer and as a member of the Board of the Company. From September 1 , 2020 until December 31, 2020, Mr. Hill was employed as a Senior Advisor of the Company to assist in the transition of his role to Ms. Noonan. Since December 31, 2020, he has served as a consultant to the Company. See ''Narrative Disclosure to Summary Compensation Table and Grants of Plan Based Awards Table—Transition Agreement'' for more information.

2020 Grants of Plan-Based Awards

The following table provides supplemental information relating to grants of plan-based awards to help explain information provided above in our Summary Compensation Table.

			Estimated Possible Payouts under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts under Equity Incentive Plan Awards(2)				
Name	Award Type	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)(3)	Grant Date Fair Value of Stock Awards ($)(4)
Anne P. Noonan	Annual Cash Incentive	—	13,875	1,156,250	2,139,063	—	—	—	—	—
	Performance Units	7/20/2020	—	—	—	34,762	69,523	139,046	—	1,539,239
	RSUs	7/20/2020	—	—	—	—	—	—	63,866	1,121,487
Brian J. Harris	Annual Cash Incentive	—	5,409	450,750	833,888	—	—	—	—	—
	Performance Units	2/28/2020	—	—	—	9,953	19,905	39,810	—	479,910
	RSUs	2/28/2020	—	—	—	—	—	—	19,905	388,944
	RSUs	7/30/2020	—	—	—	—	—	—	26,656	420,632
Michael J. Brady	Annual Cash Incentive	—	3,819	318,270	588,800	—	—	—	—	—
	Performance Units	2/28/2020	—	—	—	7,084	14,168	28,336	—	341,590
	RSUs	2/28/2020	—	—	—	—	—	—	14,168	276,843
	RSUs	7/30/2020	—	—	—	—	—	—	23,527	371,256
Anne Lee Benedict	Annual Cash Incentive	—	3,158	263,198	486,917	—	—	—	—	—
	Performance Units	2/28/2020	—	—	—	6,010	12,019	24,038	—	289,778
	RSUs	2/28/2020	—	—	—	—	—	—	12,019	234,851
	RSUs	7/30/2020	—	—	—	—	—	—	19,959	314,953
Thomas W. Hill	Annual Cash Incentive	—	16,200	1,350,000	2,497,500	—	—	—	—	—
	Performance Units	2/28/2020	—	—	—	34,616	69,231	138,462	—	1,669,159
	RSUs	2/28/2020	—	—	—	—	—	—	69,231	1,352,774
	RSUs	7/20/2020	—	—	—	—	—	—	150,916	2,650,085

(1) Reflects the possible payouts of cash incentive compensation under the Non-Equity Incentive Plan. Amounts reported in the ''Threshold'' column assume that there is no payout under the EBITDA, operating cash flow, or personal objectives components of the annual cash incentive program and that each NEO only earns the minimum payout for the one safety metric that has been assigned the lowest weighting. The actual amounts paid are described in the ''Non-Equity Incentive Plan Compensation'' column of the ''Summary Compensation Table.''

(2) Reflects the performance units granted in 2020, which have a three-year performance period ending December 31, 2022, and vest based on Relative TSR and ROIC performance. Threshold assumes that 50% of the total performance units awarded vest and maximum assumes that 200% of the total performance units awarded vest.

(3) Reflects the RSUs granted in 2020.

(4) Represents the grant date fair value of the performance units and RSUs granted in 2020 with respect to the NEOs. The assumptions applied in determining the fair value of the awards are discussed in Note 13, *Stock-Based Compensation*, to our audited consolidated financial statements included in the 2020 Annual Report.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Employment Arrangements

Ms. Noonan and Mr. Brady each have signed offers of employment, and Ms. Lee Benedict had an employment agreement and Mr. Harris has an employment agreement. Their employment agreements and offers of employment provide for base salary subject to annual adjustment by the Board, an annual incentive award, participation in Company-sponsored broad-based and executive benefit plans and such other compensation as may be approved by the Board. In connection with implementing the Executive Severance Plan (the ''Severance Plan''), Ms. Lee Benedict and Mr. Harris waived the provisions in their employment agreements that would have applied under the conditions set forth in the Severance Plan, other than any provisions in their employment agreements which were intended to survive the termination of such employment agreements.

Pursuant to Ms. Noonan's offer letter, the number of RSUs awarded to Ms. Noonan for 2020 were prorated at 75% of the aggregate target grant date value, and her annual incentive award was prorated based on the number of days she was employed by the Company in 2020. In addition, Ms. Noonan's offer letter provided that Ms. Noonan would receive a one-time cash sign-on bonus of $100,000 that is subject to recoupment upon termination by the Company for cause or resignation by Ms. Noonan other than as a result of a constructive termination within twelve months of July 20, 2020. In connection with Ms. Noonan's move to Denver, Colorado, the Company provided relocation benefits under the Company's relocation assistance programs, including reimbursement for costs associated with terminating the lease of Ms. Noonan's current primary residence and payment of certain costs in connection with moving and temporary housing.

Transition Agreement

On July 21, 2020, the Company announced that Mr. Hill would step down from his role as the Company's President and Chief Executive Officer and as a member of the Board effective September 1, 2020 (the ''Transition Date'').

In connection with the Company's succession planning, the Company and Mr. Hill entered into a Transition and Consulting Agreement on July 20, 2020. Mr. Hill continued to serve as the President and Chief Executive Officer of the Company, as well as a member of the Board, until the Transition Date. Following the Transition Date, he was employed through December 31, 2020 as a Senior Advisor of the Company to assist in the transition of his role to Ms. Noonan and to provide strategic advice as requested from time to time by Ms. Noonan. Since December 31, 2020, he has served as a consultant to the Company and will continue in this role through July 20, 2023 (the ''Consulting Period''). During the Consulting Period, the Company expects to utilize Mr. Hill's extensive industry experience, relationships, insight and expertise. In addition, as the Company's founder, Mr. Hill brings a unique perspective regarding the Company and its business that is extremely valuable.

From July 20, 2020 through December 31, 2020, Mr. Hill continued to receive his then current annual base salary and remained eligible to earn an annual cash bonus at his then current rate for fiscal year 2020. Mr. Hill continued as an employee of the Company to help successfully transition the role of Chief Executive Officer to Ms. Noonan.

In addition, the Company granted a Transition Equity Award to Mr. Hill consisting of time-vesting restricted stock units with a target grant date value of $2,500,000. The Transition Equity Award vests in equal installments of one-third of the Transition Equity Award on each of the first, second and third anniversaries of July 20, 2020, subject to Mr. Hill's continued service and compliance with specified provisions of the Transition and Consulting Agreement (the ''Transition Equity Award Vesting Conditions''). This award is in consideration for Mr. Hill's provision of the consulting services described above and to ensure Mr. Hill's compliance with the restrictive covenants described below. Upon (i) Mr. Hill's breach of any of the Transition Equity Award Vesting Conditions at any time (which included continuing his employment through December 31, 2020 and his service as a consultant during the Consulting Period), or (ii) the termination of Mr. Hill's employment for ''cause'' (as defined in the Transition and Consulting Agreement) prior to December 31, 2020, Mr. Hill will forfeit the unvested portion of the Transition Equity Award in exchange for no consideration, and the Company will also have the right to recoup any of the shares issued to Mr. Hill in connection with the vesting of any portion of his Transition Equity Award. Upon Mr. Hill's death or if his employment or services are terminated by the Company due to his ''disability'' (as defined in the Transition and Consulting Agreement), then 100% of the Transition Equity Award will vest.

Mr. Hill's consulting services under the Transition and Consulting Agreement may be terminated by either party at any time and for any or no reason. In addition, Mr. Hill's employment under the Transition and Consulting Agreement was terminable by either party at any time and for any or no reason. If Mr. Hill's employment had been terminated prior to December 31, 2020, he would have been eligible to receive benefits upon a qualifying termination of employment as provided for under the Executive Severance Plan. Since Mr. Hill's employment with the Company was not terminated prior to December 31, 2020, he received the

payments and benefits set forth in the Transition and Consulting Agreement upon ceasing to be an employee on December 31, 2020. Specifically, the portion of the Transition Equity Award that was unvested as of December 31, 2020 continues to vest subject to the vesting conditions described above. As a result of Mr. Hill's execution and non-revocation of a release of claims and subject to his compliance with the non-competition, non-solicitation, non-disclosure, intellectual property and non-disparagement covenants set forth in the Transition and Consulting Agreement (the ''Severance Conditions''), Mr. Hill will receive the following payments, which are consistent with the severance benefits he would otherwise be entitled to receive under the Executive Severance Plan: (i) cash payments at a rate of $900,000 per year, which will be paid in accordance with the customary payroll practices of the Company in equal installments no less frequently than monthly for a period of 30 months following December 31, 2020 (the ''Cash Severance''); and (ii) a cash payment in an amount equal to the total amount of the monthly COBRA insurance premiums for participation in the group health plans in which Mr. Hill participated as of December 31, 2020, payable to Mr. Hill for a period of 30 months in accordance with the Company's payroll practices (the ''COBRA Benefits'' and together with the Cash Severance, the ''Severance Benefits''). If Mr. Hill breaches any of the Severance Conditions, he will no longer be entitled to receive the remaining portion(s) of the Severance Benefits and will automatically forfeit the remaining portion(s) of the Severance Benefits in exchange for no consideration. Upon termination of Mr. Hill's engagement with the Company and its affiliates during the Consulting Period for either disability or death, then Mr. Hill or his beneficiary (or, if none, his estate) will be entitled to receive all unpaid payments and benefits that otherwise would be due to Mr. Hill had he survived or had the consulting services not been terminated due to his disability.

Pre-IPO Long-Term Incentive Awards (Value From Modifications to Eliminate Misalignment Post-IPO)

Prior to the Company's initial public offering (''IPO'') in March 2015, the equity-based long-term incentive program consisted of Class D interests. In connection with the Company's IPO in March 2015, the limited partnership agreement of Summit Holdings was amended and restated to, among other things, modify its capital structure by creating LP Units (the ''Reclassification''). Immediately following the Reclassification, the LP Units were reclassified from previously issued Class A-1, Class B-1, Class C, Class D-1 and Class D-2 interests.

In addition, in substitution for part of the economic benefit of the Class C and Class D interests that was not reflected in the conversion of such interests to LP Units, warrants were issued to holders of Class C interests to purchase shares of Class A Common Stock, and options were issued to holders of Class D interests to purchase shares of Class A Common Stock (''Leverage Restoration Options'') under the Omnibus Incentive Plan.

All outstanding equity grants associated with the Reclassification and subsequent modifications are summarized in the table titled ''Outstanding Equity Awards at 2020 Fiscal Year-End.''

Outstanding Equity Awards at 2020 Fiscal Year-End

A summary of the outstanding equity awards for each NEO as of January 2, 2021 is as follows in the below table.

		Option Awards					Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date(1)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(2)
Anne P. Noonan	7/20/2020	—	—	—	—	—	63,866(3)	1,282,429	—	—
	7/20/2020	—	—	—	—	—	—	—	69,523(4)	1,396,022
Brian J. Harris	2/28/2017	19,216(5)	—	—	23.89	2/28/2027	—	—	—	—
	2/28/2018	—	—	—	—	—	4,676(3)	93,894	—	—
	2/28/2019	—	—	—	—	—	19,640(3)	394,371	—	—
	2/28/2019	—	—	—	—	—	—	—	58,920(7)	1,183,114
	2/28/2020	—	—	—	—	—	19,905(3)	399,692	—	—
	2/28/2020	—	—	—	—	—	—	—	14,929(4)	299,774
	7/30/2020	—	—	—	—	—	26,656(6)	535,252	—	—
Michael J. Brady	3/11/2015	407,072(8)	—	—	18.00	3/11/2025	—	—	—	—
	3/11/2015	6,852(9)	—	—	18.00	3/11/2025	—	—	—	—
	2/24/2016	13,498(5)	—	—	17.07	2/24/2026	—	—	—	—
	2/28/2017	9,580(5)	—	—	23.89	2/28/2027	—	—	—	—
	2/28/2018	—	—	—	—	—	3,328(3)	66,826	—	—
	2/28/2019	—	—	—	—	—	13,979(3)	280,698	—	—
	2/28/2019	—	—	—	—	—	—	—	41,938(7)	842,115
	2/28/2020	—	—	—	—	—	14,168(3)	284,493	—	—
	2/28/2020	—	—	—	—	—	—	—	10,626(4)	213,370
	7/30/2020	—	—	—	—	—	23,527(6)	472,422	—	—
Anne Lee Benedict	2/28/2017	8,962(5)	—	—	23.89	2/28/2027	—	—	—	—
	2/28/2018	—	—	—	—	—	2,752(3)	55,260	—	—
	2/28/2019	—	—	—	—	—	11,560(3)	232,125	—	—
	2/28/2019	—	—	—	—	—	—	—	34,682(7)	696,415
	2/28/2020	—	—	—	—	—	12,019(3)	241,342	—	—
	2/28/2020	—	—	—	—	—	—	—	9,014(4)	181,001
	7/30/2020	—	—	—	—	—	19,959(6)	400,777	—	—
Thomas W. Hill	3/11/2015	536,114(8)	—	—	18.00	3/11/2025	—	—	—	—
	3/11/2015	29,463(9)	—	—	18.00	3/11/2025	—	—	—	—
	2/24/2016	23,979(5)	—	—	17.07	2/24/2026	—	—	—	—
	2/28/2017	51,261(5)	—	—	23.89	2/28/2027	—	—	—	—
	2/28/2018	—	—	—	—	—	17,253(3)	346,440	—	—
	2/28/2019	—	—	—	—	—	70,358(3)	1,412,789	—	—
	2/28/2019	—	—	—	—	—	—	—	211,074(7)	4,238,366
	2/28/2020	—	—	—	—	—	69,231(3)	1,390,158	—	—
	2/28/2020	—	—	—	—	—	—	—	51,923(4)	1,042,614
	7/20/2020	—	—	—	—	—	150,916(3)	3,030,393	—	—

(1) Reflects the expiration date of the Leverage Restoration Options and stock options which is ten years from the date of grant. The warrants expire on the tenth anniversary of the pricing of the Company's IPO. See ''Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table—Pre IPO Long-Term Incentive Awards'' for a description of these equity awards.

(2) Amounts reported are based on the closing price of our Class A Common Stock on December 31, 2020 ($20.08), the last trading day of the fiscal year.

(3) Reflects RSUs which vest over three years in equal annual installments on the anniversary of the grant date.

(4) Reflects performance units which vest according to Relative TSR and ROIC performance at the end of a three-year performance period. In the table above, the number and market value of units that vest based on Relative TSR and ROIC performance reflect threshold and target performance, respectively, because actual performance during the performance periods that have elapsed through January 2, 2021 were below threshold and below target performance, respectively. The actual numbers of shares that will be distributed with respect to the 2020 performance units are not yet determinable.

(5) Reflects stock options which vest over three years in equal annual installments on the anniversary of the grant date.

(6) Reflects RSUs which vest over two years in equal annual installments on the anniversary of the grant date.

(7) Reflects performance units which vest according to Relative TSR at the end of a three-year performance period. In the table above, the number and market value of units that vest based on Relative TSR reflect maximum performance, because actual performance during the performance periods that have elapsed through January 2, 2021 were above target performance. The actual numbers of shares that will be distributed with respect to the 2019 performance units are not yet determinable.

(8) Reflects Leverage Restoration Options that vested over four years at a rate of 25% of the award on each of the first four anniversaries of the Reclassification, subject to the employee's continued employment through the applicable vesting date.

(9) Reflects warrants issued in connection with the Reclassification as described in ''Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table—Pre-IPO Long-Term Incentive Awards (Value From Modifications to Eliminate Misalignment Post-IPO).'' The warrants became exercisable on March 17, 2016.

2020 Option Exercises and Stock Vested

The following table provides information regarding the amounts recognized by our NEOs upon the vesting of stock awards during 2020. Our NEOs did not exercise any stock options during 2020.

	Stock Awards	
Name	Number of Shares Acquired on Vesting (#)(1)	Value Realized on Vesting ($)(2)
Anne P. Noonan	—	—
Brian J. Harris	26,147	510,912
Michael J. Brady	16,127	315,122
Anne Lee Benedict	13,966	272,896
Thomas W. Hill	83,512	1,631,824

(1) Represents time-vesting RSUs and performance units.

(2) The value realized on vesting is based on the closing market price of our Class A common stock on the applicable vesting date.

2020 Non-Qualified Deferred Compensation

The following table provides information regarding contributions, earnings and balances for our NEOs with respect to our DCP, the only defined contribution or other plan that provides for the deferral of compensation on a basis that is not tax-qualified.

Name	Executive Contributions in Last FY(1) ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY(2) ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE(3) ($)
Brian J. Harris	$300,500	—	$310,947	—	$1,873,700
Thomas W. Hill	—	—	$128,489	—	$801,189

(1) These amounts are also reported in the ''Salary'' column for 2020 in the ''Summary Compensation Table.''

(2) Amounts in this column are not reported as compensation for fiscal 2020 in the ''Summary Compensation Table'' since they do not reflect above-market or preferential earnings.

(3) Mr. Hill commenced participation in the DCP in fiscal 2017 and $255,096 was previously reported in the ''Salary'' column for 2018 with respect to Mr. Hill in the ''Summary Compensation Table.'' Mr. Harris commenced participation in the DCP in fiscal 2016 and $283,250 was previously reported in the ''Salary'' column for 2018 in the ''Summary Compensation Table.''

Pursuant to the DCP, an eligible participant may elect to defer up to 50% of such participant's base salary compensation (in 5% increments) and up to 100% of such participant's designated discretionary bonus award compensation and annual incentive award compensation (in 5% increments). Deferral elections are generally made by participants prior to the close of the taxable year preceding the taxable year for which the applicable compensation is earned. The DCP also permits Company-provided credits to participants' accounts, but no such credits are currently being made. Participants are permitted to make individual investment elections that will determine the rate of return on their deferral amounts under the DCP and may change their investment elections at any time. Deferrals are only deemed to be invested in the investment options selected. Participants have no ownership interest in any of the funds as investment elections are used solely to measure the amounts of investment earnings or losses that will be credited or debited to the participants' accounts on the Company's books and records. Investment funds are valued each day that the NYSE is open for trading. Participant deferrals under the DCP and the earnings thereon are always 100% vested.

The table below shows the funds in which our NEOs invested during 2020, and their rate of return from January 1, 2020 through December 31, 2020.

Name of Investment Fund	Rate of Return %
Alger Capital Appreciation Z	42.08%
American Beacon Mid-Cap Value Instl	2.58%
American Century Real Estate R6	-8.01%
American Funds New World R6	25.30%
Columbia Dividend Income Y	7.91%
Fidelity Advisor International Discv Z	21.51%
JanusHenderson Triton N	28.66%
Pioneer Bond K	9.03%
T. Rowe Price New Era	-2.67%
Undiscovered Managers Behavioral Val R6	3.62%
Vanguard 500 Index Investor	18.37%
Vanguard Mid Cap Index Investor	18.24%
Vanguard Small Cap Index Fund	19.11%
Western Asset High Yield IS	6.55%

A DCP participant may elect, at the time of such participant's deferral elections, to receive benefit distributions upon (i) separation from service with the Company or (ii) following the earlier of (a) a specified date that occurs no earlier than at least three years from the end of the calendar year in which the deferred compensation is credited or (b) separation from service with the Company. Additionally, a DCP participant may elect, at the time of such participant's deferral elections, to receive benefit distributions in the form of (i) a single lump sum payment or (ii) for distributions following retirement, annual installments with an installment term of between two and 15 years. A participant may elect to change the benefit distribution date and/or form under certain circumstances specified in the DCP. In addition, in the event of certain unforeseeable emergencies, a participant may apply for immediate distribution in an amount necessary to satisfy such financial hardship and the tax liability attributable to such distribution. In the event of a participant's death or disability, the entire value of such participant's account will be distributed in a single lump sum.

Potential Payments Upon Termination or Change in Control

EXECUTIVE SEVERANCE PLAN

The Board, upon the recommendation of the Human Capital and Compensation Committee, adopted the Severance Plan in December 2017, which provides severance benefits to certain executive officers of the Company and its affiliates in the event that an eligible employee experiences a termination of employment by the Company without ''cause'' (and other than due to death or disability) or by the employee as a result of a ''constructive termination'' (as such terms are defined in the Severance Plan) (each, a ''Qualifying Termination''). In the event that a Qualifying Termination occurs during the two-year period beginning on the date of a change in control (each such termination, a ''Qualifying Change in Control Termination''), the Severance Plan provides enhanced severance benefits. In connection with implementing the Severance Plan, all participants in the Severance Plan waived the provisions of any applicable employment agreement that would have applied under the conditions set forth under the Severance Plan, other than any provisions in such employment agreements which were intended to survive the termination of such employment agreement.

Each participant in the Severance Plan (a ''Participant'') is designated as a Tier 1 Participant or Tier 2 Participant. Tier 1 Participants are limited to the Chief Executive Officer. Tier 2 Participants are limited to Executive Vice Presidents. Accordingly, Ms. Noonan is a Tier 1 Participant and Messrs. Harris and Brady are each Tier 2 Participants and Ms. Lee Benedict was a Tier 2 Participant.

In the event of a Qualifying Termination, Participants are provided with the following payments and benefits:

- a pro-rata payment representing the amount otherwise payable under the annual bonus program for the fiscal year in which termination of the Participant's employment occurs, based on actual performance and payable concurrently with cash bonus payments to other employees (but in all events on or about March 15 of the immediately following fiscal year) (a ''Pro-Rata Bonus''), and to the extent not previously paid, the amount otherwise payable under the annual

bonus program for the immediately preceding fiscal year, payable concurrently with cash bonus payments to other employees (a ''Prior Year Bonus'');

- a cash payment (i) for a Tier 1 Participant, of 2.5 times the Participant's annual base salary, payable over a period of 30 months, and (ii) for a Tier 2 Participant, of 2 times the Participant's annual base salary, payable over a period of 24 months; and
- a cash payment, payable monthly in accordance with the Company's payroll practices, (i) for a Tier 1 Participant, for up to 30 months, and (ii) for a Tier 2 Participant, for up to 24 months, in each case in an amount equal to the total amount of the monthly COBRA insurance premiums for participation in the life, health, dental and disability benefit programs of the Company in which the Participant participated as of the date of termination (the ''COBRA Benefits'').

In the event of a Qualifying Change in Control Termination, Participants are provided with the following payments and benefits:

- a Pro-Rata Bonus, and, if applicable, a Prior Year Bonus;
- a cash payment of (i) for a Tier 1 Participant, 2.5 times the sum of the Participant's annual base salary and target annual bonus, and (ii) for a Tier 2 Participant, 2 times the sum of the Participant's annual base salary and target annual bonus, in each case of (i) and (ii), payable in a lump sum no later than the 60th day following the date of termination; and
- the COBRA Benefits.

The payments and benefits provided under the Severance Plan are subject to each Participant's execution and delivery of a release of claims and each Participant's compliance with non-competition, non-disparagement, non-solicitation and confidentiality covenants applicable pursuant to each Participant's Participation Notice and Agreement under the Severance Plan. The non-disparagement and confidentiality covenants each have an indefinite term and the non-competition and non-solicitation covenants each have a term of 12 months following the Participant's date of termination (18 months for Mr. Hill and 24 months for Ms. Noonan). Additionally, the Severance Plan provides that if a Participant is subject to an excise tax under Section 4999 of the Code, then the payments and benefits the Participant receives may be reduced so that the excise tax does not apply; however, such reduction will only occur if it results in the receipt of a greater after-tax severance than would otherwise be provided.

RESIGNATION OF THOMAS W. HILL

On September 1 , 2020, Mr. Hill resigned from his role as President and Chief Executive Officer and as a member of the Board of the Company. From September 1 , 2020 until December 31, 2020, Mr. Hill was employed as a Senior Advisor of the Company to assist in the transition of his role to Ms. Noonan. Since December 31, 2020, he has served as a consultant to the Company. See ''Narrative Disclosure to Summary Compensation Table and Grants of Plan Based Awards Table—Transition Agreement'' for more information.

Treatment of Long-Term Incentive Awards Upon Termination or Change in Control

Each of the RSUs and performance units granted in 2020 is subject to restrictive covenants related to post-employment (i) employee, client and consultant non-solicitation and (ii) non-competition, in each case for 12 months following any termination of employment and indefinite covenants covering confidentiality and non-disparagement (participant only). Further, the equity awards and all proceeds therefrom are generally subject to the Company's incentive clawback policies, as in effect from time to time, to the extent the participant is a director or ''officer'' as defined under Rule 16a-1(f) of the Exchange Act. Additional provisions regarding the treatment of the equity awards upon a termination of employment are outlined in the table below.

Award Type	Termination or Change in Control Provisions
Stock Options	• **Death or Disability**: Unvested portion will immediately vest; vested stock options remain exercisable for one year thereafter.(1) • **Retirement(2)**: Unvested portion will continue to vest according to the original vesting schedule; vested stock options remain exercisable for five years after the later of (i) the termination date and (ii) the date the option becomes vested and exercisable. • **Constructive Termination(3) / By the Company Without Cause**: Prorated portion of the number of options that would otherwise vest on the next applicable vesting date will immediately vest(4); vested stock options remain exercisable for three months thereafter. • **Change in Control**: Accelerated only if (i) not continued, converted, assumed, or replaced by the Company or successor entity or (ii) employment is terminated by the Company or successor entity without cause or by the participant as a result of a ''constructive termination'' during the two-year period following a change in control; vested stock options remain exercisable for three months thereafter. • **By the Company For Cause / by Participant When Grounds for Cause Exist**: Vested and unvested portions are forfeited.
RSUs	• **Death or Disability**: Unvested portion will immediately vest. • **Retirement**: Unvested portion will continue to vest according to the original vesting schedule; provided, however, that with respect to the one-time RSU awards granted in 2020 to each of Messrs. Harris and Brady, and Ms. Lee Benedict, upon retirement no continued vesting will occur. • **Constructive Termination / By the Company Without Cause**: Prorated portion of the number of RSUs that would otherwise vest on the next applicable vesting date will immediately vest; provided, however, that with respect to the one-time RSU awards granted in 2020 to each of Messrs. Harris and Brady, and Ms. Lee Benedict, upon a constructive termination no pro rata vesting will occur. • **Change in Control**: Accelerated only if (i) not continued, converted, assumed, or replaced by the Company or successor entity or (ii) employment is terminated by the Company or successor entity without cause or by the participant as a result of a ''constructive termination'' during the two-year period following a change in control. • **By the Company For Cause**: Vested and unvested portions are forfeited.
Performance Units	• **Death or Disability**(5): Prorated portion will vest at the end of the performance period, based on actual performance. • **Retirement**: Prorated portion will vest at the end of the performance period, based on actual performance. • **Constructive Termination / By the Company Without Cause**: Prorated portion will vest at the end of the performance period, based on actual performance. • **Change in Control**: (i) Full vesting at target only if not continued, converted, assumed, or replaced by the Company or successor entity and (ii) pro-rata vesting at target if employment is terminated by the Company or successor entity without cause or by the participant as a result of a ''constructive termination'' during the two-year period following a change in control. • **By the Company For Cause**: Vested and unvested portions are forfeited.

(1) Stock options do not remain exercisable past the original expiration date. In addition, the exercisability period expires immediately upon the occurrence of a ''restrictive covenant violation'' (as defined in the award agreement).

(2) ''Retirement'' is generally defined in the equity awards as termination of employment, other than for cause or while grounds for cause exist, and other than due to the participant's death or disability, following the date on which (i) the participant attains age 62 and (ii) the number of completed years of employment with the Company and its affiliates is at least five. For stock options and RSUs, continuation of vesting after termination of employment is subject to the non-occurrence of a ''restrictive covenant violation.''

(3) ''Constructive termination'' is generally defined in the equity awards as (i) having the meaning set forth in any employment agreement entered into by and between the participant and the Company or an affiliate, or (ii) if no such agreement exists, any of the following, without the participant's prior written consent: (a) a material reduction in base salary or, to the extent applicable, target bonus opportunity (other than in connection with an across-the-board reduction in compensation of similarly-situated employees of, on an individual-by-individual basis, less than 10%), (b) a material diminution of authority, duties, or responsibilities, (c) a relocation of the participant's primary place of business by more than 50 miles from its then-current location, or (d) any material breach by the Company of any written agreement relating to the participant's compensation (including any equity awards). ''Constructive termination'' provisions are limited to the Chief Executive Officer and his direct reports and other Section 16 officers.

(4) Prorated based on the number of days in the applicable year or in the performance period, as applicable, that have elapsed prior to termination of employment.

(5) Vesting of the prorated portion at the end of the performance period is subject to the non-occurrence of a ''restrictive covenant violation,'' in the case of each applicable termination scenario.

TERMINATION BENEFITS TABLE

The following table describes the potential payments and benefits under the Company's Severance Plan and equity award agreements to which the NEOs (other than Mr. Hill, see ''Narrative Disclosure to Summary Compensation Table and Grants of Plan Based Awards Table—Transition Agreement'') would have been entitled assuming an eligible termination of employment or change in control occurred on December 31, 2020, the last business day of fiscal 2020. A description of the provisions governing such payments under our agreements and any material conditions or obligations applicable to the receipt of payments are described above under ''Executive Severance Plan'' and ''Treatment of Long-Term Incentive Awards Upon Termination or Change in Control.''

The amounts shown in the table do not include payments and benefits to the extent they are provided generally to all salaried employees upon termination of employment and do not discriminate in scope, terms or operation in favor of the NEOs. These include accrued but unpaid salary and distributions of vested plan balances under our 401(k) savings plans.

				Acceleration of Long-Term Incentive Awards			
Named Executive Officer	Cash Severance Payment ($)(1)	Pro-rata Bonus ($)(2)	COBRA Benefit ($)(3)	RSUs ($)	Stock Options ($)(*)	Performance Units ($)(4)	Total ($)
Anne P. Noonan							
Qualifying Termination	2,312,500	665,480	—	178,115	—	—	3,156,095
Qualifying Change in Control Termination	5,781,250	665,480	—	1,282,429	—	1,396,022	9,125,181
Change in Control	—	—	—	1,282,429	—	1,396,022	2,678,451
Termination Upon Death or Disability	—	—	—	1,282,429	—	—	1,282,429
Brian J. Harris							
Qualifying Termination	1,202,000	599,159	$31,467	465,103	—	—	2,150,326
Qualifying Change in Control Termination	2,103,500	599,159	$31,467	1,423,210	—	1,272,911	5,282,844
Change in Control	—	—	—	1,423,210	—	1,272,911	2,696,121
Termination Upon Death or Disability	—	—	—	1,423,210	—	—	1,423,210
Michael J. Brady							
Qualifying Termination	1,060,900	400,781	$56,763	350,093	—	—	1,784,265
Qualifying Change in Control Termination	1,697,440	400,781	$56,763	1,104,440	—	906,030	4,081,182
Change in Control	—	—	—	1,104,440	—	906,030	2,010,470
Termination Upon Death or Disability	—	—	—	1,104,440	—	—	1,104,440
Anne Lee Benedict							
Qualifying Termination	900,000	331,898	$29,279	293,303	—	—	1,487,390
Qualifying Change in Control Termination	1,440,000	331,898	$29,279	929,503	—	755,329	3,418,919
Change in Control	—	—	—	929,503	—	755,329	1,684,832
Termination Upon Death or Disability	—	—	—	929,503	—	—	929,503

(*) As of December 31, 2020, all outstanding stock options were fully vested.

(1) In the event of a ''constructive termination'' or termination by the Company without ''cause'' (each term as defined in the Severance Plan), the cash severance payment includes the following:

- Ms. Noonan—a cash payment of 2.5 times her annual base salary, payable over a period of 30 months.
- Messrs. Harris and Brady and Ms. Lee Benedict—a cash payment of 2 times each NEO's annual base salary, payable over a period of 24 months.

In the event of a constructive termination or termination by the Company without cause during the two-year period beginning on the date of a change in control of the Company, the cash severance payment includes the following:

- Ms. Noonan—a cash payment payable in a lump sum no later than the 60th day following the date of termination equal to 2.5 times the sum of her annual base salary and target annual bonus for 2020.
- Messrs. Harris and Brady and Ms. Lee Benedict—a cash payment payable in a lump sum no later than the 60th day following the date of termination equal to 2 times the sum of each NEOs annual base salary and target annual bonus for 2020.

(2) Pro-rata bonus represents the amount otherwise payable under the annual bonus program for the fiscal year in which termination of the Participant's employment occurs, based on actual performance and payable concurrently with cash bonus payments to other employees (but in all events prior to March 15 of the immediately following fiscal year).

(3) COBRA benefit represents a cash payment in an amount equal to the total amount of the monthly COBRA insurance premiums for participation in the life, health, dental and disability benefit programs of the Company in which the NEO participated as of the date of termination, payable monthly in accordance with the Company's payroll practices. The terms of these payments are the following:

- Ms. Noonan—for up to 30 months.
- Messrs. Harris and Brady and Ms. Lee Benedict—for up to 24 months.

(4) In the event of a Qualifying Change in Control Termination or a Change in Control, the amount reported assumes performance units are not continued, converted, assumed, or replaced by the Company or successor entity and therefore reflects full vesting at target. In addition, the amount reported assumes that the Compensation Committee had not yet certified the performance of the performance units with a performance period of 2018—2020, which subsequently resulted in a payout equal to 0% of target.

Chief Executive Officer Pay Ratio

The Chief Executive Officer pay ratio figure below is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K under the Exchange Act. To determine our median employee pay in 2020, we chose taxable wages as our consistently applied compensation measure in order to identify our median employee as of December 31, 2020. We calculated the median employee's annual total compensation for 2020 in accordance with the requirements of the Summary Compensation Table. For 2020, the median employee's annual total compensation was $49,455.

For the year ended January 2, 2021, the total compensation for our Chief Executive Officer, Ms. Noonan, was $3,977,720 as reported in the ''Total'' column of the Summary Compensation Table. Since Ms. Noonan was appointed Chief Executive Officer effective September 1, 2020, we annualized her Salary, Stock Awards, and Non-Equity Incentive Plan Compensation, as disclosed in the Summary Compensation Table, and added the disclosed values of her Bonus and All Other Compensation to arrive at a value of $5,677,538, used for the ratio of annual total compensation for our Chief Executive Officer to the annual total compensation for our median employee. We annualized Ms. Noonan's total compensation as follows:

Summary Compensation Table Components	Actual Value from Summary Compensation Table ($)	For Chief Executive Officer Pay Ratio: Annualized Values + One-Time Values ($)	Rationale
Salary	418,931	925,000	Annualized salary
Bonus	100,000	100,000	Not annualized; one-time cash sign-on bonus
Stock Awards	2,660,726	3,034,555	Annualized because the number of RSUs awarded to Ms. Noonan for 2020 were prorated at 75%
Non-Equity Incentive Plan Compensation	665,480	1,480,000	Annualized because Ms. Noonan's annual cash incentive was prorated based on the number of days Ms. Noonan was employed by the Company in 2020
All Other Compensation	132,583	137,983	Annualized to assume that the amount contributed to the Summit Materials, LLC Retirement Plan was increased from $6,000 to $11,400
Total Chief Executive Officer Pay	3,977,720	5,677,538	

Accordingly, for 2020, the ratio of Chief Executive Officer pay to median employee pay was 115:1.

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules and the methodology described above. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on such employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

OUR AUDITORS

ITEM 3

RATIFICATION OF APPOINTMENT OF KPMG LLP

Under the rules and regulations of the SEC, the NYSE and the Public Company Accounting Oversight Board (the ''PCAOB''), the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of our independent registered public accounting firm. In addition, the Audit Committee considers the independence of our independent registered public accounting firm and participates in the selection of the independent registered public accounting firm's lead engagement partner. The Audit Committee has appointed, and, as a matter of good corporate governance, is requesting ratification by our stockholders of the appointment of, the registered public accounting firm of KPMG to serve as independent registered public accounting firm for the fiscal year ending January 1, 2022. KPMG has served as our independent registered public accounting firm since 2012.

The Board and the Audit Committee believe that the continued retention of KPMG as the Company's independent registered public accounting firm is in the best interests of the Company and its stockholders. If stockholders do not ratify the selection of KPMG, the Audit Committee will evaluate the stockholder vote when considering the selection of a registered public accounting firm for the audit engagement for the 2021 fiscal year. In addition, even if stockholders ratify the selection of KPMG as independent registered public accounting firm, the Audit Committee may nevertheless periodically request proposals from the major registered public accounting firms and as a result of such process may select KPMG or another registered public accounting firm as our independent registered public accounting firm.

THE BOARD RECOMMENDS A VOTE "FOR" RATIFICATION OF THE APPOINTMENT OF KPMG AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING JANUARY 1, 2022.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Representatives of KPMG are expected to attend the Annual Meeting and will have an opportunity to make a statement and to respond to appropriate questions from stockholders.

Consistent with SEC and PCAOB requirements regarding auditor independence, the Audit Committee has responsibility for appointing, setting compensation for and overseeing the work of, the independent registered public accounting firm. In recognition of this responsibility, the Audit Committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm.

Prior to engagement of the independent registered public accounting firm for the next year's audit, management will submit to the Audit Committee for approval a list of services and related fees expected to be rendered during that year within each of the following four categories of services:

- Audit services include audit work performed on the financial statements and internal control over financial reporting, as well as work that generally only the independent registered public accounting firm can reasonably be expected to provide, including comfort letters, statutory audits and discussions surrounding the proper application of financial accounting and/or reporting standards.

- Audit-Related services are for assurance and related services that are traditionally performed by the independent registered public accounting firm, including due diligence related to mergers and acquisitions, employee benefit plan audits and special procedures required to meet certain regulatory requirements.

- Tax services include all services, except those services specifically related to the financial statements, performed by the independent registered public accounting firm's tax personnel, including tax analysis; assisting with coordination of execution of tax-related activities, primarily in the area of corporate development; supporting other tax-related regulatory requirements; tax planning; and tax compliance and reporting.

- All Other services are those services not captured in the Audit, Audit-Related or Tax categories.

Prior to engagement, the Audit Committee pre-approves independent registered public accounting firm services within each category and the fees of each category are budgeted. The Audit Committee requires the independent registered public accounting firm and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval categories. In those instances, the Audit Committee requires specific pre-approval before engaging the independent registered public accounting firm.

The Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting. All of the services in the table below were pre-approved by the Audit Committee.

(in thousands)	2020	2019
Audit Fees(1)	$3,750	$4,046
Tax Fees	—	—
Audit-Related Fees	—	—
All Other Fees	—	—
Total	**$3,750**	**$4,046**

(1) Represents the aggregate fees billed for professional services by KPMG for the audit of our financial statements, reviews of our quarterly financial statements and services associated with other SEC filings, including registration statements. Fees related to registration statements totaled $99,460 in 2020 and $98,130 in 2019.

AUDIT COMMITTEE REPORT

The Audit Committee reviews the Company's financial reporting process on behalf of the Board. Management has the primary responsibility for establishing and maintaining adequate internal control over financial reporting, for preparing the financial statements, and for the reporting process. The Audit Committee members do not serve as professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management and the independent registered public accounting firm. The Company's independent registered public accounting firm is engaged to audit and report on the conformity of the Company's financial statements to accounting principles generally accepted in the United States and the effectiveness of the Company's internal control over financial reporting.

In this context, the Audit Committee reviewed and discussed with management and the independent registered public accounting firm the audited financial statements for the year ended January 2, 2021 (the ''Audited Financial Statements''), management's assessment of the effectiveness of the Company's internal control over financial reporting, and the independent registered public accounting firm's evaluation of the Company's system of internal control over financial reporting. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Public Company Accounting Oversight Board (the ''PCAOB'') Auditing Standard No. 1301, *Communications with Audit Committees.* In addition, the Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm its independence.

Based upon the reviews and discussions referred to above, the Audit Committee recommended to the Board that the Audited Financial Statements be included in the Company's Annual Report on Form 10-K for the year ended January 2, 2021, for filing with the Securities and Exchange Commission.

The Audit Committee

John R. Murphy, Chair
Joseph S. Cantie
Anne K. Wade
Susan A. Ellerbusch

OUR PROPOSED EQUITY PLANS

ITEM 4

APPROVAL AND ADOPTION OF THE AMENDMENT AND RESTATEMENT OF THE COMPANY'S 2015 OMNIBUS INCENTIVE PLAN

The Summit Materials, Inc. 2015 Omnibus Incentive Plan (the ''Omnibus Incentive Plan'') was initially adopted by stockholders in connection with the initial public offering of Summit Materials, Inc. Stockholders are being asked to consider and approve a proposal to amend and restate the Omnibus Incentive Plan (as so amended and restated, the ''Amended and Restated Omnibus Incentive Plan'') in order to increase the number of shares of Class A common stock reserved for issuance under the Amended and Restated Omnibus Incentive Plan and to reflect certain other modifications to the Omnibus Incentive Plan, as further described below. The Amended and Restated Omnibus Incentive Plan, if approved, will permit us to continue to attract and retain key personnel and to provide a means whereby our directors, officers, employees, consultants and advisors (and prospective directors, officers, employees, consultants and advisors) can acquire and maintain an equity interest in us, or be paid incentive compensation, including incentive compensation measured by reference to the value of our Class A common stock, thereby strengthening their commitment to our welfare and aligning their interests with those of our stockholders. When the Omnibus Incentive Plan was approved by the stockholders in connection with our initial public offering, we had reserved 13,500,000 shares for issuance of awards. The proposed Amended and Restated Omnibus Incentive Plan would reserve for issuance 4,000,000 additional shares to be available for future grants.

If approved by stockholders at the Annual Meeting, the proposed Amended and Restated Omnibus Incentive Plan would increase the number of shares available for issuance under the Omnibus Incentive Plan by 4,000,000 to a total of 8,339,824 (as of March 24, 2021).

Number of shares that will be authorized for future grant after stockholder approval of the amended and restated plan (i.e., includes the additional 4,000,000 **proposed shares)(1)**	8,339,824
Number of options outstanding at March 24, 2021	1,182,179
Number of full-value awards (restricted shares, restricted stock units, and target performance units) outstanding at March 24, 2021	1,915,671
Weighted average remaining term of outstanding options	4.3 years
Weighted average exercise price of outstanding options	$19.01

(1) Based on shares available for future grants under the Omnibus Incentive Plan as of March 24, 2021. The number of shares available for future grants as of the effective date of the Amended and Restated Omnibus Incentive Plan will be reduced by the number of shares subject to awards granted between March 24, 2021 and the date of stockholder approval. Shares subject to awards that expire or are forfeited or otherwise become available for grant under the Omnibus Incentive Plan or the Amended and Restated Omnibus Incentive Plan will also be available for future grants under the Amended and Restated Omnibus Incentive Plan.

Our Board believes that the additional number of shares requested to be reserved for equity-based awards under the Amended and Restated Omnibus Incentive Plan represents a reasonable amount of potential equity dilution and will allow us to continue to grant equity-based awards, which are an important component of our overall compensation program. Furthermore, the number of shares available under the Omnibus Incentive Plan has not been increased since the Company completed its IPO in 2015. Based on our historical equity grant practices, we believe that increasing the share reserve under the Amended and Restated Omnibus Incentive Plan by 4,000,000 shares will enable us to make equity grants at appropriate levels for approximately the next six years.

Our Board has approved the adoption of the Amended and Restated Omnibus Incentive Plan and, if the Amended and Restated Omnibus Incentive Plan is approved by stockholders at the Annual Meeting, it will become immediately effective as of the date of the Annual Meeting. If stockholders do not approve the Amended and Restated Omnibus Incentive Plan, the Omnibus Incentive Plan will continue as currently in effect.

For a discussion of the Amended and Restated Omnibus Incentive Plan, see ‘‘Amended and Restated Summit Materials, Inc. 2015 Omnibus Incentive Plan’’ below. Because this is only a summary, it does not contain all of the information about the Amended and Restated Omnibus Incentive Plan that may be important to you and is qualified in its entirety by the full text of the Amended and Restated Omnibus Incentive Plan as set forth in Annex B hereto.

Our Board recommends that stockholders vote for the approval and adoption of the Amended and Restated Omnibus Incentive Plan.

Amended and Restated Summit Materials, Inc. 2015 Omnibus Incentive Plan

Administration

The Amended and Restated Omnibus Incentive Plan will be administered by the Human Capital and Compensation Committee or such other committee of our Board to which it has delegated power, or if no such committee or subcommittee thereof exists, the Board (as applicable, the ‘‘Committee’’). The Committee has the sole and complete authority to designate participants and establish the types, terms and conditions of any award consistent with the provisions of the Amended and Restated Omnibus Incentive Plan. The Committee is authorized to interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Amended and Restated Omnibus Incentive Plan and any instrument or agreement relating to, or any award granted under, the Amended and Restated Omnibus Incentive Plan; establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Committee deems appropriate for the proper administration of the Amended and Restated Omnibus Incentive Plan; and to make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Amended and Restated Omnibus Incentive Plan. Except to the extent prohibited by applicable law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which the securities of the Company are listed or traded, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it in accordance with the terms of the Amended and Restated Omnibus Incentive Plan. Any such allocation or delegation may be revoked by the Committee at any time. Unless otherwise expressly provided in the Amended and Restated Omnibus Incentive Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Amended and Restated Omnibus Incentive Plan or any award or any documents evidencing awards granted pursuant to the Amended and Restated Omnibus Incentive Plan are within the sole discretion of the Committee, may be made at any time and are final, conclusive and binding upon all persons or entities, including, without limitation, us, any participant, any holder or beneficiary of any award, and any of our stockholders.

Shares Subject to the Amended and Restated Omnibus Incentive Plan

The Amended and Restated Omnibus Incentive Plan provides that the total number of shares of Class A common stock that may be issued under the Omnibus Incentive Plan is 17,500,000. As of March 24, 2021, 9,160,176 shares had been issued under the Omnibus Incentive Plan. Of the total number, the maximum number of shares of Class A common stock for which incentive stock options may be granted is 17,500,000; and the maximum number of shares of Class A common stock granted during a single fiscal year to any non-employee director, taken together with any cash fees paid to such non-employee director during the fiscal year, shall not exceed $1.0 million in total value. Except for substitute awards (as described below), in the event any award is canceled, forfeited, or terminated without the issuance of the number of shares subject to such award or cash or other property in lieu thereof, the unissued shares may again be granted under the Amended and Restated Omnibus Incentive Plan. The issuance of shares or the payment of cash upon the exercise of, or in consideration of the cancellation or termination of, an award, and any shares not issued or withheld from payment to satisfy the exercise price, strike price or tax obligations, will reduce the total number of shares available under the Amended and Restated Omnibus Incentive Plan. Awards may, in the sole discretion of the Committee, be granted in assumption of, or in substitution for, outstanding awards previously granted by an entity directly or indirectly acquired by us or with which we combine (referred to as ''substitute awards''), and such substitute awards shall not be counted against the total number of shares that may be issued under the Amended and Restated Omnibus Incentive Plan, except that substitute awards intended to qualify as ''incentive stock options'' shall count against the limit on incentive stock options described above. No award may be granted under the Amended and Restated Omnibus Incentive Plan after the tenth anniversary of the effective date of the Omnibus Incentive Plan prior to the amendment and restatement (i.e., March 11, 2015), but awards theretofore granted may extend beyond that date.

Options

The Committee may grant non-qualified stock options and incentive stock options under the Amended and Restated Omnibus Incentive Plan, with terms and conditions determined by the Committee that are not inconsistent with the Amended and Restated Omnibus Incentive Plan; provided that all stock options granted under the Amended and Restated Omnibus Incentive Plan are required to have a per share exercise price that is not less than 100% of the fair market value of our Class A common stock underlying such stock options on the date such stock options are granted (other than in the case of options that are substitute awards), and all stock options that are intended to qualify as incentive stock options must be granted pursuant to an award agreement expressly stating that the options are intended to qualify as incentive stock options, and will be subject to the terms and conditions that comply with the rules as may be prescribed by Section 422 of the Code. The maximum term for stock options granted under the Amended and Restated Omnibus Incentive Plan will be ten years from the initial date of grant, or with respect to any stock options intended to qualify as incentive stock options, such shorter period as prescribed by Section 422 of the Code. However, if a non-qualified stock option would expire at a time when trading of shares of Class A common stock is prohibited by our insider trading policy (or ''blackout period'' imposed by us), the term will automatically be extended to the 30th day following the end of such period. The purchase price for the Class A common stock as to which a stock option is exercised may be paid to us, to the extent permitted by law (1) in cash or its equivalent at the time the stock option is exercised, (2) in Class A common stock having a fair market value equal to the aggregate exercise price for the shares being purchased and satisfying any requirements that may be imposed by the Committee, or (3) by such other method as the Committee may permit in its sole discretion, including without limitation (A) in other property having a fair market value on the date of exercise equal to the purchase price, (B) if there is a public market for the Class A common stock at such time, through the delivery of irrevocable instructions to a broker to sell the shares being acquired upon the exercise of the stock option and to deliver to us the amount of the proceeds of such sale equal to the aggregate exercise price for the Class A common stock being purchased, or (C) through a ''net exercise'' procedure effected by withholding the minimum number of shares needed to pay the exercise price and all applicable required withholding taxes. Any fractional shares of Class A common stock will be settled in cash.

Stock Appreciation Rights

The Committee may grant stock appreciation rights, with terms and conditions determined by the Committee that are not inconsistent with the Amended and Restated Omnibus Incentive Plan. Generally, each stock appreciation right will entitle the participant upon exercise to an amount (in cash, Class A common stock or a combination of cash and Class A common stock, as determined by the Committee) equal to the product of (1) the excess of (A) the fair market value on the exercise date of one share of Class A common stock, over (B) the strike price per share, times (2) the numbers of shares of Class A common stock covered by the stock appreciation right. The strike price per share of a stock appreciation right will be determined by the Committee at the time of grant but in no event may such amount be less than the fair market value of a share of Class A common stock on the date the stock appreciation right is granted (other than in the case of stock appreciation rights granted in substitution of previously granted awards). The Committee may in its sole discretion substitute, without the consent of the holder or beneficiary of such stock appreciation rights, stock appreciation rights settled in shares of Class A common stock (or settled in shares or cash in the sole discretion of the Committee) for nonqualified stock options.

Restricted Shares and Restricted Stock Units

The Committee may grant restricted shares of our Class A common stock or restricted stock units, representing the right to receive, upon the expiration of the applicable restricted period, one share of Class A common stock for each restricted stock unit, or, in the sole discretion of the Committee, the cash value thereof (or any combination thereof). As to restricted shares of our Class A common stock, subject to the other provisions of the Amended and Restated Omnibus Incentive Plan, the holder will generally have the rights and privileges of a stockholder as to such restricted shares of Class A common stock, including, without limitation, the right to vote such restricted shares of Class A common stock and to receive any dividends payable on such restricted shares (except that if the lapsing of restrictions with respect to such restricted shares of Class A common stock is contingent on satisfaction of performance conditions other than or in addition to the passage of time, any dividends payable on such restricted shares of Class A common stock will be retained and delivered without interest to the holder of such shares when the restrictions on such shares lapse). To the extent provided in the applicable award agreement, the holder of outstanding restricted stock units will be entitled to be credited with dividend equivalent payments (upon the payment by us of dividends on shares of Class A common stock) either in cash or, at the sole discretion of the Committee, in shares of Class A common stock having a value equal to the amount of such dividends (and interest may, at the sole discretion of the Committee, be credited on the amount of cash dividend equivalents at a rate and subject to such terms as determined by the Committee), which will be payable at the same time as the underlying restricted stock units are settled following the release of restrictions on such restricted stock units.

Other Stock-Based or Cash-Based Awards

The Committee may issue unrestricted Class A common stock, rights to receive grants of awards at a future date, or other awards denominated in shares of Class A common stock (including, without limitation, performance shares or performance units) or other awards denominated in cash (including cash bonuses), under the Amended and Restated Omnibus Incentive Plan, with terms and conditions determined by the Committee that are not inconsistent with the Amended and Restated Omnibus Incentive Plan.

Performance Compensation Awards

The Committee may also designate any award as a ‘‘performance compensation award’’. The Committee also has the authority to make an award of a cash bonus to any participant and designate such award as a performance compensation award under the Amended and Restated Omnibus Incentive Plan. The Committee has sole discretion to select the length of any applicable performance periods, the types of performance compensation awards to be issued, the applicable performance criteria and performance goals, and the kinds and/or levels of performance goals that are to apply. The performance criteria that will be used to establish the performance goals may be based on the attainment of specific levels of our performance (and/or one or more affiliates, divisions or operational and/or business units, product lines, brands, business segments, administrative departments or any combination of the foregoing) and are limited to the following, which may be determined in accordance with U.S. GAAP or on a non-GAAP basis: net earnings or net income (before or after taxes); cash flow, including but not limited to operating cash flow or free cash flow; cash and/or funds available for distribution; EBITDA; growth in EBITDA determined on an annual, multi-year or other basis; deployment of value-adding capital via organic investment or acquisitions; return measures (including, but not limited to, return on assets, investment, capital, invested capital, equity and/or development); share price (including, but not limited to, appreciation, growth measures and total stockholder return on an annual, multi-year or other basis); debt and debt-related ratios, including debt to total market capitalization, debt to EBITDA, debt to assets and fixed charge coverage ratios (determined with or without the pro rata share of our ownership interest in co-investment partnerships); net asset value per share; growth in net asset value per share determined on an annual, multi-year or other basis; basic or diluted earnings per share (before or after taxes); expense targets or cost reduction goals, general and administrative expense savings; operating efficiency; working capital targets; measures of economic value added or other ‘‘value creation’’ metrics; enterprise value; competitive market metrics; performance or yield on development or redevelopment projects; objective measures of personal targets, goals or completion of projects (including but not limited to succession and hiring projects, completion of specific acquisitions, dispositions, reorganizations or other corporate transactions or capital-raising transactions, expansions of specific business operations and meeting divisional or project budgets); market share; operational or performance measurements relative to peers; strategic objectives and related revenue; productivity measures; employee retention; workplace health and safety; objective measures of employee morale and satisfaction; corporate social responsibility measures; environmental safety or compliance metrics; or any combination of the foregoing. Any one or more of the performance criteria may be stated as a percentage of another performance criteria, or used on an absolute or relative basis to measure our performance and/or our affiliates as a whole or any of our divisions or operational and/or business units, product lines, brands, business segments, administrative departments or any combination thereof, as the Committee may deem appropriate, or any of the above performance criteria may be compared to the performance of a selected group of comparison companies, or a published or special index that the Committee, in its sole discretion, deems appropriate, or as compared to various stock market indices.

Effect of Certain Events on Amended and Restated Omnibus Incentive Plan and Awards

In the event of (a) any dividend (other than regular cash dividends) or other distribution (whether in the form of cash, shares of Class A common stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of our shares of Class A common stock or other securities, issuance of warrants or other rights to acquire our shares of Class A common stock or other securities, or other similar corporate transactions or events (including, without limitation, a change in control as defined in the Amended and Restated Omnibus Incentive Plan) that affects the shares of Class A common stock, or (b) unusual or nonrecurring events (including, without limitation, a change in control) affecting us, any affiliate or the financial statements of us or any affiliate, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, such that in either case an adjustment is determined by the Committee in its sole discretion to be necessary or appropriate, then the Committee must make any such adjustments in such manner as it may deem equitable, including, without limitation, any or all of: (i) adjusting any or all of (A) the share limits applicable under the Amended and Restated Omnibus Incentive Plan with respect to the number of awards which may be granted hereunder, (B) the number of our shares of common stock or other securities which may be delivered in respect of awards or with respect to which awards may be granted under the Amended and Restated Omnibus Incentive Plan and (C) the terms of any outstanding award, including, without limitation, (1) the number of shares of Class A common stock subject to outstanding awards or to which outstanding awards relate, (2) the exercise price or strike price with respect to any award or (3) any applicable performance measures; (ii) providing for a substitution or assumption of awards, accelerating the exercisability of, lapse of restrictions on, or termination of awards or providing for a period of time for participants to exercise outstanding awards prior to the occurrence of such event; and (iii) cancelling any one or more outstanding awards and causing to be paid to the holders holding vested awards (including any awards that would vest as a result of the occurrence of such event but for such cancellation) the value of such awards, if any, as determined by the Committee (which if applicable may be based upon the price per share of Class A common stock received or to be received by other holders of our common stock in such event), including without limitation, in the case of options and stock appreciation rights, a cash payment equal to the excess, if any, of the fair market value of the shares of Class A common stock subject to the option or stock appreciation right over the aggregate exercise price or strike price thereof. For the avoidance of doubt, the Committee may cancel any stock option or stock appreciation right for no consideration if the fair market value of the shares subject to such option or stock appreciation right is less than or equal to the aggregate exercise price or strike price of such stock option or stock appreciation right.

Minimum Vesting Condition

Awards granted under the Amended and Restated Omnibus Incentive Plan will become vested and exercisable in such manner and on such date(s) or upon such event(s) as determined by the Committee; provided that, with respect to any award settled in shares of Class A common stock, the vesting of such award will not occur earlier than the first anniversary of the date of grant, other than (a) in connection with a change in control or (b) as a result of a participant's death, retirement or disability or involuntary termination of employment without cause; provided further, that notwithstanding the foregoing, awards that result in the issuance of an aggregate of up to 5% of the number of shares of Class A common stock reserved for issuance under the Amended and Restated Omnibus Incentive Plan may be granted to any one or more eligible individuals without respect to the foregoing proviso. Notwithstanding the foregoing, the Committee may accelerate the vesting of any award in accordance with any of the provisions of the Amended and Restated Omnibus Incentive Plan.

Nontransferability of Awards

An award will not be transferable or assignable by a participant, other than by will or by the laws of descent and distribution and, except for designation of beneficiaries, any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance will be void and unenforceable against us or any affiliate. However, the Committee may, in its sole discretion, permit awards (other than incentive stock options) to be transferred, including transfers to a participant's family members, any trust established solely for the benefit of a participant or such participant's family members, any partnership or limited liability company of which a participant or such participant's family members are the sole partner(s) or member(s), and a beneficiary to whom donations are eligible to be treated as ''charitable contributions'' for tax purposes.

Amendment and Termination

The Board may amend, alter, suspend, discontinue or terminate the Amended and Restated Omnibus Incentive Plan or any portion thereof at any time; provided, that no such amendment, alteration, suspension, discontinuation or termination may be made without stockholder approval if (1) such approval is necessary to comply with any regulatory requirement applicable to the Amended and Restated Omnibus Incentive Plan, any securities exchange or inter-dealer quotation system on which our securities may be listed or quoted or for changes in U.S. GAAP to new accounting standards, (2) it would materially increase the number of securities which may be issued under the Amended and Restated Omnibus Incentive Plan (except for adjustments in connection with certain corporate events), or (3) it would materially modify the requirements for participation in the Amended and Restated Omnibus Incentive Plan; provided, further, that any such amendment, alteration, suspension, discontinuance or termination that would materially and adversely affect the rights of any participant or any holder or beneficiary of any award shall not to that extent be effective without such individual's consent. The Committee may also, to the extent consistent with the terms of any applicable award agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any award granted or the associated award agreement, whether prospectively or retroactively, subject to the consent of the affected participant if any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination would materially and adversely affect the rights of any participant with respect to such award; provided, further, that without stockholder approval, except as otherwise permitted in the Amended and Restated Omnibus Incentive Plan, (1) no amendment or modification may reduce the exercise price of any option or the strike price of any stock appreciation right, (2) the Committee may not cancel any outstanding option or stock appreciation right and replace it with a new option or stock appreciation right (with a lower exercise price or strike price, as the case may be) or other award or cash payment that is greater than the value of the cancelled option or stock appreciation right, and (3) the Committee may not take any other action which is considered a ''repricing'' for purposes of the stockholder approval rules of any securities exchange or inter-dealer quotation system on which our securities are listed or quoted.

Dividends and Dividend Equivalents

The Committee in its sole discretion may provide a participant as part of an award with dividends or dividend equivalents, on such terms and conditions as may be determined by the Committee in its sole discretion; provided, that no dividends or dividend equivalents shall be payable in respect of outstanding (1) options or stock appreciation rights or (2) unearned awards subject to performance conditions (other than or in addition to the passage of time and other than awards structured as restricted stock) (although dividends or dividend equivalents may be accumulated in respect of unearned awards and paid within 15 days after such awards are earned and become payable or distributable).

Clawback/Forfeiture

An award agreement may provide that the Committee may in its sole discretion cancel such award if the participant, while employed by or providing services to us or any affiliate or after termination of such employment or service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement or otherwise has engaged in or engages in other detrimental activity that is in conflict with or adverse to the interests of any affiliate, including fraud or conduct contributing to any financial restatements or irregularities, as determined by the Committee in its sole discretion. The Committee may also provide in an award agreement that if the participant otherwise has engaged in or engages in any activity referred to in the preceding sentence, the participant will forfeit any gain realized on the vesting or exercise of such award and must repay the gain to us. The Committee may also provide in an award agreement that if the participant receives any amount in excess of what the participant should have received under the terms of the award for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), then the participant shall be required to repay any such excess amount to us. Without limiting the foregoing, all awards shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with applicable law.

Stock Awards Previously Granted Under the Summit Materials, Inc. 2015 Omnibus Incentive Plan

The following table sets forth information on stock options, restricted shares, restricted stock units, and performance units granted under the Omnibus Incentive Plan since its adoption and includes awards subsequently forfeited, if any, as of March 24, 2021. The closing price of our Class A common stock on the NYSE on March 24, 2021 was $26.09 per share.

Name	Stock Option Grants (# of Shares Covered)	Restricted Share Grants (# of Shares Covered)	Restricted Stock Unit Grants (# of Shares Covered)(1)	Performance Unit Grants (# of Shares Covered)(2)	Total of All Columns in Table (# of Shares Covered)
Anne P. Noonan	—	—	63,866	139,046	202,912
Brian J. Harris	280,371	—	118,608	185,634	584,613
Anne Lee Benedict	99,180	—	70,890	102,596	272,666
Michael J. Brady	430,150	—	82,492	118,768	631,410
Current Executive Officers as a Group	809,701	—	335,856	546,044	1,691,601
Howard L. Lance	246,611	—	27,991	—	274,602
Joseph S. Cantie	—	—	26,224	—	26,224
Anne M. Cooney	—	—	18,622	—	18,622
Susan A. Ellerbusch	—	—	18,622	—	18,622
John R. Murphy	10,220	—	27,991	—	38,211
Anne K. Wade	—	—	27,991	—	27,991
Steven H. Wunning	—	—	26,202	—	26,202
Current Non-Employee Directors as a Group	256,831	—	173,643	—	430,474
All Employees, Including All Current Officers Who Are Not Executive Officers, as a Group	4,388,522	—	3,524,693	487,958	8,401,173

(1) Includes all restricted stock units under the Omnibus Incentive Plan.

(2) Includes all earned performance units and the maximum number of shares that are potentially issuable under unearned performance units, in each case, granted under the Omnibus Incentive Plan.

Securities Authorized for Issuance Under Equity Compensation Plans

	As of March 24, 2021		
	Number of securities to be issued upon exercise of outstanding options and rights	Weighted-average exercise price of outstanding options and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plan approved by stockholders(1)	1,182,179	$19.01	4,339,824

(1) Relates only to the Omnibus Incentive Plan.

THE BOARD RECOMMENDS A VOTE "FOR" THE APPROVAL AND ADOPTION OF THE AMENDMENT AND RESTATEMENT OF THE COMPANY'S 2015 OMNIBUS INCENTIVE PLAN

ITEM 5

APPROVAL AND ADOPTION OF THE COMPANY'S 2021 EMPLOYEE STOCK PURCHASE PLAN

The Board and the Human Capital and Compensation Committee have unanimously approved the Summit Materials, Inc. 2021 Employee Stock Purchase Plan (the ''ESPP''), subject to stockholder approval. The following sections summarize the material terms of the ESPP. These sections are qualified in their entirety by the full text of the ESPP, which is included as Annex C to this Proxy Statement. The ESPP is intended to give eligible employees an opportunity to acquire shares of our common stock and promote our best interests and enhance our long-term performance.

Purpose

The ESPP is intended to qualify as an ''employee stock purchase plan'' under Section 423 of the Code. We may also authorize offerings under the ESPP that are not intended to comply with the requirements of Section 423 of the Code, which may, but are not required to, be made pursuant to any rules, procedures or sub-plans adopted by the Human Capital and Compensation Committee for such purpose.

Shares Reserved for the ESPP

The aggregate number of shares of our common stock that may be issued under the ESPP may not exceed 5,500,000 shares, subject to adjustment in accordance with the terms of the ESPP. The proposed number of shares authorized for issuance under the ESPP represents 4.7% of our outstanding common stock as of the Record Date. If a purchase right expires or is terminated, surrendered or canceled without being exercised, in whole or in part, the number of shares subject to the purchase right will again be available for issuance and will not reduce the aggregate number of shares available under the ESPP.

Administration

The ESPP will be administered by the Human Capital and Compensation Committee unless the Board elects to administer the ESPP. The Human Capital and Compensation Committee may appoint one or more agents to assist in the administration of the ESPP and may delegate certain responsibilities or powers subject to ESPP terms and applicable law. Subject to ESPP terms and applicable law, the Human Capital and Compensation Committee will have full and final authority to take any action with respect to the ESPP, including, without limitation, the authority to: (a) establish, amend and rescind rules and regulations for administration of the ESPP; (b) prescribe the form(s) of any agreements or other instruments used in connection with the ESPP; (c) determine the terms and provisions of the purchase rights granted under the ESPP; (d) determine eligibility and adjudicate all disputed claims filed under the ESPP; (e) reconcile any inconsistency in, correct any defect in, and/or supply any omission in the ESPP and any instrument or agreement relating to, or purchase rights granted under, the ESPP; and (f) construe and interpret the ESPP, purchase rights, the rules and regulations, and the agreements or other written instruments, and to make all other determinations deemed necessary or advisable for the administration of the ESPP. The Human Capital and Compensation Committee may also adopt sub-plans relating to the operation and administration of the ESPP to accommodate the specific requirements of local laws and procedures for jurisdictions outside the United States, the terms of which sub-plans may take precedence over the terms of the ESPP, to the extent provided in the ESPP. To the extent inconsistent with the requirements of Section 423 of the Code, purchase rights offered under any such sub-plan will not be required by the terms of the ESPP to comply with Section 423 of the Code.

Effective Date

If approved by stockholders, the ESPP will become effective on May 19, 2021. However, no offering periods will commence under the ESPP until such time and subject to such terms and conditions as may be determined by the Human Capital and Compensation Committee. The term of the ESPP will continue until terminated by the Board or until the date on which all shares available for issuance under the ESPP have been issued.

Eligible Participants

Subject to the Human Capital and Compensation Committee's ability to exclude certain groups of employees on a uniform and nondiscriminatory basis, including Section 16 officers, generally, all of our employees will be eligible to participate in the ESPP if they are employed by us or by a designated company (as defined below), unless otherwise determined by the Human Capital and Compensation Committee; provided that the Human Capital and Compensation Committee may determine prior to any purchase period start date that employees outside of the United States who are participating in a separate offering will be ''eligible employees'', if and to the extent required by applicable law, even if they do not meet the requirements as may be determined by the Human Capital and Compensation Committee with respect to employees in the United States. As of the Record Date, we had approximately 6,000 employees, who would generally be eligible to participate in the ESPP unless otherwise determined by the Human Capital and Compensation Committee. No employee will be eligible to participate if, immediately after the purchase right grant, the employee would own stock (including any stock the employee may purchase under outstanding purchase rights) representing 5% or more of the total combined voting power or value of all classes of our stock. A ''designated company'' is any subsidiary or affiliate of Summit Materials, Inc., whether now existing or existing in the future, that has been designated by the Human Capital and Compensation Committee from time to time in its sole discretion as eligible to participate in the ESPP. The Human Capital and Compensation Committee may designate subsidiaries or affiliates of Summit Materials, Inc. as designated companies in an offering that does not satisfy the requirements of Section 423 of the Code. For offerings that, when taken together with the ESPP, comply with Section 423 of the Code and the regulations thereunder, only Summit Materials, Inc. and its subsidiaries may be designated companies; provided, however, that at any given time, a subsidiary that is a designated company under a Code Section 423-compliant offering will not be a designated company under an offering that does not comply with Section 423 of the Code.

Contributions

A participant may acquire common stock under the ESPP by authorizing the use of contributions to purchase shares of common stock. Contributions must be at a rate of not less than 1% nor more than 15% (in whole percentages only) of the participant's total compensation (with certain exclusions as set forth in the ESPP or as otherwise determined by the Human Capital and Compensation Committee). All contributions made by a participant will be credited (without interest) to his or her account. A participant may discontinue plan participation as provided in the ESPP, and a participant may reduce the amount of his or her contributions for an offering period one time during such offering period (no later than 30 days prior to the end of the offering period). However, a participant's contribution election may be decreased, including decreased to 0%, at any time during an offering period to the extent necessary to comply with Section 423 of the Code or the terms of the ESPP. A participant may not make separate cash payments into his or her account except in limited circumstances when the participant is on leave of absence or unless otherwise required by applicable law. A participant may withdraw contributions credited to his or her account during an offering period at any time before the applicable purchase period end date.

Offering Periods and Purchase Price

The ESPP generally provides for two six-month offering periods per year, with one purchase period in each offering period. The Human Capital and Compensation Committee has the authority to change the duration of a purchase period; provided that the change is announced a reasonable period of time prior to its effective date and the purchase period is not greater than 27 months.

On the first day of an offering period, a participant will be granted a purchase right to purchase on the purchase period end date, at the applicable purchase price, the number of shares of common stock as is determined by dividing the amount of the participant's contributions accumulated as of the last day of the purchase period by the applicable purchase price; provided that (a) no participant may purchase shares of common stock with a fair market value (as of the date of purchase right grant) in excess of $25,000 per calendar year in the case of offerings intended to comply with Section 423 of the Code; and (b) in no event will the aggregate number of shares subject to purchase rights during a purchase period exceed the number of shares then available under the ESPP or the maximum number of shares available for any single purchase period (as determined by the Human Capital and Compensation Committee from time to time). The maximum number of shares that may be purchased by any participant during any offering period is limited to 3,000 shares.

The purchase price will be no less than 85% (but may be such greater percentage as may be determined by the Human Capital and Compensation Committee prior to the start of any purchase period) of the lesser of (i) the fair market value per share of our common stock as determined on the applicable grant date of the purchase right or (ii) the fair market value per share of our common stock as determined on the applicable purchase period end date (provided that, in no event may the purchase price be less than the par value per share of our common stock). The Human Capital and Compensation Committee may determine prior to a purchase period to calculate the purchase price for such period solely by reference to the fair market value of a share on the applicable purchase period end date or applicable grant date of the purchase right, or based on the greater (rather than the lesser) of such values.

A participant's purchase right to purchase shares of common stock during a purchase period will be exercised automatically on the purchase period end date for that purchase period unless the participant withdraws prior to the end of the purchase period or his or her participation is terminated. On the purchase period end date, a participant's purchase right will be exercised to purchase that number of shares which the accumulated contributions in his or her account at that time will purchase at the applicable purchase price, but not in excess of the number of shares subject to the purchase right or other ESPP terms. Subject to the terms of the ESPP, a purchase right will generally terminate on the earlier of the date of the participant's termination of employment or the last day of the applicable purchase period.

Rights as Stockholder

A participant will have no rights as a stockholder with respect to our shares that the participant has a purchase right to purchase in any offering until those shares are issued to the participant.

Rights Not Transferable

A participant's rights under the ESPP will be exercisable only by the participant and are not transferable other than by will or the laws of descent or distribution.

Effect of a Change in Control; Adjustments

If there is any change in the outstanding shares of our common stock because of a merger, change in control (as defined in the Summit Materials, Inc. 2015 Omnibus Incentive Plan), consolidation, recapitalization or reorganization involving Summit Materials, Inc., or if the Board declares a stock dividend, stock split distributable in shares of common stock or reverse stock split, other distribution or combination or reclassification of our common stock, or if there is a similar change in the capital stock structure of Summit Materials, Inc. affecting our common stock, then the number and type of shares of our common stock reserved for issuance under the ESPP will be correspondingly adjusted and, subject to applicable law, the Human Capital and Compensation Committee will make such adjustments to purchase rights or to any ESPP provision as the Human Capital and Compensation Committee deems equitable to prevent dilution or enlargement of purchase rights or as may otherwise be advisable. In addition, in the event of a change in control, the Human Capital and Compensation Committee's discretion includes, but is not limited to, the authority to provide for any of, or a combination of any of, the following:

- assumption or substitution of purchase rights by a successor entity (or parent or subsidiary of such successor);
- selection of a date on which all outstanding purchase rights will be exercised on or before the consummation date of the change in control;
- termination of outstanding purchase rights and refund of accumulated contributions to each participant prior to the change in control; or
- continuation of outstanding purchase rights unchanged.

Amendment; Termination

The ESPP may be amended, altered, suspended and/or terminated at any time by the Board; provided, that approval of an amendment to the ESPP by our stockholders will be required to the extent, if any, that stockholder approval of such amendment is required by applicable law. The Human Capital and Compensation Committee may (subject to the provisions of Section 423 of the Code and the ESPP) amend, alter, suspend and/or terminate any purchase right granted under the ESPP, prospectively or retroactively, but (except as otherwise provided in the ESPP) such amendment, alteration, suspension or termination of a purchase right may not, without the written consent of a participant with respect to an outstanding purchase right, materially adversely affect the rights of the participant with respect to the purchase right. In addition, the Human Capital and Compensation Committee has unilateral authority to (a) subject to the provisions of Section 423 of the Code, amend the ESPP and any purchase right (without participant consent) to the extent necessary to comply with applicable law or changes in applicable law and (b) make adjustments to the terms and conditions of purchase rights in recognition of unusual or nonrecurring events affecting us or any parent or subsidiary corporation (each as defined under Section 424 of the Code), or our financial statements (or those of any parent or subsidiary corporation), or of changes in applicable law, or accounting principles, if the Human Capital and Compensation Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of benefits intended to be made available under the ESPP or necessary or appropriate to comply with applicable accounting principles or applicable law.

Federal Tax Consequences

The following summary generally describes the principal U.S. federal (and not state, foreign or local) income tax consequences under the ESPP to us and participating employees as of the date of this proxy statement. This summary is general in nature and is not intended to cover all the tax consequences that may apply to a particular employee or us. The provisions of the Code and related regulations concerning these matters are complicated, and their impact in any one case may depend upon the particular circumstances.

As noted above, the ESPP is intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Code. Under Section 423 of the Code, an employee who elects to participate in the ESPP will not recognize income and we will not receive a deduction at the time a purchase right is granted or when the shares purchased under the ESPP are transferred to the participant. Participants will, however, recognize income when they sell or dispose of the shares purchased under the ESPP. If an employee disposes of such shares after two years from the date of grant of the purchase right and after one year from the date of the purchase of such shares (or if the employee dies), the employee will recognize ordinary income for the year in which such disposition occurs (or the employee's taxable year ending with his or her death) in an amount equal to the lesser of:

- the excess of the fair market value of such shares at the time of disposition (or death) over the purchase price; or
- the excess of the fair market value of the shares at the time of the grant of the purchase right over the purchase right price on the date of the purchase right grant.

Except in the case of the employee's death, the employee's basis in the shares disposed of will be increased by an amount equal to the amount includable in his or her income as ordinary income. Any additional gain or loss will be a long-term capital gain or loss. We will not be entitled to a tax deduction when the shares are disposed of after the expiration of the two-year and one-year periods.

If an employee disposes of the shares purchased under the ESPP within such two-year or one-year periods, the employee will recognize ordinary income for the year in which such disposition occurs in an amount equal to the excess of the fair market value of such shares on the date of purchase over the purchase price. The employee's basis in such shares disposed of will be increased by an amount equal to the amount includable in his or her income as ordinary income, and any gain or loss computed with reference to such adjusted basis that is recognized at the time of disposition will be a capital gain or loss, either short-term or long-term, depending on the holding period for such shares. In the event of a disposition within such two-year or one-year periods, we will be entitled to a tax deduction equal to the amount the employee is required to include as ordinary income as a result of such disposition to the extent the amount represents reasonable compensation and an ordinary and necessary business expense, subject to any required income tax reporting.

The Human Capital and Compensation Committee may authorize offerings that are not intended to comply with Section 423 of the Code, in which case different tax consequences will apply. Upon the purchase of shares under the ESPP, the employee will recognize ordinary income in an amount equal to the excess of the fair market value of such shares on the date of purchase over the purchase price paid by the employee for such shares, and we will be entitled to a corresponding deduction for federal income tax purposes. In addition, upon the disposition of such shares, the employee will recognize a capital gain or loss in an amount equal to the difference between the selling price of such shares and the fair market value of such shares on the date of purchase. We will not receive a deduction for federal income tax purposes with respect to any capital gain or loss recognized by the employee.

Stock Price

On the Record Date, the closing price of our common stock as reported by NYSE was $26.09.

New Plan Benefits

Because benefits under the ESPP depend on employees' voluntary elections to participate and the fair market value of our common stock at various future dates, it is not possible as of the date of this proxy statement to accurately determine future benefits that will be received by executive officers and other employees under the ESPP.

Registration with the SEC

If the ESPP is approved by stockholders, we expect to file a Registration Statement on Form S-8 with the SEC to register the shares of common stock that will be issuable under the ESPP.

THE BOARD RECOMMENDS A VOTE "FOR" THE APPROVAL AND ADOPTION OF THE COMPANY'S 2021 EMPLOYEE STOCK PURCHASE PLAN

OUR OTHER PROPOSALS

ITEM 6
AMENDMENT OF THE COMPANY'S CHARTER TO DECLASSIFY THE BOARD

The Board has unanimously approved and declared advisable, and resolved to recommend to the Company's stockholders that they approve and adopt amendments to Article VI of the Company's amended and restated Certificate of Incorporation (which we refer to as the ''Charter'') to remove the three separate classes of directors of the Board and replace with one class of directors over a three-year phase-in period and to make certain non-substantive changes related thereto (the ''Declassification Amendment''). Declassifying the Board will allow the Company's stockholders to vote on the election of the entire Board each year, rather than on a three-year staggered basis as with the current classified board structure. The following description is a summary only and is qualified in its entirety by reference to Annex D-1 to this Proxy Statement, which incorporates the amendments to declassify the Board and marks those changes specifically.

Current Status

Under Article VI of the Charter, the Board is currently separated into three classes as nearly equal in number as is reasonably possible. Absent the earlier resignation or removal of a director, each year the stockholders of the Company are asked to elect the directors comprising one of the classes for a three-year term. The term of the current Class III directors is set to expire at this Annual Meeting. The term of the current Class I directors is set to expire in 2022 and the term of the current Class II directors is set to expire in 2023. Furthermore, The Blackstone Group Inc. together with its affiliates, subsidiaries, successors and assigns (''Blackstone'') no longer owns 30% or more in voting power of the stock of the Company entitled to vote generally in the election of directors and as a result our directors may only be removed for cause.

Rationale for the Proposal

The Board believes that the classified board structure served the Company well following the IPO as a newly public company controlled by our former private equity sponsor by promoting continuity and stability, and encouraging a long-term perspective on the part of directors, and was beneficial in the event of an unsolicited takeover attempt. However, the Board now feels, given the Company's continued growth following the IPO, that a classified board structure is no longer necessary. A declassified board will enable the Company's stockholders to express a view on each director's performance by means of an annual vote and will support the Company's ongoing efforts to maintain ''best practices'' in corporate governance.

Effect of the Proposal

If the Declassification Amendment is approved by the Company's stockholders and implemented by the Company, (i) the current Class I directors will be elected at the 2022 Annual Meeting to serve for a term of one year, (ii) the current Class I and II directors will be elected at the 2023 Annual Meeting to serve for a term of one year, and (iii) the current Class I, II and III directors will be elected at the 2024 Annual Meeting to serve for a term of one year, at which time all directors will be elected to serve for one year terms at all subsequent Annual Meetings.

Under Delaware law, unless otherwise provided in a company's certificate of incorporation, directors serving on a classified board may only be removed by stockholders for cause, while directors serving on a non-classified board may be removed by stockholders with or without cause. As a result, approval of the Declassification Amendment to declassify the Board will also result in an amendment to the Charter to give our stockholders the ability to remove a director from the Board with or without cause from and after the 2022 Annual Meeting for the current Class I directors, from and after the 2023 Annual Meeting for the current Class II directors and from and after the 2024 Annual Meeting for all directors.

In connection with the Declassification Amendment, the Board has approved, contingent upon stockholder approval of this Item 6, conforming amendments to the Company's Bylaws.

The Board reserves the right to elect to abandon the Declassification Amendment, if it determines, in its sole discretion, that the Declassification Amendment is no longer in the best interests of the Company and its stockholders.

THE BOARD RECOMMENDS A VOTE "FOR" THE APPROVAL AND ADOPTION OF THE DECLASSIFICATION AMENDMENT

ITEM 7

AMENDMENT OF THE COMPANY'S CHARTER TO REMOVE THE SUPER MAJORITY VOTING REQUIREMENT

The Board has unanimously approved and declared advisable, and resolved to recommend to the Company's stockholders that they approve an amendment to (i) Article V of the Charter to remove the requirement in Sections 5.1 and 5.2 requiring the holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class, to amend certain provisions of the Charter and the Company's Bylaws, respectively, and (ii) Article VI of the Charter to remove the requirement in Section 6.1(C) that the holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class, is required to remove a director (the ''Majority Vote Amendment''). The following description is a summary only and is qualified in its entirety by reference to Annex D-2 to this Proxy Statement , which incorporates the amendments to remove the super majority voting requirement and marks those changes specifically.

Current Status

Under Section 5.1 of the Charter, an amendment to the following provisions of the Charter requires the approval of holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class:

- Article V—Amendment of the Charter or Bylaws;
- Article VI—Election or removal of directors;
- Article VII—Limitation on liability of Directors;
- Article VIII—Consent of stockholders in lieu of a meeting and the ability of stockholders to call special meetings;
- Article IX—Competition and corporate opportunities; or
- Article X—DGCL Section 203 and business combinations, which Article we are proposing to eliminate in connection with Item 9.

Under Section 5.2 of the Charter, an amendment to the Company's Bylaws by the stockholders requires the approval of holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class. Under Section 6.1(C) of the Charter, Blackstone no longer owns 30% or more in voting power of the stock of the Company entitled to vote generally in the election of directors and as a result our directors may only be removed for cause and therefore directors upon approval of holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class.

Rationale for the Proposal

The Board believes that the supermajority voting requirements served the Company well following the IPO as a newly public company controlled by our former private equity sponsor by promoting continuity and stability. However, the Board now feels, given the Company's continued growth following the IPO, that the supermajority voting requirement is no longer necessary. The new majority voting requirement will enable the Company's stockholders to more easily approve amendments to the Charter and the Company's Bylaws and will support the Company's ongoing efforts to maintain ''best practices'' in corporate governance.

Effect of the Proposal

If the Majority Vote Amendment is approved by the Company's stockholders and implemented by the Company, the affirmative vote of a majority of the then-outstanding shares of stock of the Company entitled to vote on an amendment to the Charter will be required to amend, alter repeal or rescind, in whole or in part, any provision of our Charter or for our stockholders to amend, alter, repeal or rescind, in whole or in part, our Bylaws. The amendments to Section 6.1(C) of the Charter will result in a majority in voting power of all the then-outstanding shares of stock of the Company will be required for the stockholders to remove a director. The Board reserves the right to elect to abandon the amendments to Section 5.1, Section 5.2 or Section 6.1(C) of the Charter, if it determines, in its sole discretion, that such amendments are no longer in the best interests of the Company and its stockholders.

In connection with the Majority Vote Amendment, the Board has approved, contingent upon stockholder approval of this Item 7, conforming amendments to the Company’s Bylaws.

THE BOARD RECOMMENDS A VOTE “FOR” THE APPROVAL AND ADOPTION OF THE MAJORITY VOTE AMENDMENT.

ITEM 8

AMENDMENT OF THE COMPANY'S CHARTER TO ADD A FEDERAL FORUM SELECTION PROVISION

The Board has unanimously approved and declared advisable, and resolved to recommend to the Company's stockholders that they approve an amendment to the Charter to add a new section that requires, unless the Company consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America being the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States of America (''Federal Forum Selection Amendment''). The following description is a summary only and is qualified in its entirety by reference to Annex D-3 to this Proxy Statement, which incorporates the amendments to add the Federal Forum Selection Amendment and marks those changes specifically.

Rationale for the Proposal

The Board believes that the Company and its stockholders will benefit from having any causes of action arising under the federal securities laws of the Unites States of America being litigated in the federal district courts of the United States. The Federal Forum Selection Amendment is intended to provide a streamlined, efficient and organized process for resolution of such disputes. The Federal Forum Selection Amendment is intended to prevent plaintiff forum shopping and the related practice of filing parallel lawsuits in multiple jurisdictions.

In determining whether to adopt the Federal Forum Selection Amendment, the Board considered a number of factors, including the following:

- potentially avoid litigating actions on the same topic in multiple jurisdictions, with the associated duplication of litigation expenses, and the potential for inconsistent outcomes;
- limiting forum shopping by plaintiffs' lawyers and may discourage illegitimate claims;
- retaining the Company's ability to consent to an alternative forum, if desired;
- avoiding having to address where an action may be brought, and instead focusing on underlying substantive rights or remedies;
- the trend toward adopting forum selection clauses in response to multi-forum litigation has been increasing; and
- the benefit of having the Board deliberate on whether to adopt such a provision on a ''clear day'' rather than in response to actual or threatened litigation.

Effect of the Proposal

The approval and implementation of the Federal Forum Selection Amendment will result, to the fullest extent permitted by law, in the federal district courts of the United States of America being the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States of America, unless the Company consents in writing to the selection of an alternative forum. The Board reserves the right to elect to abandon the Federal Forum Selection Amendment, if it determines, in its sole discretion, that the Federal Forum Selection Amendment is no longer in the best interests of the Company and its stockholders.

THE BOARD RECOMMENDS A VOTE "FOR" THE APPROVAL AND ADOPTION OF THE FEDERAL FORUM SELECTION AMENDMENT

ITEM 9

AMENDMENT OF THE COMPANY'S CHARTER TO DELETE THE WAIVER OF SECTION 203 OF THE DGCL

The Board has unanimously approved and declared advisable, and resolved to recommend to the Company's stockholders that they approve an amendment to delete, in its entirety, Article X regarding the Company's waiver of Section 203 of the DGCL and to make certain non-substantive amendments related thereto and the fact that The Blackstone Group Inc. together with its affiliates, subsidiaries, successors and assigns no longer beneficially owns 30% or more in voting power of the stock of the Company entitled to vote generally in the election of directors (the ''Sponsor Amendment''). The following description is a summary only and is qualified in its entirety by reference to Annex D-4 to this Proxy Statement, which incorporates the amendments to implement the Sponsor Amendment and marks those changes specifically.

Current Status

Pursuant to Section 10.1 of the Charter, the Company expressly elects not to be governed by Section 203 of the DGCL. Section 203 of the DGCL generally prohibits a Delaware corporation from engaging in any ''business combination'' with any ''interested stockholder'' for a period of three years following the date that the stockholder became an interested stockholder, unless:

- prior to such time, either the business combination or the transaction in which the stockholder became an interested stockholder was approved by the board of directors;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- at or after such time the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

An ''interested stockholder'' is generally defined as a person or group that beneficially owns 15% or more of the corporation's outstanding common stock. A ''business combination'' includes a merger, consolidation, sale of assets or other transaction resulting in a financial benefit to the stockholder.

However, Section 10.2 of the Charter, generally prohibits such ''business combinations'', while expressly excluding Blackstone and transferees of shares held by Blackstone from the definition of ''interested stockholder.''

Rationale for the Proposal

The Charter currently has provisions that are only effective as long as Blackstone beneficially owns at least 30% in voting power of the stock of the Company entitled to vote generally in the election of directors. Because Blackstone's ownership no longer exceeds this threshold, the Board believes the Company should simplify its Charter and remove these provisions as they are no longer applicable.

Effect of the Proposal

The deletion of Article X of the Charter will result in the Company and its stockholders being subject to Section 203 of the DGCL. Under certain circumstances, Section 203 of the DGCL will make it more difficult for a person who would be an ''interested stockholder'' to effect various business combinations with us for a three-year period. As a result, this may encourage companies interested in acquiring us to negotiate in advance with the Board because the stockholder approval requirement would be avoided if the Board approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. Section 203 of the DGCL also may have the effect of preventing changes in our Board and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests. The Board reserves the right to elect to abandon the deletion of Article X of the Charter or the Sponsor Amendment, if it determines, in its sole discretion, that such deletion or amendment, as applicable, is no longer in the best interests of the Company and its stockholders.

In connection with the Sponsors Amendment, the Board has approved, contingent upon stockholder approval of this Item 9, conforming amendments to the Company's Bylaws.

THE BOARD RECOMMENDS A VOTE "FOR" THE APPROVAL AND ADOPTION OF THE SPONSOR AMENDMENT

OUR RELATIONSHIPS

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Exchange Agreement

In connection with the IPO, we entered into an Exchange Agreement with the holders of LP Units pursuant to which each holder of LP Units (and certain permitted transferees thereof) may, subject to the terms of the Exchange Agreement, exchange their LP Units for shares of Class A Common Stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. The Exchange Agreement also provides that a holder of LP Units will not have the right to exchange LP Units if the Company determines that such exchange would be prohibited by law or regulation or would violate other agreements with the Company or its subsidiaries to which such holder may be subject. The Company may impose additional restrictions on exchange that it determines to be necessary or advisable so that Summit Holdings is not treated as a ‘‘publicly traded partnership’’ for U.S. federal income tax purposes. As a holder exchanges LP Units for shares of Class A Common Stock, the number of LP Units held by the Company is correspondingly increased as it acquires the exchanged LP Units. In accordance with the Exchange Agreement, any holder who surrenders all of its LP Units for exchange must concurrently surrender all shares of Class B Common Stock held by it (including fractions thereof) to the Company.

Tax Receivable Agreement

In connection with the IPO, we entered into a tax receivable agreement with the holders of LP Units that provides for the payment to exchanging holders of LP Units of 85% of the benefits, if any, that the Company is deemed to realize as a result of the increases in tax basis resulting from exchanges of LP Units and certain other tax benefits related to entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. Certain current and former holders of LP Units, who include certain of our executive officers and directors, are expected to receive payments under the tax receivable agreement in the future. The increases in tax basis as a result of an exchange of LP Units for shares of Class A Common Stock, as well as the amount and timing of any payments under the tax receivable agreement, are difficult to accurately estimate as they will vary depending upon a number of factors, including:

- **the timing of exchanges—**for instance, the increase in any tax deductions will vary depending on the fair market value, which may fluctuate over time, of the depreciable or amortizable assets of Summit Holdings at the time of each exchange;

- **the price of shares of our Class A Common Stock at the time of the exchange—**the increase in any tax deductions, as well as the tax basis increase in other assets, of Summit Holdings, is directly proportional to the price of shares of our Class A Common Stock at the time of the exchange;

- **the extent to which such exchanges are taxable**—if an exchange is not taxable for any reason, increased deductions will not be available;

- **the amount and timing of our income**—the Company is required to pay 85% of the cash tax savings as and when realized, if any. If the Company does not have taxable income, the Company is not required (absent a change of control or circumstances requiring an early termination payment) to make payments under the tax receivable agreement for that taxable year because no cash tax savings will have been realized. However, any tax attributes that do not result in realized benefits in a given tax year will likely generate tax attributes that may be utilized to generate benefits in previous or future tax years. The utilization of such tax attributes will result in cash tax savings that will result in payments under the tax receivable agreement; and

- **the effective tax rate**—the benefit that the Company realizes is dependent on the tax rate in effect at the time taxable income is generated.

We anticipate funding payments under the tax receivable agreement from cash flows from operations, available cash and available borrowings under our senior secured revolving credit facilities. As of January 2, 2021, we had accrued $321.7 million as a tax receivable agreement liability. The tax receivable agreement liability is a long-term liability as no additional payments are expected in the next twelve months.

In addition, the tax receivable agreement provides that upon certain changes of control, the Company's (or its successor's) obligations would be based on certain assumptions, including that the Company would have sufficient taxable income to fully utilize the deductions arising from the tax deductions, tax basis and other tax attributes subject to the tax receivable agreement. With respect to our obligations under the tax receivable agreement relating to previously exchanged or acquired LP Units and certain net operating losses, we would be required to make a payment equal to the present value (at a discount rate equal to one year LIBOR plus 100 basis points) of the anticipated future tax benefits determined using assumptions (ii) through (v) of the following paragraph.

Furthermore, the Company may elect to terminate the tax receivable agreement early by making an immediate payment equal to the present value of the anticipated future cash tax savings. In determining such anticipated future cash tax savings, the tax receivable agreement includes several assumptions, including that (i) any LP Units that have not been exchanged are deemed exchanged for the market value of the shares of Class A Common Stock at the time of termination, (ii) the Company will have sufficient taxable income in each future taxable year to fully realize all potential tax savings, (iii) the Company will have sufficient taxable income to fully utilize any remaining net operating losses subject to the tax receivable agreement on a straight line basis over the shorter of the statutory expiration period for such net operating losses or the five-year period after the early termination or change of control, (iv) the tax rates for future years will be those specified in the law as in effect at the time of termination and (v) certain non-amortizable assets are deemed disposed of within specified time periods. In addition, the present value of such anticipated future cash tax savings is discounted at a rate equal to LIBOR plus 100 basis points.

Under the terms of the tax receivable agreement, the Company can terminate the tax receivable agreement at any time, which would trigger a cash payment to the pre-IPO owners. Based upon a $20.08 per share price of our Class A common stock, the closing price of our stock on December 31, 2020 (the last business day of our fiscal year) and a contractually defined discount rate of 3.00%, the Company estimates that if it were to exercise its right to terminate the tax receivable agreement, the aggregate amount required to settle the tax receivable agreement would be approximately $312 million.

Summit Materials Holdings L.P. Amended and Restated Limited Partnership Agreement

The Company holds LP Units in Summit Holdings and is the sole general partner of Summit Holdings. Accordingly, the Company operates and controls all of the business and affairs of Summit Holdings and, through Summit Holdings and its operating entity subsidiaries, conducts our business.

Pursuant to the limited partnership agreement of Summit Holdings, the Company has the right to determine when distributions will be made to holders of LP Units and the amount of any such distributions. If a distribution is authorized, such distribution will be made to the holders of LP Units pro rata in accordance with the percentages of their respective limited partnership interests. The holders of LP Units, including the Company, incur U.S. federal, state and local income taxes on their share of any taxable income of Summit Holdings. The limited partnership agreement of Summit Holdings provides for tax distributions to the holders of the LP Units in an amount generally calculated to provide each holder of LP Units with sufficient cash to cover its tax liability in respect of the LP Units. These tax distributions are generally only paid to the extent that other distributions made by Summit Holdings were otherwise insufficient to cover the estimated tax liabilities of all holders of LP Units. In general, these tax distributions are computed based on our estimate of the net taxable income allocated to the Company multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate applicable to a corporate resident in New York, New York. In the year ended January 2, 2021, Summit LLC did not make any distributions to Summit Holdings.

The limited partnership agreement of Summit Holdings also provides that substantially all expenses incurred by or attributable to the Company, but excluding obligations incurred under the tax receivable agreement by the Company, income tax expenses of the Company and payments on indebtedness incurred by the Company, will be borne by Summit Holdings.

The Company as the general partner may (i) at any time, require all holders of LP Units, other than holders who are current employees or service providers, to exchange their units for shares of our common stock or (ii) with the consent of partners in Summit Holdings whose vested interests exceed 66⅔% of the aggregate vested interests in Summit Holdings, require all holders of interests in Summit Holdings to transfer their interests, provided that the prior written consent of each holder that is an affiliate of Blackstone affected by any such proposed transfer will be required. These provisions are designed to ensure that the general

partner can, in the context of a sale of the Company, sell Summit Holdings as a wholly-owned entity subject to the approval of the holders thereof.

Indemnification Agreements

We have entered into indemnification agreements with our directors and executive officers. These agreements require us to indemnify these individuals to the fullest extent permitted by Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors or executive officers, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

Warrant Issuances

In connection with the modification of the capital structure of Summit Holdings at the time of our IPO, we issued warrants to purchase an aggregate of 160,333 shares of Class A Common Stock to limited partners of Summit Holdings who held Class C limited partnership interests of Summit Holdings. Holders of the Class C limited partnership interests include Thomas W. Hill and Michael J. Brady, who received warrants to purchase 29,463 and 6,852 shares of Class A Common Stock, respectively. The warrants were issued in substitution for part of the economic benefit of the Class C interests that was not reflected in the conversion of the Class C interests to LP Units. The exercise price of the warrants is equal to the IPO price of $18.00 per share. The warrants became exercisable from and after March 17, 2016 and will expire on March 11, 2025.

Statement of Policy Regarding Transactions with Related Persons

We have adopted a written statement of policy regarding transactions with related persons, which we refer to as our ‘‘related person policy.’’ Our related person policy requires that a ‘‘related person’’ (as defined in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to our Chief Legal Officer any ‘‘related person transaction’’ (defined as any transaction that is anticipated would be reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds $120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts with respect thereto. The Chief Legal Officer will then promptly communicate that information to our Board. No related person transaction will be executed without the approval or ratification of our Board or a duly authorized committee of our Board. It is our policy that directors interested in a related person transaction will recuse themselves from any vote on a related person transaction in which they have an interest.

OUR STOCKHOLDERS

HOLDINGS OF MAJOR STOCKHOLDERS

The following table sets forth the beneficial ownership of shares of our Class A Common Stock and LP Units by (1) each person known to us to beneficially own more than 5% of any class of the outstanding voting securities of the Company, (2) each of our directors and NEOs and (3) all of our directors and executive officers as a group as of March 24, 2021.

	Class A Common Stock(1)		LP Units(1)		Combined Voting Power(2)	
Stockholder Name	Number	Percent	Number	Percent	Number	Percent
Vanguard Group Inc.(3)	10,114,569	8.7%	—	—	10,114,569	8.5%
BlackRock, Inc.(4)	9,356,687	8.0%	—	—	9,356,687	7.9%
FMR LLC(5)	9,054,697	7.8%	—	—	9,054,697	7.6%
T. Rowe Price Associates, Inc.(6)	8,030,112	6.9%	—	—	8,030,112	6.8%
Dimensional Fund Advisors LP(7)	6,038,133	5.2%	—	—	6,038,133	5.1%
Anne P. Noonan(8)	66,000	*	—	—	66,000	*
Howard L. Lance(9)	250,605	*	135,772	*	386,337	*
Joseph S. Cantie(10)	31,389	*	—	—	31,389	*
Anne M. Cooney(11)	13,280	*	—	—	13,280	—
Susan A. Ellerbusch(12)	18,622	*	—	—	18,622	—
John R. Murphy(13)	17,220	*	4,274	*	21,494	*
Anne K. Wade(14)	22,738	*	—	—	22,738	*
Steven H. Wunning(15)	26,266	*	—	—	26,266	*
Brian J. Harris(16)	139,128	*	332,699	*	471,827	*
Michael J. Brady(17)	468,875	*	283,649	*	752,524	*
Anne Lee Benedict(18)	82,547	*	—	*	82,547	*
Thomas W. Hill(19)	87,597	*	—	*	87,597	*
All Directors and Executive Officers as a Group (12 persons)(20)	1,224,267	1.0%	756,394	*	1,980,661	1.7%

* Less than 1%.

The percentage of beneficial ownership of (1) Class A Common Stock is based upon 116,607,095 shares issued and outstanding and (2) LP Units is based upon 118,768,470 LP Units outstanding (including 116,607,095 LP Units held by the Company), in each case as of March 24, 2021. Percentage of combined voting power is based upon 118,768,470 votes represented by outstanding securities, consisting of (1) 116,607,095 shares of Class A Common Stock issued and outstanding and (2) 2,161,375 LP Units outstanding and eligible to vote, excluding LP Units held by the Company, in each case as of March 24, 2021. The Company is the general partner of Summit Holdings, which indirectly owns 100% of the limited liability interests of Summit Materials, LLC (''Summit LLC''). Except as otherwise noted, (i) the information is as of March 24, 2021, and (ii) the address of each beneficial owner is c/o Summit Materials, Inc., 1550 Wynkoop Street, 3rd floor, Denver, Colorado 80202. Beneficial ownership is determined in accordance with the rules and regulations of the SEC.

(1) Subject to the terms of the Exchange Agreement, LP Units are exchangeable for shares of our Class A Common Stock on a one-for-one basis. See ''Certain Relationships and Related Person Transactions—Exchange Agreement.'' Beneficial ownership of LP Units reflected in this table is not reflected as beneficial ownership of shares of our Class A Common Stock for which such units may be exchanged. See ''Executive Compensation—Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table—Pre-IPO Long-Term Incentive Awards (Value From Modifications to Eliminate Misalignment Post-IPO)'' for a description of the LP Units.

(2) Represents percentage of voting power of the Class A Common Stock and Class B Common Stock of the Company voting together as a single class and gives effect to voting power of the Class B Common Stock, excluding options that are vested or will vest within 60 days as well as outstanding warrants. The Class B Common Stock provides holders who also hold LP Units with a number of votes that is equal to the aggregate number of LP Units held by such holders. As of

March 24, 2021, holders of the LP Units held all of the issued shares of our Class B Common Stock that were outstanding and the total number of votes that were represented by the Class B Common Stock was 2,161,375.

(3) The number of shares held was obtained from the holder's Schedule 13G/A filing with the SEC on February 10, 2021, which reports ownership as of December 31, 2020. The Schedule 13G/A filing indicates that the holder, The Vanguard Group, Inc. (''Vanguard'') has shared power to vote or direct the vote of 116,711 shares of our Common Stock, sole power to dispose or direct the disposition of 9,903,115 shares of our Common Stock, and shared power to dispose or direct the disposition of 211,454 shares of our Common Stock. The address of Vanguard is 100 Vanguard Blvd., Malvern, PA 19355.

(4) The number of shares held was obtained from the holder's Schedule 13G/A filing with the SEC on February 1, 2021, which reports ownership as of December 31, 2020. The Schedule 13G/A filing indicates that the holder, BlackRock, Inc. (''BlackRock'') had sole power to vote or direct the vote of 8,935,893 shares of our Class A Common Stock and sole power to dispose or to direct the disposition of 9,356,687 shares of our Class A Common Stock. The address of BlackRock is 55 East 52nd Street, New York, NY 10055.

(5) The number of shares held was obtained from the Schedule 13G/A filing made by FMR LLC (''FMR'') and Abigail P. Johnson with the SEC on February 8, 2021, which reports ownership as of December 31, 2020. The Schedule 13G/A indicates that FMR has sole power to vote or direct the vote of 3,339,070 shares of our Class A Common Stock and sole power to dispose or direct the disposition of 9,054,697 shares of our Class A Common Stock. The Schedule 13G/A indicates that Ms. Johnson has sole power to dispose or direct the disposition of 9,054,697 shares of our Class A Common Stock. Members of the Johnson family, including Ms. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940 (the ''Investment Act''), to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act (''Fidelity Funds'') advised by Fidelity Management & Research Company (''FMR Co''), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. FMR Co carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. The address of FMR is 245 Summer Street, Boston, Massachusetts 02210.

(6) The number of shares held was obtained from the Schedule 13G filing made by T. Rowe Price Associates, Inc. (''T. Rowe Price'') with the SEC on February 16, 2021, which reports ownership as of December 31, 2020. The Schedule 13G indicates that T. Rowe Price has sole power to vote or direct the vote of 5,869,717 shares of our Class A Common Stock and sole power to dispose or direct the disposition of 6,038,133 shares of our Class A Common Stock. The address of T. Rowe Price is 100 E. Pratt Street, Baltimore, Maryland 21202.

(7) The number of shares held was obtained from the Schedule 13G filing made by Dimensional Fund Advisors LP (''Dimensional Fund Advisors'') with the SEC on February 12, 2021, which reports ownership as of December 31, 2020. The Schedule 13G indicates that T. Rowe Price has sole power to vote or direct the vote of 2,867,238 shares of our Class A Common Stock and sole power to dispose or direct the disposition of 8,030,112 shares of our Class A Common Stock. The Schedule 13G states that T. Rowe Price, an investment adviser registered under Section 203 of the Investment Act, furnishes investment advice to four investment companies registered under the Investment Act, and serves as investment manager or sub-adviser to certain other commingled funds, group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the ''Dimensional Funds''). In certain cases, subsidiaries of Dimensional Fund Advisors may act as an adviser or sub-adviser to certain Dimensional Funds. In its role as investment advisor, sub-adviser and/or manager, Dimensional Fund Advisors or its subsidiaries (collectively, ''Dimensional'') may possess voting and/or investment power over the securities of the Issuer that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Dimensional Funds. However, the Schedule 13G states that all securities reported in the Schedule 13G are owned by the Funds, and Dimensional disclaims beneficial ownership of such securities. The address of Dimensional Fund Advisors is 6300 Bee Cave Road, Building One, Austin, Texas 78746.

(8) Includes 66,000 shares of our Class A Common Stock owned by Ms. Noonan.

(9) Includes (i) 246,611 options issued to Mr. Lance that are vested or will vest within 60 days, (ii) 135,772 LP Units held by Mr. Lance, and (iii) 3,994 shares of our Class A Common Stock held by Mr. Lance.

(10) Includes (i) 26,289 shares of our Class A Common Stock owned by Mr. Cantie directly and (ii) 5,100 shares of our Class A Common Stock held by a trust for the benefit of Mr. Cantie, for which Mr. Cantie and his spouse serve as trustees.

(11) Includes 13,280 shares of our Class A Common Stock owned by Ms. Cooney.

(12) Includes 18,622 shares of our Class A Common Stock owned by Ms. Ellerbusch.

(13) Includes (i) 10,220 options issued to Mr. Murphy that are vested or will vest within 60 days, (ii) 4,274 LP Units held by Mr. Murphy and (iii) 7,000 shares of our Class A Common Stock owned by Mr. Murphy.

(14) Includes 22,738 shares of our Class A Common Stock owned by Ms. Wade.

(15) Includes 26,266 shares of our Class A Common Stock owned by Mr. Wunning.

(16) Includes (i) 19,216 options issued to Mr. Harris that are vested or will vest within 60 days, (ii) 119,912 shares of our Class A Common Stock owned by Mr. Harris, and (iii) 332,699 LP Units held by The Harris Family 2014 Trust fbo Michael J. Harris and The Harris Family 2014 Trust fbo Cameron I.J. Harris, trusts for which Mr. Harris' spouse serves as trustee and as to which Mr. Harris could be deemed to have beneficial ownership.

(17) Includes (i) 430,150 options issued to Mr. Brady that are vested or will vest within 60 days, (ii) 283,649 LP Units held by Mr. Brady, (iii) 31,873 shares of our Class A Common Stock owned by Mr. Brady, and (iv) 6,852 warrants issued to Mr. Brady at the time of our IPO.

(18) Includes (i) 8,962 options issued to Ms. Lee Benedict that are vested or will vest within 60 days and (ii) 73,585 shares of our Class A Common Stock owned by Ms. Lee Benedict.

(19) Includes (i) 51,261 options issued to Mr. Hill that are vested or will vest within 60 days, (ii) 21,843 shares of our Class A Common Stock owned by Mr. Hill, and (iii) 14,493 shares of our Class A Common Stock held by the Hill Trust, a trust for which Mr. Hill's spouse serves as trustee and as to which Mr. Hill could be deemed to have beneficial ownership.

(20) Includes (i) 766,420 options that are vested or will vest within 60 days, (ii) 756,394 LP Units, (iii) 6,852 warrants issued at the IPO and (iv) 450,995 shares of our Class A Common Stock.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, we believe that during the fiscal year ended January 2, 2021, our officers, directors, and greater-than-10% stockholders timely filed all reports required by Section 16(a) of the Exchange Act.

USERS' GUIDE

Attending the Annual Meeting of Stockholders

WHO CAN ATTEND THE ANNUAL MEETING?

You are entitled to attend the Annual Meeting on Wednesday, May 19, 2021 only if you were a Summit Materials stockholder at the close of business on March 24, 2021, or you hold a valid proxy.

HOW CAN I ATTEND THE ANNUAL MEETING?

To attend the Annual Meeting via the virtual web conference, please go to *www.virtualshareholdermeeting.com/SUM2021* and enter the control number found on your proxy card, voting instruction form or notice you received. As always, we encourage you to vote your shares prior to the Annual Meeting. We have designed our virtual format to enhance, rather than constrain, stockholder access, participation and communication. For example, the virtual format allows stockholders to communicate with us during the Annual Meeting so they can ask questions of our Board or management. During the live Q&A session of the Annual Meeting, we may answer questions as they come in, to the extent relevant to the business of the Annual Meeting, as time permits. If you encounter any difficulties accessing the virtual web conference of the Annual Meeting, please call the numbers listed on the login page. Technical support will be available beginning 15 minutes before the start of the meeting and through the conclusion of the Annual Meeting.

HOW CAN I ACCESS THE ANNUAL MEETING VOTING WEBSITE?

All stockholders can visit the Annual Meeting voting website at *www.proxyvote.com*. On our Annual Meeting voting website, you can vote your proxy, access copies of our Proxy Statement and Annual Report and other information about Summit Materials, and elect to view future proxy statements and annual reports online instead of receiving paper copies in the mail.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SUMMIT MATERIALS, INC.

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON WEDNESDAY, MAY 19, 2021

THIS NOTICE, OUR PROXY STATEMENT, AND OUR COMBINED ANNUAL REPORT AND ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED JANUARY 2, 2021 ARE AVAILABLE AT WWW.PROXYVOTE.COM.

Who Can Vote and How

WHO IS ENTITLED TO VOTE?

You are entitled to vote at the Annual Meeting on Wednesday, May 19, 2021 only if you were a Summit Materials stockholder of record of our Class A Common Stock and Class B Common Stock (each such designation having par value $0.01 per share) at the close of business on March 24, 2021.

On March 24, 2021, we had 116,607,095 shares of Class A Common Stock outstanding and entitled to vote and 99 shares of Class B Common Stock outstanding and entitled to vote. Holders of shares of our Class A Common Stock and Class B Common Stock vote together as a single class on all matters on which stockholders are entitled to vote generally (except as may be required by law).

Each share of Class A Common Stock is entitled to one vote for each director nominee and one vote for each other item to be voted on at the Annual Meeting. All of the shares of our outstanding Class B Common Stock are currently held by our pre-IPO investors, including certain members of management or their family trusts that directly hold LP Units. A holder of Class B Common Stock is entitled, without regard to the number of shares of Class B Common Stock held by such holder, to a number of votes that is equal to the aggregate number of LP Units held by such holder. As of the record date, the total number of LP Units to which the voting power of the Class B Common Stock relates was 2,161,375.

A majority of the voting power of Class A Common Stock and Class B Common Stock entitled to vote, present in person or represented by proxy, constitutes a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes will be included in determining the presence of a quorum at the Annual Meeting.

HOW DO I VOTE?

We encourage you to vote your shares in advance of the Annual Meeting, even if you plan on attending the Annual Meeting. If you have already voted prior to the Annual Meeting, you may nevertheless change or revoke your vote at the Annual Meeting.

Vote your shares as follows. In all cases, have your Notice of Internet Availability of Proxy Materials, proxy card or voting instruction form in hand and follow the instructions.

- **Vote by Internet.** Visit *www.proxyvote.com* 24/7 to vote by internet using your computer.
- **Vote by Telephone.** Stockholders of record can call toll-free 800-690-6903 24/7 to vote. For beneficial stockholders, please see the voting instruction form 24/7 to vote.
- **Vote by Mail.** If you elected to receive a hard copy of your proxy materials, fill out the enclosed proxy card, date and sign it, and return it in the enclosed postage paid envelope.
- **Vote During the Annual Meeting via the Internet.** You may attend the Annual Meeting via the Internet and vote during the meeting. Go to *www.virtualshareholdermeeting.com/SUM2021*, enter the control number found on your proxy card, voting instruction form or notice you received, and follow the instructions available on the meeting website during the meeting.

We encourage you to register to receive all future stockholder communications electronically, instead of in print. This means that, after you register, access to the annual report, proxy statement, and other correspondence will be delivered to you via e-mail.

CAN I CHANGE MY VOTE?

If you own common stock of record, you may change your vote at any time before the polls close at the Annual Meeting. You can do this by:

- Voting again by Internet or telephone prior to 11:59 p.m. Eastern Time on May 18, 2021;
- Signing another proxy card with a later date and returning it prior to the Annual Meeting; or
- Voting again during the Annual Meeting.

A stockholder owning common stock in street name may revoke or change voting instructions by contacting the bank, brokerage firm or other nominee holding the shares or by obtaining a legal proxy from such institution and voting in person at the Annual Meeting.

WHO COUNTS THE VOTES?

We have hired Broadridge Financial Solutions, Inc. to count the votes represented by proxies and cast by ballot, and Broadridge Financial Solutions, Inc. has been appointed to act as Inspector of Election.

WHEN WILL THE VOTING RESULTS BE ANNOUNCED?

We will announce the preliminary voting results during the Annual Meeting. We will report the final results on our website and in a Current Report on Form 8-K filed with the SEC within four days following the meeting.

WILL MY VOTE BE CONFIDENTIAL?

All stockholder proxies, ballots and tabulations that identify stockholders will be maintained in confidence. No such document will be available for examination, and the identity and vote of any stockholder will not be disclosed, except as necessary to meet legal requirements and to allow the inspectors of election to certify the results of the vote.

Business Taking Place at the Annual Meeting

WHICH PROPOSALS ARE BEING VOTED ON AT THE ANNUAL MEETING?

- The election of each of the three nominees to the Board named herein;
- The approval, on a nonbinding advisory basis, of the compensation of our NEOs, as disclosed herein;

- The ratification of the appointment of KPMG as our independent registered public accounting firm;
- The approval to amend and restate the Company's 2015 Omnibus Incentive Plan;
- The approval of the Company's 2021 Employee Stock Purchase Plan;
- The approval to amend the Company's Charter to adopt the Declassification Amendment;
- The approval to amend the Company's Charter to adopt the Majority Vote Amendment;
- The approval to amend the Company's Charter to adopt the Federal Forum Selection Amendment; and
- The approval to amend the Company's Charter to adopt the Sponsor Amendment

WHICH PROPOSALS ARE ''ROUTINE'' AND WHICH ARE ''NON-ROUTINE''?

The ratification of KPMG LLP as our independent registered public accounting firm for our fiscal year ending January 1, 2022 is the only routine matter to be presented at the Annual Meeting. The other eight matters are non-routine and brokers will not be allowed to vote on these proposals without specific voting instructions from beneficial owners. We do not expect any additional matters will be brought before the Annual Meeting. However, if other matters are properly presented, the persons named as proxies in the proxy card or their substitutes will vote in their discretion.

HOW MANY VOTES ARE NEEDED TO APPROVE EACH PROPOSAL?

With respect to the election of directors, a nominee for director shall be elected to the Board by a plurality of the votes cast in respect of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. A plurality vote requirement means that the director nominees with the greatest number of votes cast ''FOR'', even if it is less than a majority, will be elected. You may vote ''FOR'' or ''WITHHOLD'' with respect to each nominee. A withhold vote in the election of directors will have the same effect as an abstention. Neither a withhold vote nor a broker non-vote will affect the outcome of the election of directors.

The affirmative vote of a majority of the voting power of common stock present in person or represented by proxy and entitled to vote on the matter is required to (i) ratify the appointment of KPMG as our independent registered public accounting firm, (ii) approve, on a nonbinding advisory basis, the compensation of our NEOs, as disclosed in this Proxy Statement, (iii) approve and adopt the amendment and restatement of the Company's 2015 Omnibus Incentive Plan, and (iv) approve and adopt the Company's 2021 Employee Stock Purchase Plan. You may vote ''FOR,'' ''AGAINST,'' or ''ABSTAIN'' with respect to these matters. For these matters, abstentions are not counted as affirmative votes but are counted as present at the Annual Meeting and entitled to vote and will have the effect of a vote ''against'' the matter. Broker non-votes, if any, will have no effect on the outcome of these matters.

The affirmative vote of 66⅔% of the voting power of all the then-outstanding shares of common stock entitled to vote on the matter is required to approve each of the following amendments to the Company's Charter: (i) the Declassification Amendment; (ii) the Majority Vote Amendment; (iii) the Federal Forum Selection Amendment; and (iv) the Sponsor Amendment. You may vote ''FOR,'' ''AGAINST,'' or ''ABSTAIN'' with respect to these matters. For these matters, abstentions and broker non-votes, if any, will have the same effect as a vote against the matter.

Proxies

WHO IS SOLICITING MY PROXY?

The Board of Summit Materials is soliciting your proxy to vote at the 2021 Annual Meeting of Stockholders.

HOW CAN I REVOKE MY PROXY?

You can revoke your proxy by sending written notice of revocation to our Chief Legal Officer & Secretary at Summit Materials, Inc., 1550 Wynkoop Street, 3rd Floor, Denver, Colorado 80202, by May 18, 2021.

WHAT IS THE COST OF THIS PROXY SOLICITATION?

The Company will pay the costs of preparing, printing, assembling, and mailing the proxy materials used in the solicitation of proxies. Solicitation may be made by our directors, officers, and employees by mail, email, telephone, or in person. Those individuals will receive no additional compensation for solicitation activities. We have hired Innisfree M&A Incorporated to assist in the solicitation of proxies, who will receive a fee of $20,000, plus reasonable out of pocket costs and expenses, for its services. Broadridge will distribute proxy materials to banks, brokers, and other nominees for forwarding to beneficial owners and will request brokerage houses and other custodians, nominees, and fiduciaries to forward soliciting material to the beneficial owners of the common stock held on the record date by such persons. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for their expenses in forwarding solicitation materials.

Getting Our Proxy Statement and Annual Report

HOW CAN I ACCESS PROXY MATERIALS ONLINE?

This Proxy Statement, the accompanying proxy card, and our 2020 Annual Report are being made available to stockholders online at *www.proxyvote.com*.

Instead of mailing printed copies of these materials, we will send some of our stockholders a Notice of Internet Availability of Proxy Materials (''Notice''). If you received a Notice and would prefer to receive a paper copy of our proxy materials, follow the instructions included in the Notice to update your preferences. If you elect to receive our future proxy materials electronically, you will receive access to those materials via e-mail unless and until you elect otherwise.

WHY DID MY HOUSEHOLD RECEIVE A SINGLE SET OF PROXY MATERIALS?

SEC rules permit us to deliver a single copy of our 2020 Annual Report and Proxy Statement to any household at which two or more stockholders reside if we believe the stockholders are members of the same family. This practice benefits both you and Summit Materials, as it eliminates duplicate mailings and reduces our printing and mailing costs. Each stockholder will continue to receive a separate proxy card or voting instruction card.

Your household may have received a single set of proxy materials this year. If you prefer to receive your own copy now or in future years, please request a duplicate set by phone at 1-866-540-7095, online at *www.proxyvote.com*, or by writing to Summit Materials, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

If you hold your stock in street name, you may receive some duplicate mailings. Certain brokers will eliminate duplicate account mailings on request. You may need to contact your broker directly if you want to discontinue duplicate mailings to your household. You can also register to receive all future stockholder communications electronically, instead of in print. This means that links to the annual report, proxy statement, and other correspondence will be delivered to you via e-mail. Holders in street name can register for electronic delivery directly with their bank, brokerage firm, or other nominee. Electronic delivery of stockholder communications helps save the Company money by reducing printing and postage costs.

Future Shareholder Proposals and Nominations

RULE 14A-8 SHAREHOLDER PROPOSAL

Under SEC rules, if you want us to include a proposal in our proxy statement for the 2022 Annual Meeting of Stockholders, you must submit it in writing to our Chief Legal Officer & Secretary at Summit Materials, Inc., 1550 Wynkoop Street, 3rd Floor, Denver, Colorado 80202, by December 6, 2021. Any such proposal should comply with the requirements of Rule 14a-8 promulgated under the Securities Exchange Act. The submission of a shareholder proposal does not guarantee that it will be included in our proxy statement.

PROXY ACCESS NOMINATIONS AND OTHER PROPOSALS/NOMINATIONS

Under our Bylaws, a stockholder wishing to bring director nominations or other business before an annual meeting is required to provide advance written notice to the Chief Legal Officer & Secretary of Summit Materials regarding such nominations or other business and provide the information and satisfy the other requirements set forth in the Bylaws. To be timely, a stockholder who intends to present nominations or a proposal at the 2022 Annual Meeting other than pursuant to Rule 14a-8 must provide the information set forth in the Bylaws no earlier than January 19, 2022 and no later than February 18, 2022. However, if we hold the 2022 Annual Meeting more than 30 days before, or more than 70 days after, the anniversary of the 2021 Annual Meeting date, then the information must be received no earlier than the 120th day prior to the 2022 Annual Meeting date, and not later than the close of business on the later of the 90th day prior to the 2022 Annual Meeting date or the tenth day after public announcement of the 2022 Annual Meeting date. These advance notice provisions do not apply if the stockholder only seeks to include such matters in the proxy statement pursuant to Rule 14a-8.

If a stockholder fails to meet these deadlines and fails to satisfy the requirements of Rule 14a-4 under the Securities Exchange Act, we may exercise discretionary voting authority under proxies we solicit to vote on any such proposal as we determine appropriate. We also reserve the right to reject, rule out of order, or take other appropriate action with respect to any nomination or proposal that does not comply with these and other applicable requirements.

ANNEX A

RECONCILIATION OF NON-GAAP MEASURES TO GAAP

The following table reconciles our net income to Adjusted EBITDA for the year ended January 2, 2021.

	Year ended January 2, 2021
Reconciliation of Net Income (Loss) to Adjusted EBITDA ($ in thousands)	
Net income (loss)	$141,240
Interest (income) expense	103,595
Income tax expense (benefit)	(12,185)
Depreciation, depletion and amortization	218,682
EBITDA	$451,332
Accretion	2,638
Loss on debt financings	4,064
Tax receivable agreement benefit	(7,559)
Transaction costs	2,747
Non-cash compensation	28,857
Other	2,957
Adjusted EBITDA	$485,036

The following table reconciles net cash provided by operating activities to free cash flow for year ended January 2, 2021.

	Year ended January 2, 2021
($ in thousands)	
Net income	$141,240
Non-cash items	235,425
Net income adjusted for non-cash items	376,665
Change in working capital accounts	32,204
Net cash provided by operating activities	408,869
Capital expenditures, net of asset sales	(163,231)
Free cash flow	$245,638

The table below reconciles our Adjusted EBITDA to Further Adjusted EBITDA and our calculation of Net Debt to arrive at our Net Leverage Ratio for the year ended January 2, 2021.

($ in thousands)	Year ended January 2, 2021
Adjusted EBITDA	$485,036
EBITDA for certain acquisitions (1)	11,448
Further Adjusted EBITDA (2)	$496,484
Long-term debt, including current portion	$1,916,314
Acquisition related liabilities	20,073
Finance leases and other	56,328
Less: Cash and cash equivalents	(418,181)
Net Debt	$1,574,534
Net Leverage Ratio (3)	3.2x

(1) Under the terms of our credit facilities, we include EBITDA from our acquisitions, net of dispositions, in each fiscal year for periods prior to acquisition.

(2) Further Adjusted EBITDA is defined as Adjusted EBITDA plus the EBITDA contribution for certain recent acquisitions.

(3) Net Leverage Ratio is defined as Net Debt divided by Further Adjusted EBITDA.

SUMMIT MATERIALS, INC. AMENDED AND RESTATED 2015 OMNIBUS INCENTIVE PLAN

1. **Purpose**. The purpose of the Amended and Restated Summit Materials, Inc. 2015 Omnibus Incentive Plan is to provide a means through which the Company and its Affiliates may attract and retain key personnel and to provide a means whereby directors, officers, employees, consultants and advisors (and prospective directors, officers, employees, consultants and advisors) of the Company and its Affiliates can acquire and maintain an equity interest in the Company, or be paid incentive compensation, including incentive compensation measured by reference to the value of Common Stock, thereby strengthening their commitment to the welfare of the Company and its Affiliates and aligning their interests with those of the Company's stockholders.

2. **Definitions**. The following definitions shall be applicable throughout the Plan.

(a) ''*Absolute Share Limit*'' has the meaning given such term in Section 5(b) of the Plan.

(b) ''*Affiliate*'' means (i) any Person or entity that directly or indirectly controls, is controlled by or is under common control with the Company and/or (ii) to the extent provided by the Committee, any person or entity in which the Company has a significant interest.

(c) ''*Award*'' means, individually or collectively, any Incentive Stock Option, Nonqualified Stock Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit or Other Stock-Based Award granted under the Plan.

(d) ''*Board*'' means the Board of Directors of the Company.

(e) ''*Cause*'' means, in the case of a particular Award, unless the applicable Award agreement states otherwise, a good faith determination of the Committee or its designee that (i) the Company or an Affiliate has ''cause'' to terminate a Participant's employment or service, as defined in any employment or consulting agreement between the Participant and the Company or an Affiliate in effect at the time of such termination or (ii) in the absence of any such employment or consulting agreement (or the absence of any definition of ''Cause'' contained therein), any of the following has occurred with respect to a Participant: (A) such Participant has failed to reasonably perform his or her duties to the Service Recipient, or has failed to follow the lawful instructions of the Board or his or her direct superiors, in each case other than as a result of his or her incapacity due to physical or mental illness or injury, in a manner that could reasonably be expected to result in harm (whether financially, reputationally or otherwise) to the Company or an Affiliate, following notice by the Company of such failure, (B) such Participant has engaged or is about to engage in conduct harmful (whether financially, reputationally or otherwise) to the Company or an Affiliate, (C) such Participant has been convicted of, or pled guilty or no contest to, a felony or any crime involving as a material element fraud or dishonesty, (D) the willful misconduct or gross neglect of such Participant that could reasonably be expected to result in harm (whether financially, reputationally or otherwise) to the Company or an Affiliate, (E) the willful violation by such Participant of the Company's written policies that could reasonably be expected to result in harm (whether financially, reputationally or otherwise) to the Company or an Affiliate; (F) such Participant's fraud or misappropriation, embezzlement or misuse of funds or property belonging to the Company or an Affiliate (other than good faith expense account disputes); (G) such Participant's act of personal dishonesty which involves personal profit in connection with such Participant's employment or service with the Company or an Affiliate, or (H) the willful breach by such Participant of fiduciary duty owed to the Company or an Affiliate.

(f) ''*Change in Control*'' means:

(i) the acquisition (whether by purchase, merger, consolidation, combination or other similar transaction) by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% (on a fully diluted basis) of either (A) the then outstanding shares of Common Stock, taking into account as outstanding for this

purpose such Common Stock issuable upon the exercise of options or warrants, the conversion of convertible stock or debt, the exchange of exchangeable stock or units, and the exercise of any similar right to acquire such Common Stock, treating, for the avoidance of doubt, all then-outstanding OP Units as shares of Common Stock assuming the full exchange of then-outstanding OP Units for shares of Common Stock in accordance with the Exchange Agreement (the ''*Outstanding Company Common Stock*'') or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the ''*Outstanding Company Voting Securities*''); *provided*, *however*, that for purposes of this Plan, the following acquisitions shall not constitute a Change in Control: (I) any acquisition by the Company or any Affiliate, (II) any acquisition by any employee benefit plan sponsored or maintained by the Company or any Affiliate, or (III) in respect of an Award held by a particular Participant, any acquisition by the Participant or any group of Persons including the Participant (or any entity controlled by the Participant or any group of Persons including the Participant);

(ii) during any period of 24 months, individuals who, at the beginning of such period, constitute the Board (the ''*Incumbent Directors*'') cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the date hereof, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; *provided, however*, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-12 of Regulation 14A promulgated under the Exchange Act, with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director;

(iii) the sale, transfer or other disposition of all or substantially all of the business or assets of the Company and its Subsidiaries, taken as a whole; or

(iv) the consummation of a reorganization, recapitalization, merger, consolidation, or other similar transaction involving the Company (a ''*Business Combination*''), unless immediately following such Business Combination, 50% or more of the total voting power of the entity resulting from such Business Combination (or, if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of sufficient voting securities eligible to elect a majority of the board of directors (or the analogous governing body) of such resulting entity), is held by the holders of the Outstanding Company Voting Securities immediately prior to such Business Combination.

(g) ''*Code*'' means the Internal Revenue Code of 1986, as amended, and any successor thereto. Reference in the Plan to any section of the Code shall be deemed to include any regulations or other interpretative guidance under such section, and any amendments or successor provisions to such section, regulations or guidance.

(h) ''*Committee*'' means the Compensation Committee of the Board or subcommittee thereof or, if no such Compensation Committee or subcommittee thereof exists, the Board.

(i) ''*Common Stock*'' means the Class A common stock, par value $0.01 per share, of the Company (and any stock or other securities into which such Common Stock may be converted or into which it may be exchanged).

(j) ''*Company*'' means Summit Materials, Inc., a Delaware corporation and any successor thereto.

(k) ''*Control*'' (including, with correlative meaning, the terms ''controlled by'' and ''under common control with''), as applied to any Person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting or other securities, by contract or otherwise.

(l) ''*Date of Grant*'' means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization.

(m) ''*Designated Foreign Subsidiaries*'' means all Affiliates organized under the laws of any jurisdiction or country other than the United States of America that may be designated by the Board or the Committee from time to time.

(n) ''*Detrimental Activity*'' means a good faith determination by the Committee or its designee that a Participant has engaged in any of the following: (i) the breach of any covenants relating to disclosure of confidential or proprietary information, noncompetition, nonsolicitation, non-disparagement or other similar restrictions on conduct contained in any agreement between a Participant and the Company or its Affiliates (including any Award Agreement) or any written policies of the Company or its Affiliates (including those contained in any handbook); or (ii) any activity, including fraud or other conduct contributing to financial

restatement or accounting irregularities, that the Committee determines in good faith is appropriate to include in any incentive compensation clawback policy adopted by the Committee and as in effect from time to time.

(o) ''*Disability*'' means, unless in the case of a particular Award the applicable Award agreement states otherwise, the Company or an Affiliate having cause to terminate a Participant's employment or service on account of ''disability,'' as defined in any then-existing employment, consulting or other similar agreement between the Participant and the Company or an Affiliate or, in the absence of such an employment, consulting or other similar agreement, a condition entitling the Participant to receive benefits under a long-term disability plan of the Company or an Affiliate, or, in the absence of such a plan, the complete and permanent inability by reason of illness or accident to perform the duties of the occupation at which a Participant was employed or served when such disability commenced. Any determination of whether Disability exists shall be made by the Committee in its sole discretion.

(p) ''*Effective Date*'' means the date the Company's stockholders approve the Plan.

(q) ''*Eligible Person*'' means any (i) individual employed by the Company or an Affiliate; *provided, however*, that no such employee covered by a collective bargaining agreement shall be an Eligible Person unless and to the extent that such eligibility is set forth in such collective bargaining agreement or in an agreement or instrument relating thereto; (ii) director or officer of the Company or an Affiliate; (iii) consultant or advisor to the Company or an Affiliate who may be offered securities registrable pursuant to a registration statement on Form S-8 under the Securities Act; or (iv) any prospective employees, directors, officers, consultants or advisors who have accepted offers of employment or consultancy from the Company or its Affiliates (and would satisfy the provisions of clauses (i) through (iii) above once he or she begins employment with or providing services to the Company or its Affiliates), who, in the case of each of clauses (i) through (iv) above has entered into an Award agreement or who has received written notification from the Committee or its designee that they have been selected to participate in the Plan. Solely for purposes of this Section, ''Affiliate'' shall be limited to (1) a Subsidiary, (2) any parent corporation of the Company within the meaning of Section 424(e) of the Code (''*Parent*''), (3) any corporation, trade or business of which 50% or more of the combined voting power of such entity's outstanding securities is directly or indirectly controlled by the Company or any Subsidiary or Parent, (4) any corporation, trade or business which directly or indirectly controls 50% or more of the combined voting power of the outstanding securities of the Company and (5) any other entity in which the Company or any Subsidiary or Parent has a material equity interest and which is designated as an ''Affiliate'' by the Committee.

(r) ''*Employment*'' or ''employment'' means, without any inference for federal and other tax purposes, service as a part- or full-time officers, employees, consultants and advisors or Board member of or to the Company or any of its Subsidiaries.

(s) ''*Exchange Act*'' means the Securities Exchange Act of 1934, as amended, and any successor thereto. Reference in the Plan to any section of (or rule promulgated under) the Exchange Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or guidance.

(t) ''*Exchange Agreement*'' means the Exchange Agreement, dated as of or about the date of the closing of the initial public offering of the Company among the Company, the Operating Partnership and holders of OP Units from time to time party thereto, as amended from time to time.

(u) ''*Exercise Price*'' has the meaning given such term in Section 7(b) of the Plan.

(v) ''*Fair Market Value*'' means, on a given date, if (i) the Common Stock is listed on a national securities exchange, the closing sales price of the Common Stock reported on the primary exchange on which the Common Stock is listed and traded on such date, or, if there are no such sales on that date, then on the last preceding date on which such sales were reported; (ii) the Common Stock is not listed on any national securities exchange but is quoted in an inter-dealer quotation system on a last sale basis, the average between the closing bid price and ask price reported on such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or (iii) the Common Stock is not listed on a national securities exchange or quoted in an inter-dealer quotation system on a last sale basis, the amount determined by the Committee in good faith to be the fair market value of the Common Stock; *provided*, *however*, as to any Awards granted on or with a Date of Grant of the date of the pricing of the Company's initial public offering, ''Fair Market Value'' shall be equal to the per share price the Common Stock is offered to the public in connection with such initial public offering.

(w) ''*Immediate Family Members*'' has the meaning given such term in Section 13(b) of the Plan.

(x) ''*Incentive Stock Option*'' means an Option which is designated by the Committee as an incentive stock option as described in Section 422 of the Code and otherwise meets the requirements set forth in the Plan.

(y) ''*Indemnifiable Person*'' has the meaning given such term in Section 4(e) of the Plan.

(z) “*Minimum Vesting Condition*” means, with respect to any Award settled in shares of Common Stock, that vesting of (or lapsing of restrictions on) such Award does not occur earlier than the first anniversary of the Date of Grant, other than (i) in connection with a Change in Control or (ii) as a result of a Participant’s death, retirement or Disability or involuntary termination of Employment without cause; *provided*, *however*, that notwithstanding the foregoing, Awards that result in the issuance of an aggregate of up to five percent (5%) of the Absolute Share Limit may be granted to any one or more Eligible Persons without respect to such Minimum Vesting Condition. The Minimum Vesting Condition will not prevent the Committee from accelerating the vesting of any Award in accordance with any of the provisions set forth in this Plan.

(aa) “*Nonqualified Stock Option*” means an Option which is not designated by the Committee as an Incentive Stock Option.

(bb) “*Non-Employee Director*” means a member of the Board who is not an employee of the Company or any Affiliate.

(cc) “*NYSE*” means the New York Stock Exchange.

(dd) “*OP Unit*” limited partnership interests in the Operating Partnership.

(ee) “*Operating Partnership*” means Summit Materials Holdings L.P., a Delaware limited partnership (together with any successor entity thereto).

(ff) “*Option*” means an Award granted under Section 7 of the Plan.

(gg) “*Option Period*” has the meaning given such term in Section 7(c) of the Plan.

(hh) “*Other Cash-Based Award*” means an Award granted under Section 10 of the Plan that is payable without reference to the value of the Common Stock.

(ii) “*Other Stock-Based Award*” means an Award granted under Section 10 of the Plan.

(jj) “*Participant*” means an Eligible Person who has been selected by the Committee to participate in the Plan and to receive an Award pursuant to the Plan.

(kk) “*Performance Criteria*” means the attainment of specific levels of performance of the Company (and/or one or more Affiliates, divisions or operational and/or business units, product lines, brands, business segments, administrative departments, or any combination of the foregoing) and shall be limited to the following, which may be determined in accordance with generally accepted accounting principles (“GAAP”) or on a non-GAAP basis: net earnings or net income (before or after taxes); cash flow, including but not limited to operating cash flow or free cash flow; cash and/or funds available for distribution; earnings before interest, taxes, depreciation and amortization (“EBITDA”); growth in EBITDA determined on an annual, multi-year or other basis; deployment of value-adding capital via organic investment or acquisitions; return measures (including, but not limited to, return on assets, investment, capital, invested capital, equity and/or development); share price (including, but not limited to, appreciation, growth measures and total shareholder return on an annual, multi-year or other basis); debt and debt related ratios, including debt to total market capitalization, debt to EBITDA, debt to assets and fixed charge coverage ratios (determined with or without the pro rata share of the Company’s ownership interest in co-investment partnerships); net asset value per share; growth in net asset value per share determined on an annual, multi-year or other basis; basic or diluted earnings per share (before or after taxes); expense targets or cost reduction goals, general and administrative expense savings; operating efficiency; working capital targets; measures of economic value added or other “value creation” metrics; enterprise value; competitive market metrics; performance or yield on development or redevelopment projects; objective measures of personal targets, goals or completion of projects (including but not limited to succession and hiring projects, completion of specific acquisitions, dispositions, reorganizations or other corporate transactions or capital-raising transactions, expansions of specific business operations and meeting divisional or project budgets); market share; operational or performance measurements relative to peers; strategic objectives and related revenue; productivity measures; employee retention; workplace health and safety; objective measures of employee morale and satisfaction; corporate social responsibility measures; environmental safety or compliance metrics; or any combination of the foregoing. Any one or more of the Performance Criteria may be stated as a percentage of another Performance Criteria, or used on an absolute or relative basis to measure the performance of the Company and/or one or more Affiliates as a whole or any divisions or operational and/or business units, product lines, brands, business segments, administrative departments of the Company and/or one or more Affiliates or any combination thereof, as the Committee may deem appropriate, or any of the above Performance Criteria may be compared to the performance of a selected group of comparison companies, or a published or special index that the Committee, in its sole discretion, deems appropriate, or as compared to various stock market indices.

(ll) “*Permitted Transferee*” has the meaning given such term in Section 13(b) of the Plan.

(mm) ''*Person*'' means any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act or any successor provision).

(nn) ''*Plan*'' means this Amended and Restated Summit Materials, Inc. 2015 Omnibus Incentive Plan, as it may be amended from time to time.

(oo) ''*Restricted Period*'' means the period of time determined by the Committee during which an Award is subject to restrictions or, as applicable, the period of time within which performance is measured for purposes of determining whether an Award has been earned.

(pp) ''*Restricted Stock*'' means Common Stock, subject to certain specified restrictions (which may include, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 9 of the Plan.

(qq) ''*Restricted Stock Unit*'' means an unfunded and unsecured promise to deliver shares of Common Stock, cash, other securities or other property, subject to certain restrictions (which may include, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 9 of the Plan.

(rr) ''*SAR Period*'' has the meaning given such term in Section 8(c) of the Plan.

(ss) ''*Securities Act*'' means the Securities Act of 1933, as amended, and any successor thereto. Reference in the Plan to any section of (or rule promulgated under) the Securities Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or guidance.

(tt) ''*Service Recipient*'' means, with respect to a Participant holding a given Award, either the Company or an Affiliate of the Company by which the original recipient of such Award is, or following a Termination was most recently, principally employed or to which such original recipient provides, or following a Termination was most recently providing, services, as applicable.

(uu) ''*Special Qualifying Director*'' means a person who is (i) with respect to actions intended to obtain an exemption from Section 16(b) of the Exchange Act pursuant to Rule 16b-3 under the Exchange Act, a ''non-employee director'' within the meaning of Rule 16b-3 under the Exchange Act and (ii) with respect to actions undertaken to comply with the rules of the NYSE or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, an ''independent director'' under the rules of the NYSE or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or a person meeting any similar requirement under any successor rule or regulation.

(vv) ''*Stock Appreciation Right*'' or ''*SAR*'' means an Award granted under Section 8 of the Plan.

(ww) ''*Strike Price*'' has the meaning given such term in Section 8(b) of the Plan.

(xx) ''*Subsidiary*'' means, with respect to any specified Person:

(i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of such entity's voting securities (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(ii) any partnership (or any comparable foreign entity) (A) the sole general partner (or functional equivalent thereof) or the managing general partner of which is such Person or Subsidiary of such Person or (B) the only general partners (or functional equivalents thereof) of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

(yy) ''*Substitute Award*'' has the meaning given such term in Section 5(e) of the Plan.

(zz) ''*Sub Plans*'' means, any sub-plan to this Plan that has been adopted by the Board or the Committee for the purpose of permitting the offering of Awards to employees of certain Designated Foreign Subsidiaries or otherwise outside the United States of America, with each such sub-plan designed to comply with local laws applicable to offerings in such foreign jurisdictions. Although any Sub Plan may be designated a separate and independent plan from the Plan in order to comply with applicable local laws, the Absolute Share Limit shall apply in the aggregate to the Plan and any Sub Plan adopted hereunder.

(aaa) ‘‘*Termination*’’ means the termination of a Participant’s employment or service, as applicable, with the Service Recipient, for any reason (including death or Disability).

3. Effective Date; Duration. The Plan shall be effective as of the Effective Date. The expiration date of the Plan, on and after which date no Awards may be granted hereunder, shall be the tenth anniversary of the Effective Date; *provided, however*, that such expiration shall not affect Awards then outstanding, and the terms and conditions of the Plan shall continue to apply to such Awards.

4. Administration.

(a) The Committee shall administer the Plan. To the extent required to comply with the provisions of Rule 16b-3 promulgated under the Exchange Act (if the Board is not acting as the Committee under the Plan), it is intended that each member of the Committee shall, at the time he or she takes any action with respect to an Award under the Plan that is subject to Rule 16b-3, be a Special Qualifying Director. However, the fact that a Committee member shall fail to qualify as a Special Qualifying Director shall not invalidate any Award granted by the Committee that is otherwise validly granted under the Plan.

(b) Subject to the provisions of the Plan and applicable law, the Committee shall have the sole and plenary authority, in addition to other express powers and authorizations conferred on the Committee by the Plan, to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant; (iii) determine the number of shares of Common Stock to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with, Awards; (iv) determine the terms and conditions of any Award; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, shares of Common Stock, other securities, other Awards or other property, or canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances the delivery of cash, shares of Common Stock, other securities, other Awards or other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the Participant or of the Committee; (vii) interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; (viii) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Committee shall deem appropriate for the proper administration of the Plan; and (ix) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) Except to the extent prohibited by applicable law or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which the securities of the Company are listed or traded, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any person or persons selected by it. Any such allocation or delegation may be revoked by the Committee at any time. Without limiting the generality of the foregoing, the Committee may delegate to one or more officers of the Company or any Subsidiary the authority to act on behalf of the Committee with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Committee herein, and which may be so delegated as a matter of law, except for grants of Awards to persons (i) who are members of the Board or (ii) who are subject to Section 16 of the Exchange Act.

(d) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award or any documents evidencing Awards granted pursuant to the Plan shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all persons or entities, including, without limitation, the Company, any Affiliate, any Participant, any holder or beneficiary of any Award, and any stockholder of the Company.

(e) No member of the Board, the Committee or any employee or agent of the Company or any Subsidiary (each such person, an ‘‘*Indemnifiable Person*’’) shall be liable for any action taken or omitted to be taken or any determination made with respect to the Plan or any Award hereunder (unless constituting fraud or a willful criminal act or omission). Each Indemnifiable Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense (including attorneys’ fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit or proceeding to which such Indemnifiable Person may be a party or in which such Indemnifiable Person may be involved by reason of any action taken or omitted to be taken or determination made under the Plan or any Award agreement and against and from any and all amounts paid by such Indemnifiable Person with the Company’s approval, in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit or proceeding against such Indemnifiable Person, and the Company shall advance to such Indemnifiable Person any such expenses promptly upon written request (which request shall include an undertaking by the Indemnifiable Person to repay the amount of such advance if it shall ultimately be determined as provided below that the Indemnifiable Person is not entitled to be indemnified); *provided* that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the

Company's choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either case not subject to further appeal) binding upon such Indemnifiable Person determines that the acts or omissions or determinations of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person's fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Company's or any Subsidiary's organizational documents. The foregoing right of indemnification shall not be exclusive of or otherwise supersede any other rights of indemnification to which such Indemnifiable Persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, individual indemnification agreement or contract or otherwise, or any other power that the Company may have to indemnify such Indemnifiable Persons or hold them harmless.

(f) Notwithstanding anything to the contrary contained in the Plan, the Board may, in its sole discretion, at any time and from time to time, grant Awards and administer the Plan with respect to such Awards. Any such actions by the Board shall be subject to the applicable rules of the NYSE or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted. In any such case, the Board shall have all the authority granted to the Committee under the Plan.

5. Grant of Awards; Shares Subject to the Plan; Limitations.

(a) The Committee may, from time to time, grant Awards to one or more Eligible Persons. All Awards granted under the Plan shall vest and become exercisable in such manner and on such date or dates or upon such event or events as determined by the Committee, including, without limitation, attainment of Performance Criteria, subject to the Minimum Vesting Condition.

(b) Awards granted under the Plan shall be subject to the following limitations: (i) subject to Section 11 of the Plan, no more than 17,500,000 shares of Common Stock (the ''*Absolute Share Limit*'') shall be available for Awards under the Plan (excluding those shares of Restricted Stock received by Participants in exchange for (or redemption of) partnership or limited liability interests contemporaneous with the adoption of the Plan); (ii) subject to Section 11 of the Plan, no more than the number of shares of Common Stock equal to the Absolute Share Limit may be delivered in the aggregate pursuant to the exercise of Incentive Stock Options granted under the Plan; and (iii) the maximum number of shares of Common Stock subject to Awards granted during a single fiscal year to any Non-Employee Director, taken together with any cash fees paid to such Non-Employee Director during the fiscal year, shall not exceed $1,000,000 in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes and excluding, for this purpose, the value of any dividend equivalent payments paid pursuant to any Award granted in a previous fiscal year).

(c) Other than with respect to Substitute Awards, to the extent that an Award expires or is canceled, forfeited or terminated, in whole or in part, (including, without limitation, for failure to achieve service vesting and/or performance vesting conditions) without issuance to the Participant of shares of Common Stock to which the Award related or cash or other property in lieu thereof, the unissued shares of Common Stock will again be available for grant under the Plan. The issuance of Shares or the payment of cash upon the exercise of an Award or in consideration of the cancellation or termination of an Award shall reduce the total number of Shares available under the Plan, as applicable. If Shares are not issued or are withheld from payment of an Award to satisfy tax obligations with respect to the Award, such Shares will not be added back to the aggregate number of Shares with respect to which Awards may be granted under the Plan, but rather will count against the aggregate number of Shares with respect to which Awards may be granted under the Plan. When an Option or Stock Appreciation Right is granted under the Plan, the number of Shares subject to the Option or Stock Appreciation Right will be counted against the aggregate number of Shares with respect to which Awards may be granted under the Plan as one Share for every Share subject to such Option or Stock Appreciation Right, regardless of the actual number of Shares (if any) used to settle such Option or Stock Appreciation Right upon exercise.

(d) Shares of Common Stock delivered by the Company in settlement of Awards may be authorized and unissued shares, shares held in the treasury of the Company, shares purchased on the open market or by private purchase or a combination of the foregoing.

(e) Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity directly or indirectly acquired by the Company or with which the Company combines (''*Substitute Awards*''). Substitute Awards shall not be counted against the Absolute Share Limit; *provided*, that Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding options intended to qualify as ''incentive stock options'' within the meaning of Section 422 of the Code shall be counted against the aggregate number of shares of Common Stock available for Awards of Incentive Stock Options under the Plan. Subject to applicable stock exchange requirements, available shares under a stockholder approved plan of an entity directly or indirectly acquired by the Company or with which the Company combines (as appropriately adjusted to reflect the acquisition or combination transaction) may be used for Awards under the Plan and shall not reduce the number of shares of Common Stock available for delivery under the Plan.

6. Eligibility. Participation in the Plan shall be limited to Eligible Persons.

7. Options.

(a) *General.* Each Option granted under the Plan shall be evidenced by an Award agreement, in written or electronic form, which agreement need not be the same for each Participant. Each Option so granted shall be subject to the conditions set forth in this Section 7, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement. All Options granted under the Plan shall be Nonqualified Stock Options unless the applicable Award agreement expressly states that the Option is intended to be an Incentive Stock Option. Incentive Stock Options shall be granted only to Eligible Persons who are employees of the Company and its Affiliates, and no Incentive Stock Option shall be granted to any Eligible Person who is ineligible to receive an Incentive Stock Option under the Code. No Option shall be treated as an Incentive Stock Option unless the Plan has been approved by the stockholder of the Company in a manner intended to comply with the stockholder approval requirements of Section 422(b)(1) of the Code, *provided* that any Option intended to be an Incentive Stock Option shall not fail to be effective solely on account of a failure to obtain such approval, but rather such Option shall be treated as a Nonqualified Stock Option unless and until such approval is obtained. In the case of an Incentive Stock Option, the terms and conditions of such grant shall be subject to and comply with such rules as may be prescribed by Section 422 of the Code. If for any reason an Option intended to be an Incentive Stock Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such nonqualification, such Option or portion thereof shall be regarded as a Nonqualified Stock Option appropriately granted under the Plan.

(b) *Exercise Price.* Except as otherwise provided by the Committee in the case of Substitute Awards, the exercise price (''*Exercise Price*'') per share of Common Stock for each Option shall not be less than 100% of the Fair Market Value of such share (determined as of the Date of Grant); *provided, however*, that in the case of an Incentive Stock Option granted to an employee who, at the time of the grant of such Option, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Affiliate, the Exercise Price per share shall be no less than 110% of the Fair Market Value per share on the Date of Grant.

(c) *Vesting and Expiration; Termination*.

(i) Options shall vest and become exercisable in such manner and on such date or dates or upon such events determined by the Committee and shall expire after such period, not to exceed 10 years, as may be determined by the Committee (the ''*Option Period*''); *provided*, that if the Option Period (other than in the case of an Incentive Stock Option) would expire at a time when trading in the shares of Common Stock is prohibited by the Company's insider trading policy (or Company-imposed ''blackout period''), the Option Period shall be automatically extended until the 30th day following the expiration of such prohibition; *provided, however*, that in no event shall the Option Period exceed five years from the Date of Grant in the case of an Incentive Stock Option granted to a Participant who on the Date of Grant owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Affiliate.

(ii) The terms and conditions with respect to the treatment of Options in the event of a Participant's Termination shall be determined by the Committee and reflected in the applicable Award agreement.

(d) *Method of Exercise and Form of Payment.* No shares of Common Stock shall be delivered pursuant to any exercise of an Option until payment in full of the Exercise Price therefor is received by the Company and the Participant has paid to the Company an amount equal to any Federal, state, local and non-U.S. income and employment and any other applicable taxes required to be withheld. Options which have become exercisable may be exercised by delivery of written or electronic notice of exercise to the Company (or telephonic instructions to the extent provided by the Committee) in accordance with the terms of the Option accompanied by payment of the Exercise Price. The Exercise Price shall be payable (i) in cash, check, cash equivalent and/or shares of Common Stock valued at the Fair Market Value at the time the Option is exercised (including, pursuant to procedures approved by the Committee, by means of attestation of ownership of a sufficient number of shares of Common Stock in lieu of actual delivery of such shares to the Company); *provided*, that such shares of Common Stock are not subject to any pledge or other security interest; or (ii) by such other method as the Committee may permit in its sole discretion, including without limitation: (A) in other property having a fair market value on the date of exercise equal to the Exercise Price or (B) if there is a public market for the shares of Common Stock at such time, by means of a broker-assisted ''cashless exercise'' pursuant to which the Company is delivered (including telephonically to the extent permitted by the Committee) a copy of irrevocable instructions to a stockbroker to sell the shares of Common Stock otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the Exercise Price or (C) a ''net exercise'' procedure effected by withholding the minimum number of shares of Common Stock otherwise deliverable in respect of an Option that are needed to pay the Exercise Price and all applicable required withholding and any other applicable taxes, except as otherwise provided in Section 13(d). Any fractional shares of Common Stock shall be settled in cash.

(e) *Notification upon Disqualifying Disposition of an Incentive Stock Option.* Each Participant awarded an Incentive Stock Option under the Plan shall notify the Company in writing immediately after the date he or she makes a disqualifying disposition of any Common Stock acquired pursuant to the exercise of such Incentive Stock Option. A disqualifying disposition is any disposition (including, without limitation, any sale) of such Common Stock before the later of (A) two years after the Date of Grant of the Incentive Stock Option or (B) one year after the date of exercise of the Incentive Stock Option. The Company may, if determined by the Committee and in accordance with procedures established by the Committee, retain possession, as agent for the applicable Participant, of any Common Stock acquired pursuant to the exercise of an Incentive Stock Option until the end of the period described in the preceding sentence, subject to complying with any instructions from such Participant as to the sale of such Common Stock.

(f) *Compliance With Laws, etc.* Notwithstanding the foregoing, in no event shall a Participant be permitted to exercise an Option in a manner which the Committee determines would violate the Sarbanes-Oxley Act of 2002, or any other applicable law or the applicable rules and regulations of the Securities and Exchange Commission or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which the securities of the Company are listed or traded.

8. Stock Appreciation Rights.

(a) *General.* Each SAR granted under the Plan shall be evidenced by an Award agreement, in written or electronic form, which agreement need not be the same for each Participant. Each SAR so granted shall be subject to the conditions set forth in this Section 8, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement. Any Option granted under the Plan may include tandem SARs. The Committee also may award SARs to Eligible Persons independent of any Option.

(b) *Strike Price.* Except as otherwise provided by the Committee in the case of Substitute Awards, the strike price (''*Strike Price*'') per share of Common Stock for each SAR shall not be less than 100% of the Fair Market Value of such share (determined as of the Date of Grant). Notwithstanding the foregoing, a SAR granted in tandem with (or in substitution for) an Option previously granted shall have a Strike Price equal to the Exercise Price of the corresponding Option.

(c) *Vesting and Expiration*.

(i) A SAR granted in connection with an Option shall become exercisable and shall expire according to the same vesting schedule and expiration provisions as the corresponding Option. A SAR granted independent of an Option shall vest and become exercisable and shall expire in such manner and on such date or dates or upon such events determined by the Committee and shall expire after such period, not to exceed 10 years, as may be determined by the Committee (the ''*SAR Period*''); *provided*, that if the SAR Period would expire at a time when trading in the shares of Common Stock is prohibited by the Company's insider trading policy (or Company-imposed ''blackout period''), the SAR Period shall be automatically extended until the 30th day following the expiration of such prohibition.

(ii) The terms and conditions with respect to the treatment of SARs in the event of a Participant's Termination shall be determined by the Committee and reflected in the applicable Award agreement.

(d) *Method of Exercise.* SARs which have become exercisable may be exercised by delivery of written or electronic notice of exercise to the Company in accordance with the terms of the Award, specifying the number of SARs to be exercised and the date on which such SARs were awarded.

(e) *Payment.* Upon the exercise of a SAR, the Company shall pay to the Participant an amount equal to the number of shares subject to the SAR that are being exercised multiplied by the excess, if any, of the Fair Market Value of one share of Common Stock on the exercise date over the Strike Price, less an amount equal to any Federal, state, local and non-U.S. income, employment and any other applicable taxes required to be withheld. The Company shall pay such amount in cash, in shares of Common Stock valued at Fair Market Value, or any combination thereof, as determined by the Committee. Any fractional shares of Common Stock shall be settled in cash.

(f) *Substitution of SARs for Nonqualified Stock Options.* The Committee shall have the authority in its sole discretion to substitute, without the consent of the affected Participant or any holder or beneficiary of SARs, SARs settled in shares of Common Stock (or settled in shares or cash in the sole discretion of the Committee) for outstanding Nonqualified Stock Options, *provided* that (i) the substitution shall not otherwise result in a modification of the terms of any such Nonqualified Stock Option, (ii) the number of shares of Common Stock underlying the substituted SARs shall be the same as the number of shares of Common Stock underlying such Nonqualified Stock Options and (iii) the Strike Price of the substituted SARs shall be equal to the Exercise Price of such Nonqualified Stock Options; *provided, however*, that if, in the opinion of the Company's independent public auditors, the foregoing provision creates adverse accounting consequences for the Company, such provision shall be considered null and void.

9. Restricted Stock and Restricted Stock Units.

(a) *General.* Each grant of Restricted Stock and Restricted Stock Units shall be evidenced by an Award agreement, in written or electronic form, which agreement need not be the same for each Participant. Each Restricted Stock and Restricted Stock Unit so granted shall be subject to the conditions set forth in this Section 9, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement.

(b) *Stock Certificates and Book Entry; Escrow or Similar Arrangement.* Upon the grant of Restricted Stock, the Committee shall cause a stock certificate registered in the name of the Participant to be issued or shall cause share(s) of Common Stock to be registered in the name of the Participant and held in book-entry form subject to the Company's directions and, if the Committee determines that the Restricted Stock shall be held by the Company or in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company (i) an escrow agreement satisfactory to the Committee, if applicable, and (ii) the appropriate stock power (endorsed in blank) with respect to the Restricted Stock covered by such agreement. If a Participant shall fail to execute and deliver (in a manner permitted under Section 13(a) of the Plan or as otherwise determined by the Committee) an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and blank stock power within the amount of time specified by the Committee, the Award shall be null and void. Subject to the restrictions set forth in this Section 9 and the applicable Award agreement, the Participant generally shall have the rights and privileges of a stockholder as to such Restricted Stock, including without limitation the right to vote such Restricted Stock and to receive any dividends payable on such shares of Restricted Stock. To the extent shares of Restricted Stock are forfeited, any stock certificates issued to the Participant evidencing such shares shall be returned to the Company, and all rights of the Participant to such shares and as a stockholder with respect thereto shall terminate without further obligation on the part of the Company.

(c) *Vesting; Acceleration of Lapse of Restrictions*.

(i) The Restricted Period with respect to Restricted Stock and Restricted Stock Units shall lapse in such manner and on such date or dates or upon such events determined by the Committee.

(ii) The terms and conditions with respect to the treatment of Restricted Stock and Restricted Stock Units in the event of a Participant's Termination shall be determined by the Committee and reflected in the applicable Award agreement.

(d) *Delivery of Restricted Stock and Settlement of Restricted Stock Units*.

(i) Upon the expiration of the Restricted Period with respect to any shares of Restricted Stock, the restrictions set forth in the applicable Award agreement shall be of no further force or effect with respect to such shares, except as set forth in the applicable Award agreement. If an escrow arrangement is used, upon such expiration, the Company shall deliver to the Participant, or his or her beneficiary, without charge, the stock certificate (or, if applicable, a notice evidencing a book entry notation) evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired (rounded down to the nearest full share).

(ii) Unless otherwise provided by the Committee in an Award agreement or otherwise, upon the expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or his or her beneficiary, without charge, one share of Common Stock (or other securities or other property, as applicable) for each such outstanding Restricted Stock Unit granted pursuant to the applicable Award Agreement; *provided, however*, that the Committee may, in its sole discretion, elect to (i) pay cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock in respect of such Restricted Stock Units or (ii) defer the delivery of Common Stock (or cash or part Common Stock and part cash, as the case may be) beyond the expiration of the Restricted Period if such extension would not cause adverse tax consequences under Section 409A of the Code. If a cash payment is made in lieu of delivering shares of Common Stock, the amount of such payment shall be equal to the Fair Market Value of the Common Stock as of the date on which the Restricted Period lapsed with respect to such Restricted Stock Units. To the extent provided in an Award agreement, the holder of outstanding Restricted Stock Units shall be entitled to be credited with dividend equivalent payments (upon the payment by the Company of dividends on shares of Common Stock) either in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends (and interest may, at the sole discretion of the Committee, be credited on the amount of cash dividend equivalents at a rate and subject to such terms as determined by the Committee), which accumulated dividend equivalents (and interest thereon, if applicable) shall be payable at the same time as the underlying Restricted Stock Units are settled following the release of restrictions on such Restricted Stock Units, and, if such Restricted Stock Units are forfeited, the Participant shall have no right to such dividend equivalent payments.

(e) *Legends on Restricted Stock.* Each certificate representing Restricted Stock awarded under the Plan, if any, shall bear a legend substantially in the form of the following, in addition to any other information the Company deems appropriate, until the lapse of all restrictions with respect to such shares of Common Stock:

> TRANSFER OF THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY IS RESTRICTED PURSUANT TO THE TERMS OF THE AMENDED AND RESTATED SUMMIT MATERIALS, INC. 2015 OMNIBUS INCENTIVE PLAN AND A RESTRICTED STOCK AWARD AGREEMENT, BETWEEN SUMMIT MATERIALS, INC. AND PARTICIPANT. A COPY OF SUCH PLAN AND AWARD AGREEMENT IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICES OF SUMMIT MATERIALS, INC.

10. Other Stock-Based Awards and Other Cash-Based Awards.

(a) The Committee may issue unrestricted Common Stock, rights to receive grants of Awards at a future date, other Awards denominated in Common Stock (including, without limitation, performance shares or performance units, or other Awards denominated in cash (including cash bonuses)), under the Plan to Eligible Persons, alone or in tandem with other Awards, in such amounts as the Committee shall from time to time in its sole discretion determine. Each Other Stock-Based Award or Other Cash-Based Award, as applicable, granted under the Plan shall be evidenced by an Award agreement, in written or electronic form, which agreement need not be the same for each Participant, or as otherwise determined by the Committee. Each Other Stock-Based Award or Cash-Based Award, as applicable, so granted shall be subject to such conditions not inconsistent with the Plan as may be reflected in the applicable Award agreement.

(b) The terms and conditions with respect to the treatment of Other Stock-Based Awards in the event of a Participant's Termination shall be determined by the Committee and reflected in the applicable Award agreement.

11. Changes in Capital Structure and Similar Events. In the event of (a) any dividend (other than regular cash dividends) or other distribution (whether in the form of cash, shares of Common Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of shares of Common Stock or other securities of the Company, issuance of warrants or other rights to acquire shares of Common Stock or other securities of the Company, or other similar corporate transaction or event (including, without limitation, a Change in Control) that affects the shares of Common Stock, or (b) unusual or nonrecurring events (including, without limitation, a Change in Control) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, such that in either case an adjustment is determined by the Committee in its sole discretion to be necessary or appropriate, then the Committee shall make any such adjustments in such manner as it may deem equitable, including without limitation, any or all of the following:

(i) adjusting any or all of (A) the Absolute Share Limit, or any other limit applicable under the Plan with respect to the number of Awards which may be granted hereunder, (B) the number of shares of Common Stock or other securities of the Company (or number and kind of other securities or other property) which may be delivered in respect of Awards or with respect to which Awards may be granted under the Plan (including, without limitation, adjusting any or all of the limitations under Section 5 of the Plan) and (C) the terms of any outstanding Award, including, without limitation, (1) the number of shares of Common Stock or other securities of the Company (or number and kind of other securities or other property) subject to outstanding Awards or to which outstanding Awards relate, (2) the Exercise Price or Strike Price with respect to any Award or (3) any applicable performance measures (including, without limitation, Performance Criteria);

(ii) providing for a substitution or assumption of Awards (or awards of an acquiring company), accelerating the exercisability of, lapse of restrictions on, or termination of, Awards or providing for a period of time (which shall not be required to be more than 10 days) for Participants to exercise outstanding Awards prior to the occurrence of such event (and any such Award not so exercised shall terminate upon the occurrence of such event); and

(iii) cancelling any one or more outstanding Awards and causing to be paid to the holders holding vested Awards (including any Awards that would vest as a result of the occurrence of such event but for such cancellation) the value of such Awards, if any, as determined by the Committee (which if applicable may be based upon the price per share of Common Stock received or to be received by other stockholders of the Company in such event), including without limitation, in the case of an outstanding Option or SAR, a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of the shares of Common Stock subject to such Option or SAR over the aggregate Exercise Price or Strike Price of such Option or SAR, respectively (it being understood that, in such event, any Option or SAR having a per share Exercise Price or Strike Price equal to, or in excess of, the Fair Market Value of a share of Common Stock subject thereto may be canceled and terminated without any payment or consideration therefor);

provided, however, that in the case of any ''equity restructuring'' (within the meaning of the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor pronouncement thereto)), the Committee shall make an equitable or proportionate adjustment to outstanding Awards to reflect such equity restructuring. Any adjustment in Incentive Stock Options under this Section 11 (other than any cancellation of Incentive Stock Options) shall be made only to the extent not constituting a ''modification'' within the meaning of Section 424(h)(3) of the Code, and any adjustments under this Section 11 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act. Any such adjustment shall be conclusive and binding for all purposes. Payments to holders pursuant to clause (iii) above shall be made in cash or, in the sole discretion of the Committee, in the form of such other consideration necessary for a Participant to receive property, cash, or securities (or combination thereof) as such Participant would have been entitled to receive upon the occurrence of the transaction if the Participant had been, immediately prior to such transaction, the holder of the number of shares of Common Stock covered by the Award at such time (less any applicable Exercise Price or Strike Price). In addition, prior to any payment or adjustment contemplated under this Section 11, the Committee may require a Participant to (A) represent and warrant as to the unencumbered title to his Awards, (B) bear such Participant's pro rata share of any post-closing indemnity obligations, and be subject to the same post-closing purchase price adjustments, escrow terms, offset rights, holdback terms, and similar conditions as the other holders of Stock, (C) deliver customary transfer documentation as reasonably determined by the Committee and (D) satisfy any applicable tax withholding obligations.

12. Amendments and Termination.

(a) *Amendment and Termination of the Plan.* The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; *provided*, that no such amendment, alteration, suspension, discontinuation or termination shall be made without stockholder approval if (i) such approval is necessary to comply with any regulatory requirement applicable to the Plan (including, without limitation, as necessary to comply with any rules or regulations of any securities exchange or inter-dealer quotation system on which the securities of the Company may be listed or quoted or for changes in GAAP to new accounting standards), (ii) it would materially increase the number of securities which may be issued under the Plan (except for increases pursuant to Section 5 or 11), or (iii) it would materially modify the requirements for participation in the Plan; *provided, further*, that any such amendment, alteration, suspension, discontinuance or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary. Notwithstanding the foregoing, no amendment shall be made to the last proviso of Section 12(b) without stockholder approval.

(b) *Amendment of Award Agreements.* The Committee may, to the extent consistent with the terms of any applicable Award agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted or the associated Award agreement, prospectively or retroactively (including after a Participant's Termination from the Company); *provided* that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant with respect to any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant; *provided, further*, that without stockholder approval, except as otherwise permitted under Section 11 of the Plan, (i) no amendment or modification may reduce the Exercise Price of any Option or the Strike Price of any SAR, (ii) the Committee may not cancel any outstanding Option or SAR and replace it with a new Option or SAR (with a lower Exercise Price or Strike Price, as the case may be) or other Award or cash payment that is greater than the value of the cancelled Option or SAR, and (iii) the Committee may not take any other action which is considered a ''repricing'' for purposes of the stockholder approval rules of any securities exchange or inter-dealer quotation system on which the securities of the Company are listed or quoted.

13. General.

(a) *Award Agreements.* Each Award under the Plan shall be evidenced by an Award agreement, which shall be delivered to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto, including without limitation, the effect on such Award of the death, Disability or Termination of a Participant, or of such other events as may be determined by the Committee. For purposes of the Plan, an Award agreement may be in any such form (written or electronic) as determined by the Committee (including, without limitation, a Board or Committee resolution, an employment agreement, a notice, a certificate or a letter) evidencing the Award. The Committee need not require an Award agreement to be signed by the Participant or a duly authorized representative of the Company.

(b) *Nontransferability.* (i) Each Award shall be exercisable only by a Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant (including, without limitation, except as may be prohibited by applicable law, pursuant to a domestic relations order) other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or an Affiliate; *provided* that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(i) Notwithstanding the foregoing, the Committee may, in its sole discretion, permit Awards (other than Incentive Stock Options) to be transferred by a Participant, without consideration, subject to such rules as the Committee may adopt consistent with any applicable Award agreement to preserve the purposes of the Plan, to: (A) any person who is a ''family member'' of the Participant, as such term is used in the instructions to Form S-8 under the Securities Act or any successor form of registration statement promulgated by the Securities and Exchange Commission (collectively, the ''*Immediate Family Members*''); (B) a trust solely for the benefit of the Participant and his or her Immediate Family Members; (C) a partnership or limited liability company whose only partners or stockholders are the Participant and his or her Immediate Family Members; or (D) a beneficiary to whom donations are eligible to be treated as ''charitable contributions'' for federal income tax purposes;

(each transferee described in clauses (A), (B), (C) and (D) above is hereinafter referred to as a ''*Permitted Transferee*''); *provided* that the Participant gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Participant in writing that such a transfer would comply with the requirements of the Plan.

(ii) The terms of any Award transferred in accordance with the immediately preceding sentence shall apply to the Permitted Transferee and any reference in the Plan, or in any applicable Award agreement, to a Participant shall be deemed to refer to the Permitted Transferee, except that (A) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) Permitted Transferees shall not be entitled to exercise any transferred Option unless there shall be in effect a registration statement on an appropriate form covering the shares of Common Stock to be acquired pursuant to the exercise of such Option if the Committee determines, consistent with any applicable Award agreement, that such a registration statement is necessary or appropriate; (C) the Committee or the Company shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; and (D) the consequences of the Termination of the Participant from the Company or an Affiliate under the terms of the Plan and the applicable Award agreement shall continue to be applied with respect to the Participant, including, without limitation, that an Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Award agreement.

(c) *Dividends and Dividend Equivalents.* The Committee in its sole discretion may provide a Participant as part of an Award with dividends or dividend equivalents, payable in cash, shares of Common Stock, other securities, other Awards or other property, on a current or deferred basis, on such terms and conditions as may be determined by the Committee in its sole discretion, including without limitation, payment directly to the Participant, withholding of such amounts by the Company subject to vesting of the Award or reinvestment in additional shares of Common Stock, Restricted Stock or other Awards; *provided*, that no dividends or dividend equivalents shall be payable in respect of outstanding (i) Options or SARs or (ii) unearned Awards subject to performance conditions (other than or in addition to the passage of time and other than Awards structured as Restricted Stock) (although dividends and dividend equivalents may be accumulated in respect of unearned Awards and paid within 15 days after such Awards are earned and become payable or distributable).

(d) *Tax Withholding*.

(i) A Participant shall be required to pay to the Company or any Affiliate, and the Company or any Affiliate shall have the right and is hereby authorized to withhold, from any cash, shares of Common Stock, other securities or other property deliverable under any Award or from any compensation or other amounts owing to a Participant, the amount (in cash, Common Stock, other securities or other property) of any required withholding or any other applicable taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Committee or the Company to satisfy all obligations for the payment of such withholding or any other applicable taxes.

(ii) Without limiting the generality of clause (i) above, the Committee may, in its sole discretion, permit a Participant to satisfy, in whole or in part, the foregoing withholding liability by (A) the delivery of shares of Common Stock (which are not subject to any pledge or other security interest) owned by the Participant having a Fair Market Value equal to such withholding liability or (B) having the Company withhold from the number of shares of Common Stock otherwise issuable or deliverable pursuant to the exercise or settlement of the Award a number of shares with a Fair Market Value equal to such withholding liability, provided that with respect to shares withheld pursuant to clause (B), the number of such shares may not have a Fair Market Value greater than the minimum required statutory withholding liability, unless the Committee, in its sole discretion, pursuant to an Award agreement or otherwise, expressly determines to allow Participants to satisfy, in whole or in part, any additional applicable withholding taxes payable by them with respect to an Award by having the Company withhold from the shares of Common Stock otherwise issuable or deliverable to, or that would otherwise be retained by, a Participant upon the grant, exercise, vesting or settlement of the Award, as applicable, shares of Common Stock having an aggregate Fair Market Value that is greater than the applicable minimum required statutory withholding

liability (but such withholding may in no event be in excess of the maximum statutory withholding amount(s) in a Participant's relevant tax jurisdictions).

(e) *No Claim to Awards; No Rights to Continued Employment; Waiver.* No employee of the Company or an Affiliate, or other person, shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of the Company or an Affiliate, nor shall it be construed as giving any Participant any rights to continued service on the Board. The Company or any of its Affiliates may at any time dismiss a Participant from employment or discontinue any consulting relationship, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or any Award agreement. By accepting an Award under the Plan, a Participant shall thereby be deemed to have waived any claim to continued exercise or vesting of an Award or to damages or severance entitlement related to non-continuation of the Award beyond the period provided under the Plan or any Award agreement, except to the extent of any provision to the contrary in any written employment contract or other agreement between the Company and its Affiliates and the Participant, whether any such agreement is executed before, on or after the Date of Grant.

(f) *International Participants.* With respect to Participants who reside or work outside of the United States of America, the Committee may in its sole discretion amend the terms of the Plan or Sub-Plans or outstanding Awards with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant, the Company or its Affiliates.

(g) *Designation and Change of Beneficiary.* Each Participant may file with the Committee a written designation of one or more persons as the beneficiary(ies) who shall be entitled to receive the amounts payable with respect to an Award, if any, due under the Plan upon his or her death. A Participant may, from time to time, revoke or change his or her beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; *provided, however*, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by a Participant, the beneficiary shall be deemed to be his or her spouse or, if the Participant is unmarried at the time of death, his or her estate.

(h) *Termination.* Except as otherwise provided in an Award agreement, unless determined otherwise by the Committee at any point following such event: (i) neither a temporary absence from employment or service due to illness, vacation or leave of absence (including, without limitation, a call to active duty for military service through a Reserve or National Guard unit) nor a transfer from employment or service with one Service Recipient to employment or service with another Service Recipient (or vice-versa) shall be considered a Termination; and (ii) if a Participant undergoes a Termination of employment, but such Participant continues to provide services to the Company and its Affiliates in a non-employee capacity, such change in status shall not be considered a Termination for purposes of the Plan. Further, unless otherwise determined by the Committee, in the event that any Service Recipient ceases to be an Affiliate of the Company (by reason of sale, divestiture, spin-off, or other similar transaction), unless a Participant's employment or service is transferred to another entity that would constitute a Service Recipient immediately following such transaction, such Participant shall be deemed to have suffered a Termination hereunder as of the date of the consummation of such transaction.

(i) *No Rights as a Stockholder.* Except as otherwise specifically provided in the Plan or any Award agreement, no person shall be entitled to the privileges of ownership in respect of shares of Common Stock which are subject to Awards hereunder until such shares have been issued or delivered to that person.

(j) *Government and Other Regulations.*

(i) The obligation of the Company to settle Awards in shares of Common Stock or other consideration shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any terms or conditions of any Award to the contrary, the Company shall be under no obligation to offer to sell or to sell, and shall be prohibited from offering to sell or selling, any shares of Common Stock pursuant to an Award unless such shares have been properly registered for sale pursuant to the Securities Act with the Securities and Exchange Commission or unless the Company has received an opinion of counsel (if the Company has requested such an opinion), satisfactory to the Company, that such shares may be offered or sold without such registration pursuant to an available exemption therefrom and the terms and conditions of such exemption have been fully complied with. The Company shall be under no obligation to register for sale under the Securities Act any of the shares of Common Stock to be offered or sold under the Plan. The Committee shall have the authority to provide that all shares of Common Stock or other securities of the Company or any Affiliate delivered under the Plan shall be subject to such stop transfer orders and other

restrictions as the Committee may deem advisable under the Plan, the applicable Award agreement, the Federal securities laws, or the rules, regulations and other requirements of the Securities and Exchange Commission, any securities exchange or inter- dealer quotation system on which the securities of the Company are listed or quoted and any other applicable Federal, state, local or non-U.S. laws, rules, regulations and other requirements, and, without limiting the generality of Section 9 of the Plan, the Committee may cause a legend or legends to be put on certificates representing shares of Common Stock or other securities of the Company or any Affiliate delivered under the Plan to make appropriate reference to such restrictions or may cause such Common Stock or other securities of the Company or any Affiliate delivered under the Plan in book-entry form to be held subject to the Company's instructions or subject to appropriate stop-transfer orders. Notwithstanding any provision in the Plan to the contrary, the Committee reserves the right to add any additional terms or provisions to any Award granted under the Plan that it in its sole discretion deems necessary or advisable in order that such Award complies with the legal requirements of any governmental entity to whose jurisdiction the Award is subject.

(ii) The Committee may cancel an Award or any portion thereof if it determines, in its sole discretion, that legal or contractual restrictions and/or blockage and/or other market considerations would make the Company's acquisition of shares of Common Stock from the public markets, the Company's issuance of Common Stock to the Participant, the Participant's acquisition of Common Stock from the Company and/or the Participant's sale of Common Stock to the public markets, illegal, impracticable or inadvisable. If the Committee determines to cancel all or any portion of an Award in accordance with the foregoing, the Company shall pay to the Participant an amount equal to the excess of (A) the aggregate Fair Market Value of the shares of Common Stock subject to such Award or portion thereof canceled (determined as of the applicable exercise date, or the date that the shares would have been vested or delivered, as applicable), over (B) the aggregate Exercise Price or Strike Price (in the case of an Option or SAR, respectively) or any amount payable as a condition of delivery of shares of Common Stock (in the case of any other Award). Such amount shall be delivered to the Participant as soon as practicable following the cancellation of such Award or portion thereof.

(k) *No Section 83(b) Elections Without Consent of Company.* No election under Section 83(b) of the Code or under a similar provision of law may be made unless expressly permitted by the terms of the applicable Award agreement or by action of the Committee in writing prior to the making of such election. If a Participant, in connection with the acquisition of shares of Common Stock under the Plan or otherwise, is expressly permitted to make such election and the Participant makes the election, the Participant shall notify the Company of such election within ten days of filing notice of the election with the Internal Revenue Service or other governmental authority, in addition to any filing and notification required pursuant to Section 83(b) of the Code or other applicable provision.

(l) *Payments to Persons Other Than Participants.* If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his or her affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or his or her estate (unless a prior claim therefor has been made by a duly appointed legal representative) may, if the Committee so directs the Company, be paid to his or her spouse, child, relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Company therefor.

(m) *Nonexclusivity of the Plan.* Neither the adoption of this Plan by the Board nor the submission of this Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

(n) *No Trust or Fund Created.* Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate, on the one hand, and a Participant or other person or entity, on the other hand. No provision of the Plan or any Award shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

(o) *Reliance on Reports.* Each member of the Committee and each member of the Board shall be fully justified in acting or failing to act, as the case may be, and shall not be liable for having so acted or failed to act in good faith, in reliance upon any report made by the independent public accountant of the Company and its Affiliates and/or any other information furnished in connection with the Plan by any agent of the Company or the Committee or the Board, other than himself.

(p) *Relationship to Other Benefits.* No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of the Company except as otherwise specifically provided in such other plan or as required by applicable law.

(q) *Governing Law.* The Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware (or, if the Company or its successor hereunder ceases to be organized in Delaware, then the internal laws of the state or other jurisdiction of incorporation) applicable to contracts made and performed wholly within the State of Delaware (or such other jurisdiction described above), without giving effect to the conflict of laws provisions thereof.

(r) *Severability.* If any provision of the Plan or any Award or Award agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or entity or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be construed or deemed stricken as to such jurisdiction, person or entity or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(s) *Obligations Binding on Successors.* The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company.

(t) *409A of the Code*.

(i) Notwithstanding any provision of the Plan to the contrary, it is intended that the provisions of this Plan comply with Section 409A of the Code, and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. Each Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of such Participant in connection with this Plan or any other plan maintained by the Company (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold such Participant (or any beneficiary) harmless from any or all of such taxes or penalties. With respect to any Award that is considered ''deferred compensation'' subject to Section 409A of the Code, references in the Plan to ''termination of employment'' (and substantially similar phrases) shall mean ''separation from service'' within the meaning of Section 409A of the Code. For purposes of Section 409A of the Code, each of the payments that may be made in respect of any Award granted under the Plan is designated as separate payments.

(ii) Notwithstanding anything in the Plan to the contrary, if a Participant is a ''specified employee'' within the meaning of Section 409A(a)(2)(B)(i) of the Code, no payments in respect of any Awards that are ''deferred compensation'' subject to Section 409A of the Code and which would otherwise be payable upon the Participant's ''separation from service'' (as defined in Section 409A of the Code) shall be made to such Participant prior to the date that is six months after the date of such Participant's ''separation from service'' or, if earlier, the Participant's date of death. Following any applicable six month delay, all such delayed payments will be paid in a single lump sum on the earliest date permitted under Section 409A of the Code that is also a business day.

(iii) Unless otherwise provided by the Committee in an Award agreement or otherwise, in the event that the timing of payments in respect of any Award (that would otherwise be considered ''deferred compensation'' subject to Section 409A of the Code) would be accelerated upon the occurrence of (A) a Change in Control, no such acceleration shall be permitted unless the event giving rise to the Change in Control satisfies the definition of a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation pursuant to Section 409A of the Code and any Treasury Regulations promulgated thereunder or (B) a Disability, no such acceleration shall be permitted unless the Disability also satisfies the definition of ''Disability'' pursuant to Section 409A of the Code and any Treasury Regulations promulgated thereunder.

(u) *Clawback/Forfeiture.* Notwithstanding anything to the contrary contained herein, an Award agreement may provide that the Committee may in its sole discretion cancel such Award if the Participant, without the consent of the Company, while employed by or providing services to the Company or any Affiliate or after Termination, violates a non-competition, non-solicitation or non-disclosure covenant or agreement or otherwise has engaged in or engages in other Detrimental Activity that is in conflict with or adverse to the interests of any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, as determined by the Committee in its sole discretion. The Committee may also provide in an Award agreement that if the Participant otherwise has engaged in or engages in any activity referred to in the preceding sentence, the Participant will forfeit any gain realized on the vesting or exercise of such Award, and must repay the gain to the Company. The Committee may also provide in an Award agreement that if the Participant receives any amount in excess of what the Participant should have received under the terms of the Award for any reason (including without limitation by reason of a financial restatement,

mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company. Without limiting the foregoing, all Awards shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with applicable law.

(v) *Expenses; Gender; Titles and Headings.* The expenses of administering the Plan shall be borne by the Company and its Affiliates. Masculine pronouns and other words of masculine gender shall refer to both men and women. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

SUMMIT MATERIALS, INC. 2021 EMPLOYEE STOCK PURCHASE PLAN

1. ***Purpose and Term.***

(a) The purpose of the Summit Materials, Inc. 2021 Employee Stock Purchase Plan, as it may be amended and/or restated from time to time (the "*Plan*"), is to give Eligible Employees of the Company and its Designated Companies an opportunity to purchase shares of Common Stock and to promote its best interests and enhance its long-term performance. The Company intends for each Offering to either (i) qualify as being under an "employee stock purchase plan" under Code Section 423 (each such Offering, a "*Section 423 Offering*") or (ii) not comply with the requirements of Code Section 423 (each such Offering, a "*Non-Section 423 Offering*"). The Plan shall be construed so as to comply with the requirements of Code Section 423 with respect to Section 423 Offerings. Any provisions required to be included in the Plan under Code Section 423 are hereby included as fully as though set forth in the Plan. Any Non-Section 423 Offerings may, but are not required to, be made pursuant to any rules, procedures, or sub-plans (collectively, "*Sub-Plans*") adopted by the Committee for such purpose.

(b) The effective date of the Plan shall be May 19, 2021 (the "*Effective Date*"). The term of the Plan shall continue until terminated by the Board pursuant to *Section 13* or the date on which all of the shares of Common Stock available for issuance under the Plan have been issued.

2. ***Certain Definitions.***

Any term not expressly defined in the Plan but defined for purposes of Code Section 423 will have the same definition herein. In addition to terms defined elsewhere in the Plan, the following terms shall have the meanings given below unless the Committee determines otherwise:

(a) "*Affiliate*" means any entity, other than a Subsidiary, that directly or through one or more intermediaries is controlled by, or is under common control with, the Company, as determined by the Committee.

(b) "*Applicable Law*" means any applicable laws, rules and regulations (or similar guidance), including but not limited to the General Corporation Law of the State of Delaware, the Securities Act, the Exchange Act, the Code and the listing or other rules of any applicable stock exchange, and the applicable laws of any foreign country or jurisdiction where Purchase Rights are, or will be, granted. References to any applicable laws, rules and regulations, including references to any sections or other provisions of applicable laws, rules and regulations, also refer to any successor or amended provisions thereto unless the Committee determines otherwise. Further, references to any section of a law shall be deemed to include any regulations or other interpretive guidance under such section, unless the Committee determines otherwise.

(c) "*Board*" means the Board of Directors of the Company.

(d) "*Change in Control*" shall have the meaning given such term in the Summit Materials, Inc. 2015 Omnibus Incentive Plan or any successor plan thereto, in each case, as amended and/or restated from time to time (the "*Omnibus Incentive Plan*").

(e) "*Code*" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or U.S. Treasury Regulation thereunder will include such section or regulation, any valid regulation or other official applicable guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(f) "*Committee*" means the Compensation Committee of the Board, which has authority to administer the Plan pursuant to *Section 3*. All references to the Committee in the Plan shall include any administrator to which the Committee has delegated any part of its responsibilities and powers pursuant to *Section 3(b)*.

(g) "*Common Stock*" means the shares of Class A common stock of the Company, par value $0.01 per share, and any successor securities.

(h) ''*Company*'' means Summit Materials, Inc., a Delaware corporation, and any successor thereto.

(i) ''*Compensation*'' means, unless otherwise determined by the Committee, a Participant's cash earnings, including base salary, wages, bonuses, commissions and other forms of incentive compensation (but excluding gifts, prizes, awards, relocation payments, severance, tips, gratuities, or similar elements of compensation), determined as of the date of the Contribution or such other date or dates as may be determined by the Committee. The Committee may, in its discretion, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for an Offering.

(j) ''*Contributions*'' means the amount of Compensation contributed by a Participant through payroll deductions to fund the exercise of a Purchase Right; *provided*, *however*, that ''Contributions'' may also include other payments that the Committee may permit a Participant to make to fund the exercise of a Purchase Right to the extent payroll deductions are not permitted by Applicable Law, as determined by the Company in its sole discretion.

(k) ''*Designated Company*'' means any Subsidiary or Affiliate, whether now existing or existing in the future, that has been designated by the Committee from time to time in its sole discretion as eligible to participate in the Plan. The Committee may designate Subsidiaries or Affiliates as Designated Companies in a Non-Section 423 Offering. For purposes of a Section 423 Offering, only the Company and its Subsidiaries may be Designated Companies; *provided*, *however*, that at any given time, a Subsidiary that is a Designated Company under a Section 423 Offering will not be a Designated Company under a Non-Section 423 Offering.

(l) ''*Eligible Employee*'' means any Employee of the Company or a Designated Company, unless otherwise determined by the Committee; *provided*, *however*, that the Committee may determine prior to any Offering Period that Employees outside the United States who are participating in a separate Offering or in separate Offerings shall be ''Eligible Employees'', if and to the extent required by Applicable Law, even if they do not meet the requirements as may be determined by the Committee with respect to Employees in the United States; *provided*, *further*, that the Committee, in its discretion, from time to time may, prior to the Offering Period for all Purchase Rights to be granted on the first day of such Offering Period in an Offering determine (for each Section 423 Offering, on a uniform and nondiscriminatory basis or as otherwise permitted by U.S. Treasury Regulation Section 1.423-2) that the definition of Eligible Employee will or will not include an individual if such individual: (A) has not completed a minimum period of service (as may be determined by the Committee in its discretion) since such individual's last hire date, (B) customarily works less than a minimum number of hours per week (as may be determined by the Committee in its discretion), (C) customarily works less than a minimum number of months per calendar year (as may be determined by the Committee in its discretion), (D) is a highly compensated employee within the meaning of Code Section 414(q), or (E) is a highly compensated employee within the meaning of Code Section 414(q) with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act (*provided*, that the exclusion is applied with respect to each Section 423 Offering in an identical manner to all highly compensated employees of the Company or a Designated Company, as applicable, whose employees are participating in such Offering).

No Employee shall be granted a Purchase Right under the Plan if, immediately after such grant, the Employee would own or hold options to purchase stock of the Company or a Related Corporation possessing 5% or more of the total combined voting power or value of all classes of stock of such corporation, as determined in accordance with Code Section 423(b)(3). For these purposes, the attribution rules of Code Section 424(d) shall apply in determining the stock ownership of such Employee. For purposes of a Non-Section 423 Offering, the provisions of *Section 5(i)* shall apply.

(m) ''*Employee*'' means an employee of the Company or a Subsidiary or Affiliate. For the purposes herein, the existence of an employment relationship will be determined in accordance with U.S. Treasury Regulation Section 1.421-l(h).

(n) ''*Exchange Act*'' means the U.S. Securities Exchange Act of 1934, as amended.

(o) ''*Fair Market Value*'' means, unless the Committee determines otherwise, on a given date (i) if the Common Stock is listed on a national securities exchange, the closing sales price of the Common Stock reported on the primary exchange on which the Common Stock is listed and traded on such date, or, if there are no such sales on that date, then on the last preceding date on which such sales were reported; (ii) if the Common Stock is not listed on any national securities exchange but is quoted in an inter-dealer quotation system on a last-sale basis, the average between the closing bid price and ask price reported on such date, or, if there is no such sale on that date, then on the last preceding date on which a sale was reported; or (iii) if the Common Stock is not listed on a national securities exchange or quoted in an inter-dealer quotation system on a last sale basis, then Fair Market Value shall be determined by the Committee in good faith to be the fair market value of the Common Stock. Notwithstanding any provision of the Plan to the contrary, no determination made with respect to the Fair Market Value of the Common Stock subject to a Purchase Right shall be inconsistent with Code Section 423 in the case of a Section 423 Offering.

(p) ''*Grant Date*'' means the date of grant of a Purchase Right. The Grant Date shall be the first day with respect to each Offering Period.

(q) "*Initial Offering Period*" means the initial Offering Period that begins and ends on the dates determined by the Committee.

(r) "*Offering*" means a grant of Purchase Rights to purchase shares of Common Stock under the Plan. Each Offering will be a Section 423 Offering or a Non-Section 423 Offering. Unless otherwise specified by the Committee, each Offering shall be deemed a separate Offering, even if the dates and other terms of the applicable Offering Periods of each such Offering are identical, and the provisions of the Plan will separately apply to each such Offering. With respect to Section 423 Offerings, the terms of each Offering need not be identical; *provided*, that the terms of the Plan and an Offering together satisfy Code Section 423 and the U.S. Treasury Regulations thereunder; *provided*, *however*, that a Non-Section 423 Offering is not required to satisfy such regulations.

(s) "*Offering Period*" means any period, including the Initial Offering Period, with respect to which a Purchase Right may be granted; *provided* that in no event shall an Offering Period be greater than 27 months. Following commencement of the Initial Offering Period, a new Offering Period shall begin. Notwithstanding the foregoing, the Committee shall have the power to change the frequency and duration of the Offering Periods with respect to any Offering as it deems appropriate from time to time.

(t) "*Outstanding Company Common Stock*" has the meaning assigned to such term under the Omnibus Incentive Plan.

(u) "*Parent*" means any present or future corporation that is or which would be a "parent corporation" of the Company as that term is defined in Code Section 424.

(v) "*Participant*" means an Eligible Employee who is a participant in the Plan.

(w) "*Purchase Date*" means the date of exercise of a Purchase Right. The Purchase Date shall be the Purchase Period End Date with respect to each Purchase Period.

(x) "*Purchase Period*" means, unless otherwise determined by the Committee, each six-month period during which an Offering is made to Eligible Employees pursuant to the Plan. There shall be one Purchase Period in each Offering Period, with such Purchase Periods beginning and ending on the dates determined by the Committee or its designees in its or their discretion. Notwithstanding the foregoing, the first Purchase Period in the Initial Offering Period shall begin and end on the dates determined by the Committee or its designees in its or their discretion, as applicable. Further, the Committee shall have the power to change the duration of Purchase Periods (including the Purchase Period Start Date and the Purchase Period End Date for any Purchase Period) with respect to any Offering; *provided* that such change is announced a reasonable period of time prior to the effective date of such change; *provided*, *further*, that in no event shall a Purchase Period be greater than 27 months.

(y) "*Purchase Period End Date*" means the last day of each Purchase Period. Unless otherwise determined by the Committee, there shall be one Purchase Period End Date in each Offering Period.

(z) "*Purchase Period Start Date*" means the first day of each Purchase Period. Unless otherwise determined by the Committee, there shall be one Purchase Period Start Date in each Offering Period.

(aa) "*Purchase Price*" means the price per share of Common Stock subject to a Purchase Right, as determined in accordance with *Section 6(b)*.

(bb) "*Purchase Right*" means an option granted hereunder which entitles a Participant to purchase shares of Common Stock in accordance with the terms of the Plan.

(cc) "*Related Corporation*" means a Parent or Subsidiary.

(dd) "*Securities Act*" means the U.S. Securities Act of 1933, as amended.

(ee) "*Subsidiary*" means any present or future corporation that is or would be a "subsidiary corporation" of the Company as that term is defined in Code Section 424.

(ff) "*Tax-Related Items*" means any income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items arising in relation to a Participant's participation in the Plan.

3. *Administration.*

(a) The Plan shall be administered by the Committee, unless the Board elects to assume administration of the Plan in whole or in part. References to the "Committee" include the Board if it is acting in an administrative capacity with respect to the Plan. Committee members shall be intended to qualify as "independent directors" (or terms of similar meaning) if and to the extent

required under Applicable Law. However, the fact that a Committee member shall fail to qualify as an independent director shall not invalidate any Purchase Right or other action taken by the Committee under the Plan.

(b) In addition to action by meeting in accordance with Applicable Law, any action of the Committee may be taken by a written instrument signed by all of the members of the Committee and any action so taken by written consent shall be as fully effective as if it had been taken by a majority of the members at a meeting duly held and called. Subject to the provisions of the Plan and Applicable Law, the Committee shall have full and final authority, in its discretion, to take any action with respect to the Plan, including, without limitation, the following: (i) to establish, amend and rescind rules and regulations for the administration of the Plan; (ii) to prescribe the form(s) of any agreements or other instruments used in connection with the Plan; (iii) to determine the terms and provisions of the Purchase Rights; (iv) to determine eligibility and adjudicate all disputed claims filed under the Plan, including whether Eligible Employees shall participate in a Section 423 Offering or a Non-Section 423 Offering and which Subsidiaries and Affiliates shall be Designated Companies participating in either a Section 423 Offering or a Non-Section 423 Offering; (v) reconcile any inconsistency in, correct any defect in, and/or supply any omission in the Plan and any instrument or agreement relating to, or Purchase Rights granted under, the Plan; and (vi) to construe and interpret the Plan, the Purchase Rights, the rules and regulations, and the agreements or other written instruments, and to make all other determinations necessary or advisable for the administration of the Plan, including, without limitation, the adoption of such Sub-Plans as are necessary or appropriate to permit the participation in the Plan by Eligible Employees who are foreign nationals or employed outside the United States, as further set forth in *Section 3(c)* below. Every finding, decision and determination made by the Committee will, to the full extent permitted by Applicable Law, be final and binding upon all parties. Except to the extent prohibited by the Plan or Applicable Law, and subject to such terms and conditions as may be established by the Committee, the Committee may appoint one or more agents to assist in the administration of the Plan and may delegate any part of its responsibilities and powers to any such person or persons appointed by it. No member of the Board or Committee, as applicable, shall be liable while acting as administrator for any action or determination made in good faith with respect to the Plan or any Purchase Right granted thereunder.

(c) Notwithstanding any provision to the contrary in this Plan, the Committee may adopt such Sub-Plans relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures for jurisdictions outside of the United States, the terms of which Sub-Plans may take precedence over other provisions of this Plan, with the exception of *Section 4*, but unless otherwise superseded by the terms of such Sub-Plan, the provisions of this Plan shall govern the operation of such Sub-Plan. To the extent inconsistent with the requirements of Code Section 423, any such Sub-Plan shall be considered part of a Non-Section 423 Offering, and Purchase Rights granted thereunder shall not be required by the terms of the Plan to comply with Code Section 423. Without limiting the generality of the foregoing, the Committee is authorized to adopt Sub-Plans for particular non-U.S. jurisdictions that modify the terms of the Plan to meet applicable local requirements regarding, without limitation, (i) eligibility to participate, (ii) the definition of Compensation, (iii) the dates and duration of Offering Periods or Purchase Periods or other periods during which Participants may make Contributions towards the purchase of shares of Common Stock, (iv) the method of determining the Purchase Price and the discount from Fair Market Value at which shares of Common Stock may be purchased, (v) any minimum or maximum amount of Contributions a Participant may make during an Offering Period or other specified period under the applicable Sub-Plan, (vi) the treatment of Purchase Rights upon a Change in Control or a change in capitalization of the Company, (vii) the handling of payroll deductions, (viii) establishment of bank, building society or trust accounts to hold Contributions, (ix) payment of interest, (x) conversion of local currency, (xi) obligations to pay payroll tax, (xii) determination of beneficiary designation requirements, (xiii) withholding procedures, and (xiv) handling of share issuances.

4. *Shares Subject to Plan; Limitations on Purchases and Purchase Rights.*

(a) *Shares Subject to Plan.* The aggregate number of shares of Common Stock available for the issuance of shares pursuant to the Plan shall be no more than 5,500,000 shares (the ''*Plan Share Reserve*''), subject to adjustment pursuant to *Section 10*. Shares of Common Stock distributed pursuant to the Plan shall be authorized but unissued shares, treasury shares or shares purchased on the open market or by private purchase. For avoidance of doubt, up to the maximum number of shares of Common Stock reserved under this *Section 4(a)* may be used to satisfy purchases of shares of Common Stock under Section 423 Offerings and any remaining portion of such maximum number of shares of Common Stock may be used to satisfy purchases of shares of Common Stock under Non-Section 423 Offerings. The Company hereby reserves sufficient authorized shares of Common Stock to provide for the exercise of Purchase Rights. In the event that any Purchase Right expires unexercised or is terminated, surrendered or canceled without being exercised, in whole or in part, for any reason, the number of shares of Common Stock subject to such Purchase Right shall again be available for issuance under the Plan and shall not reduce the aggregate number of shares of Common Stock available for the grant of Purchase Rights or issuance under the Plan.

(b) *Limitations on Purchases and Purchase Rights.* If, on a given Purchase Period End Date, the number of shares of Common Stock with respect to which Purchase Rights are to be exercised exceeds the number of shares then available under the Plan, the Company shall make a pro rata allocation of the shares remaining available for purchase in as uniform a manner as shall be practicable and as it shall determine to be equitable, and in no event shall the number of shares offered for purchase during any Offering Period exceed the number of shares then available under the Plan. In connection with each Offering, the

maximum number of shares of Common Stock that may be purchased by any single Participant pursuant to such Offering shall not exceed 3,000 shares, subject to adjustment pursuant to *Section 10*, unless otherwise determined by the Committee. In addition, in connection with each Offering, the Committee may specify a maximum aggregate number of shares of Common Stock that may be purchased by all Participants pursuant to such Offering. Further, in connection with each Offering that contains more than one Purchase Date, the Committee may specify a maximum aggregate number of shares of Common Stock that may be purchased by all Participants on any or each Purchase Date under the Offering. If the aggregate purchase of shares of Common Stock issuable upon exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Committee action otherwise, the Company shall make a pro rata allocation of the shares available in as uniform a manner as shall be practicable and as it shall determine to be equitable. In the event that any pro rata allocation is made pursuant to this *Section 4(b)*, any Contributions of a Participant not applied to the purchase of shares during such Offering Period shall be returned to such Participant (without interest, unless otherwise required by Applicable Law). Notwithstanding the foregoing, the Committee has authority, by resolution or otherwise, to modify the limitations on the number of shares of Common Stock that may be purchased by a Participant in any particular Offering Period or any particular Purchase Period.

5. *Eligibility and Participation; Payroll Deductions*.

(a) *General.* Purchase Rights may only be granted to Eligible Employees.

(b) *Initial Eligibility.* Any Eligible Employee who has completed any minimum period of employment as may be required by the Committee and is employed by the Company or a Designated Company on the date such Eligible Employee's participation in the Plan is to become effective shall be eligible to be a Participant during any Offering Period that begins on or after the end of such minimum required employment period, if applicable. An Employee who becomes an Eligible Employee on or after the Grant Date will not be eligible to participate in such Offering Period but may participate in any subsequent Offering Period; *provided*, that such Employee is still an Eligible Employee as of the Grant Date of such subsequent Offering Period.

(c) *Leave of Absence.* For purposes of participation in the Plan, a person on leave of absence shall be deemed to be an Employee for the first 90 days of such leave of absence and such Employee's employment shall be deemed to have terminated at the close of business on the 90th day of such leave of absence unless such Employee shall have returned to regular full-time or part-time employment (as the case may be) prior to the close of business on such 90th day or unless such Employee has a right to reemployment that is guaranteed either by statute or contract (including, for avoidance of doubt, any guaranteed right to reemployment provided under any non-U.S. law, contract or policy). Termination by the Company of any Employee's leave of absence, other than termination of such leave of absence on return to full-time or part-time employment, shall terminate an Employee's employment for all purposes of the Plan and shall terminate such Employee's participation in the Plan and right to exercise any Purchase Right, unless such Employee has a right to reemployment that is guaranteed either by statute or contract.

(d) Commencement of Participation. An Eligible Employee shall become a Participant by completing an authorization for Contributions on the form provided by the Company (and such other documents as may be required by the Committee) and delivering such forms and documents to the Company or an agent designated by the Company on or before the date set therefor by the Committee, which date shall be prior to the Grant Date for the applicable Offering Period. Contributions for a Participant during an Offering Period shall commence on the applicable Purchase Period Start Date when the Participant's authorization for a Contribution becomes effective and shall continue for successive Purchase Periods during which the Participant is eligible to participate in the Plan, unless authorizations are withdrawn or participation is terminated, as provided in *Section 8*.

(e) *Amount of Contributions; Determination of Compensation.* At the time a Participant files an authorization for Contributions, a Participant shall elect to have deductions or other Contributions made from the Participant's pay on each payday while participating in an Offering Period at a rate of not less than 1% nor more than 15% (in whole percentages only) of Compensation. Such Compensation rates shall be determined by the Committee in a nondiscriminatory manner consistent with the provisions of Code Section 423 in the case of a Section 423 Offering.

(f) *Participant's Account; No Interest.* All Contributions made by a Participant shall be credited to the Participant's account under the Plan. A Participant may not make any separate cash payment into such account except when on leave of absence and then only as provided in *Section 5(h)* or unless otherwise required by Applicable Law. In no event shall interest accrue on any Contributions made by a Participant, unless otherwise required by Applicable Law.

(g) *Changes in Payroll Deductions.* A Participant may withdraw, terminate or discontinue participation in the Plan as provided in *Section 8*, but no other change can be made during an Offering Period and, specifically, a Participant may not alter the amount of Contributions for that Offering Period; *provided*, that a Participant may reduce the amount of Contributions for an Offering Period one time during such Offering Period (no later than 30 days prior to the end of the Offering Period). Notwithstanding the foregoing, to the extent necessary to comply with the limitation of Code Section 423(b)(8), or *Section 2(l)*,

Section 4 and/or *Section 12(a)* of the Plan, a Participant's Contribution election may be decreased, including decreased to 0%, at any time during an Offering Period. In such event, Contributions shall continue at the newly elected rate with respect to the next Offering Period, unless otherwise provided under the terms of the Plan or as otherwise determined by the Committee.

(h) *Participation During Leave of Absence.* If a Participant goes on a leave of absence, such Participant shall have the right to elect to: (i) withdraw the balance in such Participant's account pursuant to *Section 8*; (ii) discontinue Contributions to the Plan but remain a Participant in the Plan; or (iii) remain a Participant in the Plan during such leave of absence, authorizing Contributions to be made from payments by the Company or a Subsidiary or Affiliate to the Participant during such leave of absence and undertaking to make cash payments to the Plan at the end of each payroll period to the extent that amounts payable by the Company or any Subsidiary or Affiliate to such Participant are insufficient to meet such Participant's authorized Contributions.

(i) *Special Eligibility Rules for Foreign Participants.* Notwithstanding the provisions of *Section 2(l)*, Eligible Employees who are citizens or residents of a foreign jurisdiction (without regard to whether they are also citizens of the United States or resident aliens) may be excluded from the Plan or an Offering if (i) the grant of a Purchase Right under the Plan or Offering to a citizen or resident of the foreign jurisdiction is prohibited under Applicable Law; or (ii) compliance with the Applicable Law would cause the Plan or Offering to violate the requirements of Code Section 423. In the case of a Non-Section 423 Offering, an Eligible Employee (or group of Eligible Employees) may be excluded from participation in the Plan or an Offering if the Committee has determined, in its sole discretion, that participation of such Eligible Employee(s) is not advisable or practicable for any reason. Further, notwithstanding the provisions of *Section 2(l)*, an Employee who does not otherwise qualify as an Eligible Employee may, in the Committee's discretion, participate in a Non-Section 423 Offering if and to the extent required by Applicable Law.

6. *Grant of Purchase Rights.*

(a) *Number of Shares Subject to Purchase Right*. On the Grant Date, a Participant shall be granted a Purchase Right to purchase, on each Purchase Period End Date of the Offering Period to which such Grant Date relates, at the applicable Purchase Price, such number of shares of Common Stock as is determined by dividing (x) the amount of the Participant's Contributions accumulated as of the Purchase Period End Date and retained in the Participant's account as of the Purchase Period End Date by (y) the applicable Purchase Price (as determined in accordance with *Section 6(b)*); *provided, however*, that (i) no Participant may purchase shares of Common Stock in excess of the limitations set forth in *Section 4(b)* or *Section 12(a)*, and the number of shares subject to a Purchase Right shall be adjusted as necessary to conform to such limitations; and (ii) in no event shall the aggregate number of shares deemed to be subject to Purchase Rights during an Offering Period exceed the number of shares then available under the Plan or the maximum number of shares that a participant may purchase for any single Offering Period and for any single Purchase Period (in each case, as provided in *Section 4*), and the number of shares deemed to be subject to Purchase Rights shall be adjusted as necessary to conform to these limitations. The Fair Market Value of the shares of Common Stock shall be determined as provided in *Section 2(o)* and *Section 6(b)*, and a Participant's Compensation shall be determined according to *Section 2(i)*.

(b) *Purchase Price.* The Purchase Price per share of Common Stock purchased with Contributions made during an Offering Period for a Participant shall be no less than 85% (but may be such greater percentage as determined by the Committee prior to the commencement of an Offering Period in which such Purchase Period occurs) of the lesser of (i) the Fair Market Value per share of Common Stock on the applicable Purchase Period End Date or (ii) the Fair Market Value of a share of Common Stock on the applicable Grant Date in which the Purchase Period occurs; *provided* that in no event shall the Purchase Price per share be less than the par value per share of the Common Stock; *provided*, *further* that the Committee may determine prior to a Purchase Period to calculate the Purchase Price for such Purchase Period solely by reference to the Fair Market Value of a share of Common Stock on the applicable Purchase Period End Date or Grant Date, or based on the greater (rather than the lesser) of such values.

7. *Exercise of Purchase Rights.*

(a) *Automatic Exercise.* Unless a Participant gives written notice to the Company or an agent designated by the Company of withdrawal prior to the end of the Offering Period (as set forth in *Section 8(a)*) or terminates employment as hereinafter provided, the Participant's Purchase Rights will be deemed to have been exercised automatically on the Purchase Period End Date applicable to such Offering Period, for the purchase of the number of shares of Common Stock that the Participant's accumulated Contributions at that time will purchase at the applicable Purchase Price (but not in excess of the number of shares for which Purchase Rights have been granted to the Participant pursuant to *Section 4* and *Section 6(a)*).

(b) *Termination of Purchase Right.* A Purchase Right shall expire on the earlier of (i) the date of termination of the Participant's employment, except as otherwise provided in *Section 5(h)* (regarding leaves of absence), or as otherwise required by Applicable Law, or (ii) the end of the last day of the applicable Purchase Period.

(c) *Fractional Shares; Excess Amounts.* Fractional shares will not be issued under the Plan, unless otherwise determined by the Committee. Any excess Contributions in a Participant's account that would have been used to purchase fractional shares will be automatically re-invested in a subsequent Offering Period unless the Participant timely revokes such Participant's authorization to re-invest such excess amounts or the Company elects to return such Contributions to the Participant. Except as permitted by the foregoing or as otherwise determined by the Committee, any amounts that were contributed but not applied toward the purchase of shares of Common Stock shall not be carried forward to future Offering Periods and shall be returned to Participants.

(d) *Share Certificates; Credit to Participant Accounts.* As promptly as practicable after the Purchase Period End Date of each Purchase Period, the shares of Common Stock purchased by a Participant for the Purchase Period shall be credited to such Participant's account maintained by the Company, a stock brokerage or other financial services firm designated by the Company or the Participant or other similar entity, unless the Participant elects to have the Company deliver to the Participant certificates for the shares of Common Stock purchased upon exercise of the Participant's Purchase Right. If a Participant elects to have shares credited to the Participant's account (rather than certificates issued), a report will be made available to such Participant after the close of each Purchase Period stating the entries made to such Participant's account, the number of shares of Common Stock purchased and the applicable Purchase Price.

8. *Withdrawal; Termination of Employment.*

(a) *Withdrawal.* A Participant may withdraw Contributions credited to the Participant's account during an Offering Period at any time prior to the last day of such Offering Period by giving sufficient prior written notice to the Company or an agent designated by the Company. All of the Participant's Contributions credited to the Participant's account will be paid to the Participant promptly (without interest, unless otherwise required by Applicable Law) after receipt of the Participant's notice of withdrawal, and no further Contributions will be made from the Participant's Compensation during such Offering Period. The Company may, at its option, treat any attempt to borrow by a Participant on the security of such Participant's accumulated Contributions as an election to withdraw such Contributions. A Participant's withdrawal from any Offering Period will not have any effect upon the Participant's eligibility to participate in any subsequent Offering Period or in any similar plan which may hereafter be adopted by the Company. Notwithstanding the foregoing, if a Participant withdraws during an Offering Period, Contributions shall not resume at the beginning of a succeeding Offering Period unless the Participant is eligible to participate and the Participant delivers to the Company or an agent designated by the Company a new, completed authorization form (and such other documents as may be required by the Committee) and otherwise complies with the terms of the Plan.

(b) *Termination of Employment; Participant Ineligibility.* Upon termination of a Participant's employment for any reason (including but not limited to termination due to death but excluding a leave of absence for a period of less than 90 days or a leave of absence of any duration where reemployment is guaranteed by either statute or contract), or in the event that a Participant otherwise ceases to be an Eligible Employee, the Participant's participation in the Plan shall be terminated, unless otherwise required by Applicable Law. In the event of a Participant's termination of employment or in the event that a Participant otherwise ceases to be an Eligible Employee, the Contributions credited to the Participant's account will be returned (without interest, unless otherwise required by Applicable Law) to the Participant, or, in the case of death, to a beneficiary duly designated on a form acceptable to the Committee. Any unexercised Purchase Rights granted to a Participant during any Offering Period then in effect shall be deemed to have expired on the date of the Participant's termination of employment or the date the Participant otherwise ceases to be an Eligible Employee, unless terminated earlier in accordance with the terms of the Plan, and no further Contributions will be made for the Participant's account.

9. *Transferability.*

No Purchase Right (or rights attendant to a Purchase Right) may be transferred, assigned, pledged or hypothecated (whether by operation of law or otherwise), except as provided by will or the laws of descent and distribution, and no Purchase Right shall be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of a Purchase Right, or levy of attachment or similar process upon the Purchase Right not specifically permitted in the Plan, shall be null and void and without effect. A Purchase Right may be exercised during a Participant's lifetime only by the Participant.

10. *Dilution and Other Adjustments; Change in Control.*

(a) *Adjustments; Right to Issue Additional Securities.* If there is any change in the outstanding shares of Common Stock because of a merger, Change in Control, consolidation, recapitalization or reorganization involving the Company, or if the Board

declares a stock dividend, stock split distributable in shares of Common Stock or reverse stock split, other distribution (other than ordinary or regular cash dividends) or combination or reclassification of the Common Stock, or if there is a similar change in the capital stock structure of the Company affecting the Common Stock (excluding conversion of convertible securities by the Company and/or the exercise of warrants by their holders), then the number and type of shares of Common Stock reserved for issuance under the Plan shall be correspondingly adjusted, and the Committee shall, subject to Applicable Law, make such adjustments to Purchase Rights (such as the number and type of shares subject to a Purchase Right and the Purchase Price of a Purchase Right) or to any provisions of this Plan as the Committee deems equitable to prevent dilution or enlargement of Purchase Rights or as may otherwise be advisable. Nothing in the Plan, a Purchase Right or any related instrument shall limit the ability of the Company to issue additional securities of any type or class.

(b) *Change in Control.* In addition, without limiting the effect of *Section 10(a)*, in the event of a Change in Control, the Committee's discretion shall include but shall not be limited to the authority to provide for any of, or a combination of any of, the following: (i) each Purchase Right shall be assumed or an equivalent purchase right shall be substituted by the successor entity or parent or subsidiary of such successor entity; (ii) a date selected by the Committee on or before the date of consummation of such Change in Control shall be treated as a Purchase Date and all outstanding Purchase Rights shall be exercised on such date; (iii) all outstanding Purchase Rights shall terminate and the accumulated Contributions will be refunded to each Participant upon or prior to the Change in Control (without interest, unless otherwise required by Applicable Law); or (iv) outstanding Purchase Rights shall continue unchanged.

11. *Stockholder Approval of Plan.*

The Plan is subject to the approval by the stockholders of the Company, which approval shall be obtained within 12 months before or after the date of adoption of the Plan by the Board. Amendments to the Plan shall be subject to stockholder approval to the extent, if any, as may be required by Code Section 423 or other Applicable Law.

12. *Limitations on Purchase Rights.*

Notwithstanding any other provisions of the Plan:

(a) No Employee shall be granted a Purchase Right under the Plan which permits an Employee rights to purchase stock under all employee stock purchase plans (as defined in Code Section 423) of the Company and any Related Corporation to accrue at a rate which exceeds $25,000 of Fair Market Value of such stock (determined at the time of the grant of such Purchase Right) for each calendar year in which such Purchase Right is outstanding at any time in the case of a Section 423 Offering. Any Purchase Right shall be deemed to be modified to the extent necessary to satisfy this *Section 12(a)*.

(b) In accordance with Code Section 423, all Employees granted Purchase Rights under the Plan who are participating in a Section 423 Offering shall have the same rights and privileges under the Plan, except that the amount of Common Stock which may be purchased by any Employee under Purchase Rights granted pursuant to the Plan shall bear a uniform relationship to the total compensation (or the basic or regular rate of compensation) of all Employees. All rules and determinations of the Committee in the administration of the Plan shall be uniformly and consistently applied to all persons in similar circumstances.

13. *Amendment and Termination of the Plan and Purchase Rights.*

(a) *Amendment and Termination of Plan.* The Plan may be amended, altered, suspended and/or terminated at any time by the Board; *provided* that approval of an amendment to the Plan by the stockholders of the Company shall be required to the extent, if any, that stockholder approval of such amendment is required by Applicable Law.

(b) *Amendment and Termination of Purchase Rights.* The Committee may (subject to the provisions of Code Section 423 (for Section 423 Offerings) and *Section 13(a)*) amend, alter, suspend and/or terminate any Purchase Right, prospectively or retroactively, but (except as otherwise expressly provided in the Plan) such amendment, alteration, suspension or termination of a Purchase Right shall not, without the written consent of a Participant with respect to an outstanding Purchase Right, materially adversely affect the rights of the Participant with respect to the Purchase Right.

(c) *Amendments to Comply with Applicable Law.* Notwithstanding *Section 13(a)* and *Section 13(b)*, the following provisions shall apply:

(i) The Committee shall have unilateral authority, subject to the provisions of Code Section 423 (for Section 423 Offerings), to amend the Plan and any Purchase Right (without Participant consent) to the extent necessary to comply with Applicable Law or changes to Applicable Law.

(ii) The Committee shall have unilateral authority to make adjustments to the terms and conditions of Purchase Rights in recognition of unusual or nonrecurring events affecting the Company or any Related Corporation, or the financial statements of the Company or any Related Corporation, or of changes in Applicable Law, or accounting principles, if the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or necessary or appropriate to comply with applicable accounting principles or Applicable Law.

14. *Designation of Beneficiary.*

The Committee, in its discretion, may authorize a Participant to designate in writing a person or persons as such Participant's beneficiary, which beneficiary shall, in the event of such Participant's death, be entitled to the rights, if any, to which the Participant would otherwise be entitled. The Committee shall have discretion to approve the form or forms of such beneficiary designations, to determine whether such beneficiary designations will be accepted, and to interpret such beneficiary designations. If a deceased Participant failed to designate a beneficiary, or if the designated beneficiary does not survive such Participant, any rights that would have been exercisable by the Participant and any benefits distributable to such Participant shall be exercised by or distributed to the legal representative of the estate of such Participant, unless otherwise determined by the Committee.

15. *Miscellaneous.*

(a) *Compliance with Applicable Law.* The Company may impose such restrictions on Purchase Rights, shares of Common Stock and any other benefits underlying Purchase Rights hereunder as it may deem advisable, including without limitation restrictions under the federal securities laws, the requirements of any stock exchange or similar organization and any blue sky, state or foreign securities or other Applicable Law. Notwithstanding any other Plan provision to the contrary, the Company shall not be obligated to issue, deliver or transfer shares of Common Stock under the Plan or take any other action, unless such delivery or action is in compliance with Applicable Law (including but not limited to the requirements of the Securities Act). The Company will be under no obligation to register shares of Common Stock or other securities with the Securities and Exchange Commission or to effect compliance with the exemption, registration, qualification or listing requirements of any state securities laws, stock exchange or similar organization, and the Company will have no liability for any inability or failure to do so. The Company may cause a restrictive legend or legends to be placed on any certificate issued pursuant to a Purchase Right hereunder in such form as may be prescribed from time to time by Applicable Law or as may be advised by legal counsel.

(b) *No Obligation to Exercise Purchase Rights.* The grant of a Purchase Right shall impose no obligation upon a Participant to exercise such Purchase Right.

(c) *Application of Funds.* The proceeds received by the Company from the sale of Common Stock pursuant to Purchase Rights will be used for general corporate purposes.

(d) *Taxes.* At any time a Participant incurs a taxable event as a result of the Participant's participation in the Plan, a Participant must make adequate provision for any Tax-Related Items. Participants are solely responsible and liable for the satisfaction of all Tax-Related Items, and the Company shall not have any obligation to indemnify or otherwise hold any Participant harmless from any or all of such Tax-Related Items. The Company shall have no responsibility to take or refrain from taking any actions in order to achieve a certain tax result for a Participant or any other person.

In their sole discretion, the Company or, as applicable, the Designated Company that employs the Participant, may, unless the Committee determines otherwise, satisfy their obligations to withhold Tax-Related Items by (i) withholding from the Participant's compensation, (ii) repurchasing a sufficient whole number of shares of Common Stock issued following exercise having an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock, (iii) withholding from proceeds from the sale of shares of Common Stock issued upon exercise, either through a voluntary sale or a mandatory sale arranged by the Company, or (iv) any other method deemed acceptable by the Committee.

(e) *Right to Terminate Employment.* Nothing in the Plan, a Purchase Right or any agreement or instrument related to the Plan shall confer upon an Employee the right to continue in the employment of the Company, any Related Corporation or Affiliate or affect any right which the Company, any Related Corporation or Affiliate may have to terminate the employment of such Employee. Except as otherwise provided in the Plan or under Applicable Law, all rights of a Participant with respect to Purchase Rights granted hereunder shall terminate upon the termination of employment of the Participant.

(f) *Rights as a Stockholder.* No Participant or other person shall have any rights as a stockholder unless and until certificates for shares of Common Stock are issued to the Participant or such shares are credited to the Participant's account on the records of the Company or a designee.

(g) *Notices.* All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

(h) *Governing Law.* All questions pertaining to the validity, construction and administration of the Plan and Purchase Rights granted hereunder shall be determined in conformity with the laws of the State of Delaware, without regard to the principles of conflicts of laws, to the extent not inconsistent with Code Section 423 (for Section 423 Offerings) or other applicable federal laws of the United States.

(i) *Elimination of Fractional Shares.* Subject to *Section 7(c)*, if under any provision of the Plan which requires a computation of the number of shares of Common Stock subject to a Purchase Right, the number so computed is not a whole number of shares of Common Stock, such number of shares of Common Stock shall be rounded down to the next whole number.

(j) *Severability.* If any provision of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

(k) *Gender and Number.* Except where otherwise indicated by the context, words in any gender shall include any other gender, words in the singular shall include the plural and words in the plural shall include the singular.

(l) *Rules of Construction.* Headings are given to the sections of the Plan solely as a convenience to facilitate reference.

(m) *Successors and Assigns.* The Plan shall be binding upon the Company, its successors and assigns, and Participants, their executors, administrators and permitted transferees and beneficiaries.

(n) *Purchase Right Documentation.* The grant of any Purchase Right under the Plan shall be evidenced by such documentation, if any, as may be determined by the Committee or its designee. Such documentation may state terms, conditions and restrictions applicable to the Purchase Right and may state such other terms, conditions and restrictions, including but not limited to terms, conditions and restrictions applicable to shares of Common Stock or other benefits subject to a Purchase Right, as may be established by the Committee.

(o) *Uncertificated Shares.* Notwithstanding anything in the Plan to the contrary, to the extent the Plan provides for the issuance of stock certificates to reflect the issuance of shares of Common Stock, the issuance may, in the Company's discretion, be effected on a non-certificated basis, to the extent not prohibited by the Company's certificate of incorporation or bylaws or by Applicable Law.

(p) *Compliance with Recoupment, Ownership and Other Policies or Agreements.* Notwithstanding anything in the Plan to the contrary and subject to the provisions of Code Section 423 (for Section 423 Offerings), the Committee may, at any time (during or following termination of employment or service for any reason), determine that a Participant's rights, payments and/or benefits with respect to a Purchase Right (including but not limited to any shares issued or issuable with respect to a Purchase Right) shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any other conditions applicable to a Purchase Right. Such events may include, but shall not be limited to, termination of employment for cause, violation of policies of the Company or a Related Corporation or Affiliate, breach of non-solicitation, non-competition, confidentiality, non-disparagement or other covenants, other conduct by the Participant that is determined by the Committee to be detrimental to the business or reputation of the Company, any Related Corporation or Affiliate, and/or other circumstances where such reduction, cancellation, forfeiture or recoupment is required by Applicable Law. In addition, without limiting the effect of the foregoing, as a condition to the grant of a Purchase Right or receipt or retention of shares of Common Stock, cash or any other benefit under the Plan, (i) the Committee may, at any time, require that a Participant comply with any compensation recovery (or ''clawback''), stock ownership, stock retention or other policies or guidelines adopted by the Company, a Related Corporation or Affiliate, each as in effect from time to time and to the extent applicable to the Participant, and (ii) each Participant shall be subject to such compensation recovery, recoupment, forfeiture or other similar provisions as may apply under Applicable Law.

(q) *Plan Controls.* Unless the Committee determines otherwise, in the event of a conflict between any term or provision contained in the Plan and an express term contained in any documentation related to the Plan, the applicable terms and provisions of the Plan will govern and prevail.

(r) *Administrative Costs.* The Company or a Related Corporation or Affiliate will pay the expenses incurred in the administration of the Plan other than any fees or transfer, excise or similar taxes imposed on the transaction pursuant to which any shares of Common Stock are purchased. The Participant will pay any transaction fees, commissions or similar costs on any

sale of shares of Common Stock and may also be charged the reasonable costs associated with issuing a stock certificate or similar matters.

(s) *Notice of Disqualifying Disposition.* Each Participant who participates in a Section 423 Offering and is subject to taxation in the United States shall give the Company prompt written notice of any disposition or other transfer of shares of Common Stock acquired pursuant to the exercise of a Purchase Right, if such disposition or transfer is made within two years after the Grant Date or within one year after the Purchase Date.

(t) *Data Protection.* By participating in the Plan or accepting any rights granted under it, each Participant consents to the collection and processing of personal data relating to the Participant so that the Company and its Affiliates can fulfill their obligations and exercise their rights under the Plan and generally administer the Plan. This data will include, but may not be limited to, data about participation in the Plan and shares offered or received, purchased, or sold under the Plan from time to time and other appropriate financial and other data about the Participant and the Participant's participation in the Plan.

(u) *No Trust or Fund Created.* Neither the Plan nor any Purchase Right shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any of its Affiliates, on the one hand, and a Participant or other Person, on the other hand. No provision of the Plan or any Purchase Right shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company be obligated to maintain separate bank accounts, books, records, or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other service providers under general law.

16. *Code Section 409A; Tax Qualification.*

Purchase Rights to purchase shares of Common Stock granted under a Section 423 Offering are exempt from the application of Code Section 409A and Code Section 457A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Committee determines that a Purchase Right may be subject to Code Section 409A or Code Section 457A or that any provision in the Plan would cause a Purchase Right under the Plan to be subject to Code Section 409A or Code Section 457A, the Committee may amend the terms of the Plan and/or of an outstanding Purchase Right, or take such other action the Committee determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding Purchase Right or future Purchase Right from or to allow any such Purchase Rights to comply with Code Section 409A or Code Section 457A, but only to the extent any such amendments or action by the Committee would not violate Code Section 409A or Code Section 457A. Notwithstanding the foregoing, the Company shall not have any obligation to indemnify or otherwise protect the Participant from any obligation to pay any taxes, interest or penalties pursuant to Code Section 409A or Code Section 457A. The Company makes no representation that the Purchase Right to purchase shares of Common Stock under the Plan is compliant with Code Section 409A or Code Section 457A.

ANNEX D-1

DECLASSIFICATION AMENDMENT

ARTICLE VI

Section 6.1. ***Board of Directors***.

(A) Except as provided in this Amended and Restated Certificate of Incorporation and the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board. Except as otherwise provided for or fixed pursuant to the provisions of *Article IV* (including any certificate of designation with respect to any series of Preferred Stock) and this *Article VI* relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the total number of directors shall be determined from time to time exclusively by resolution adopted by the Board with a maximum of fifteen (15) directors. ~~The~~

(1) Beginning at the 2024 annual meeting of stockholders, directors shall be elected to hold office for a one-year term expiring at the next annual meeting of stockholders, and the directors shall not be divided into classes, with all directors elected at the 2024 annual meeting of stockholders and each annual meeting thereafter being elected in accordance with this Section (A)(1) of this Article VI; provided that, prior to the 2024 annual meeting of stockholders, the Board shall be divided into classes in the manner set forth below in Section (A)(2) of this Article VI. The term of each director shall continue until the annual meeting at which such director's term expires and until such director's successor shall be elected and qualified, or, if earlier, such director's death, resignation, retirement, disqualification or removal from office.

(2) Solely with respect to directors holding office prior to the 2024 annual meeting of stockholders (other than those directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be), the directors shall be divided into three classes designated Class I, Class II and Class III~~. Each class shall consist, as nearly as possible, of one-third of the total number of such directors. Class I directors shall initially serve for a term expiring at the first annual meeting of stockholders following the IPO Date, Class II directors shall initially serve for a term expiring at the second annual meeting of stockholders following the IPO Date and Class III directors shall initially serve for a term expiring at the third annual meeting of stockholders following the IPO Date. Commencing with the first annual meeting of stockholders following the IPO Date, the directors of the class to be elected at each annual meeting shall be elected for a three-year term. If the number of such directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any such additional director of any class elected to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors remove or shorten the term of any incumbent director~~. Any such director shall hold office until the annual meeting at which his or her term expires and until his or her successor shall be elected and qualified, or his or her death, resignation, retirement, disqualification or removal from office. The Board is authorized to assign members of the Board already in office to their respective classes. The Class II directors or such directors' successors shall hold office for a term expiring at the 2023 annual meeting of stockholders. At the 2021 annual meeting of stockholders, the Class III directors or such directors' successors shall be elected to hold office for a three-year term expiring at the 2024 annual meeting of stockholders. At the 2022 annual meeting of stockholders, the Class I directors or such directors' successors shall be elected to hold office for a one-year term expiring at the 2023 annual meeting of stockholders. At the 2023 annual meeting of stockholders, the Class I directors and the Class II directors or such directors' successors shall be elected to hold office for a one-year term expiring at the 2024 annual meeting of stockholders.

(B) Subject to the rights granted to the holders of any one or more series of Preferred Stock then outstanding~~ or the rights granted pursuant to the Stockholders' Agreement, expected to be dated on or about March 11, 2015, by and among the Corporation and certain affiliates of The Blackstone Group L.P. (together with its affiliates, subsidiaries, successors and assigns (including, without limitation, Blackstone Group Management L.L.C., and any Blackstone Entity as defined in the Stockholders' Agreement, but excluding the Corporation and its subsidiaries), collectively, "**Blackstone**") (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "**Stockholders' Agreement**"~~), any newly created directorship on the Board that results from an increase in the number of directors and any vacancy occurring in the Board (whether by death, resignation, retirement, disqualification, removal or other cause) shall be filled ~~by a majority of the directors then in office, although less than a quorum, by a sole remaining director or by the stockholders; provided, however, that at any~~

~~time when Blackstone beneficially owns, in the aggregate, less than 30% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any newly created directorship on the Board that results from an increase in the number of directors and any vacancy occurring in the Board shall be filled~~ only by a majority of the directors then in office, although less than a quorum~~,~~ or by a sole remaining director (and not by stockholders). Any director elected to fill a vacancy ~~or newly created directorship~~occurring in the Board (whether by death, resignation, retirement, disqualification, removal or other cause) shall hold office ~~until the next election of the class for which such director shall have been chosen and until his or her~~for a term equal to the then-existing remainder of the term of the director originally elected to hold the directorship now vacant and shall remain in office until such director's successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal. Any director elected to fill a newly created directorship on the Board resulting from an increase in the number of directors shall hold office for a term expiring at the next annual meeting of stockholders and shall remain in office until such director's successor shall be elected and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal.

(C) Any or all of the directors elected (other than the directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be) for a term of more than one year (as well as any successor to such director if such director does not serve the entirety of such term) may be removed from office at any time ~~either with or without~~but only for cause and only by the affirmative vote of a majority in voting power of ~~all outstanding shares of stock of the Corporation entitled to vote thereon, voting as a single class; provided, however, that at any time when Blackstone beneficially owns, in the aggregate, less than 30% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any such director or all such directors may be removed only for cause and only by the affirmative vote of the holders of at least 66⅔% in voting power of~~ all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class. Except as set forth in the immediately preceding sentence, any or all of the directors (other than the directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more such other series, as the case may be) may be removed from office at any time, with or without cause, by the affirmative vote of a majority in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class.

(D) During any period when the holders of any series of Preferred Stock, voting separately as a series or together with one or more series, have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, retirement, disqualification or removal. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall be automatically reduced accordingly.

MAJORITY VOTE AMENDMENT

ARTICLE V

~~**Section 5.1.** ***Amendment of Certificate of Incorporation***. Notwithstanding anything contained in this Amended and Restated Certificate of Incorporation to the contrary, at any time when Blackstone (as defined below) beneficially owns, in the aggregate, less than 30% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law, the following provisions in this Amended and Restated Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class: this Article V, Article VI, Article VII, Article VIII, Article IX and Article X. For the purposes of this Amended and Restated Certificate of Incorporation, beneficial ownership of shares shall be determined in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**").~~

Section ~~5.2~~5.1. ***Amendment of Bylaws***. The Board is expressly authorized to make, repeal, alter, amend and rescind, in whole or in part, the bylaws of the Corporation (as in effect from time to time, the "**Bylaws**") without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or this Amended and Restated Certificate of Incorporation. Notwithstanding anything to the contrary contained in this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote of the stockholders, ~~at any time when Blackstone beneficially owns, in the aggregate, less than 30% in voting power of the stock of the Corporation entitled to vote generally in the election of directors,~~ in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating to any series of Preferred Stock), the Bylaws or applicable law, the affirmative vote of the holders of ~~at least 66⅔%~~a majority in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

ARTICLE VI

(C) Any or all of the directors elected (other than the directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be) for a term of more than one year (as well as any successor to such director if such director does not serve the entirety of such term) may be removed from office at any time ~~either with or without~~but only for cause and only by the affirmative vote of a majority in voting power of ~~all outstanding shares of stock of the Corporation entitled to vote thereon, voting as a single class; provided, however, that at any time when Blackstone beneficially owns, in the aggregate, less than 30% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any such director or all such directors may be removed only for cause and only by the affirmative vote of the holders of at least 66⅔% in voting power of~~ all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class. Except as set forth in the immediately preceding sentence, any or all of the directors (other than the directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more such other series, as the case may be) may be removed from office at any time, with or without cause, by the affirmative vote of a majority in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class.

ANNEX D-3

FEDERAL FORUM SELECTION AMENDMENT

ARTICLE X

Section ~~11.2~~10.2. ***Forum***.

(A) Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer~~ or~~, employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any current or former director~~ or~~, officer, employee or stockholder of the Corporation arising pursuant to any provision of the DGCL or this Amended and Restated Certificate of Incorporation or the Bylaws (as either may be amended and/or restated from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine~~.~~ of the law of the State of Delaware.

(B) Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States of America.

(C) To the fullest extent permitted by law, any person purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and provided consent~~ed~~ to the provisions of this *Section* ~~11.2~~10.2.

ANNEX D-4

SPONSOR AMENDMENT

ARTICLE II

Section 2.1. ***~~Address~~Registered Office and Agent***. The registered office of the Corporation in the State of Delaware is ~~2711 Centerville Road, Suite 400~~251 Little Falls Drive, Wilmington~~, Delaware 19808~~, New Castle County, Delaware 19808; and the name of the Corporation's registered agent at such address is Corporation Service Company.

Section 4.3. ***Common Stock***.

(A) ***Voting Rights***.

~~(2) Summit Owner Holdco LLC, a Delaware limited liability company and its successors and assigns ("**Holdco**"), as the sole holder of record of Class B Common Stock as of the initial closing of the registered initial underwritten public offering of the Class A Common Stock (the "**IPO Date**"), shall be entitled, without regard to the number of shares of Class B Common Stock (or fraction thereof) held by it, to a number of votes that is equal to the product of (x) the aggregate number of LP Units (as defined in the Exchange Agreement, dated on or about the IPO Date (as amended from time to time, the "**Exchange Agreement**"), by and among the Corporation, Summit Materials Holdings L.P., a Delaware limited partnership ("**Summit Holdings**"), and the holders of LP Units from time to time party thereto) held of record by all limited partners of Summit Holdings (excluding the Corporation) as of the IPO Date and their respective successors and assigns on or after the IPO Date ("**Initial Units**") less the aggregate number of such Initial Units that, after the IPO Date, have been transferred to the Corporation in accordance with the Exchange Agreement, are forfeited in accordance with agreements governing unvested Initial Units or are held by a holder other than Holdco together with a share of Class B Common Stock (or a fraction thereof), multiplied by (y) the Exchange Rate (as defined in the Exchange Agreement), on all matters on which stockholders generally are entitled to vote.~~

(~~3~~2) ~~Any~~Each holder of record of Class B Common Stock (or fraction thereof)~~, other than Holdco,~~ shall be entitled, without regard to the number of shares of Class B Common Stock (or fraction thereof) held by such other holder, to a number of votes that is equal to the product of (x) the total number of LP Units (as defined in the Exchange Agreement, dated as of March 11, 2015 (as amended by Amendment No. 1 to Exchange Agreement, dated as of August 4, 2015, and as may be further amended from time to time, the "**Exchange Agreement**"), by and among the Corporation, Summit Materials Holdings L.P., a Delaware limited partnership ("**Summit Holdings**"), and the holders of LP Units from time to time party thereto) held of record by such holder *multiplied by* (y) the Exchange Rate (as defined in the Exchange Agreement), on all matters on which stockholders generally are entitled to vote. In accordance with the Exchange Agreement, any holder ~~other than Holdco~~ who surrenders all of its LP Units (other than Unvested Units (as defined in the Exchange Agreement)) for exchange must concurrently surrender all shares of Class B Common Stock held by it (including any fractions thereof) to the Corporation. Any shares of Class B Common Stock (or fractions thereof) transferred to the Corporation shall be automatically retired and restored to the status of authorized but unissued shares of Class B Common Stock.

ARTICLE VII

Section 7.1. ***Limitation on Liability of Directors***.

(A) To the fullest extent permitted by the DGCL ~~as it now exists or~~or any other law of the State of Delaware (as they exist on the date hereof or as they may hereafter be amended), a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty owed to the Corporation or its stockholders.

(B) Neither the amendment nor repeal of this *Article VII*, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation, nor, to the fullest extent permitted by the DGCL or any other law of the State of Delaware (as they exist on the date hereof or as they may hereafter be amended), any modification of law shall eliminate, reduce or otherwise adversely affect any right or protection of a current or former director of the Corporation existing at the time of such amendment, repeal, adoption or modification.

ARTICLE VIII

Section 8.1. ***Consent of Stockholders in Lieu of Meeting.*** ~~At any time when Blackstone beneficially owns, in the aggregate, at least 30% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. At any time when Blackstone beneficially owns, in the aggregate, less than 30% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any~~ Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent ~~in writing~~ by such holders in lieu of a meeting; *provided*, *however*, that any action required or permitted to be taken by the holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate of designation relating to such series of Preferred Stock.

SECTION 8.2. ***Special Meetings of the Stockholders.*** Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board or the Chairman of the Board~~; provided, however, that at any time when Blackstone beneficially owns, in the aggregate, at least 30% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, special meetings of the stockholders of the Corporation for any purpose or purposes shall also be called by or at the direction of the Board or the Chairman of the Board at the request of Blackstone.~~.

ARTICLE IX

Section 9.1. ***Competition and Corporate Opportunities***.

(A) In recognition and anticipation that ~~(i) certain directors, principals, officers, employees and/or other representatives of The Blackstone Group L.P. and Silverhawk Capital Partners, LLC (the "**Sponsors**") and their respective Affiliates (as defined below) may serve as directors, officers or agents of the Corporation, (ii) the Sponsors and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and (iii)~~ members of the Board who are not employees of the Corporation (the "***Non-Employee Directors***") and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this *Article IX* are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve any of the ~~Sponsors, the~~ Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

(B) ~~None of (i) the Sponsors or any of their respective Affiliates or (ii) any~~No Non-Employee Director (including any Non-Employee Director who serves as an officer of the Corporation in both his or her director and officer capacities) or his or her Affiliates (the Persons (as defined below) identified ~~in (i) and (ii)~~ above being referred to, collectively, as "***Identified Persons***" and, individually, as an "***Identified Person***") shall, to the fullest extent permitted by law, have any duty to refrain from directly or indirectly (1) engaging in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage or (2) otherwise competing with the Corporation or any of its Affiliates, and, to the fullest extent permitted by law, no Identified Person shall be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity that may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in *Section 9.1(C)* of this *Article IX*. Subject to *Section 9.1(C)* of this *Article IX*, in the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity that may be a corporate opportunity for itself, herself or himself and the Corporation or any of its Affiliates, such Identified Person shall, to the fullest extent permitted by law, have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by law, shall not be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself, herself or himself, or offers or directs such corporate opportunity to another Person.

(E) For purposes of this *Article IX*, (i) ''*Affiliate*'' shall mean (a~~) in respect of any of the Sponsors, any Person that, directly or indirectly, is controlled by any of the Sponsors, controls any of the Sponsors or is under common control with any of the Sponsors and shall include any principal, member, director, partner, stockholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that is controlled by the Corporation), (b~~) in respect of a Non-Employee Director, any Person that, directly or indirectly, is controlled by such Non-Employee Director (other than the Corporation and any entity that is controlled by the Corporation) and (~~c~~b) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation; and (ii) ''*Person*'' shall mean any individual, corporation, general or limited partnership, limited liability company, joint venture, trust, association or any other entity.

ARTICLE X

~~**Section 10.1. DGCL Section 203 and Business Combinations**.~~

~~**(A)** The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.~~

~~**(B)** Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time at which the Corporation's Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, with any interested stockholder (as defined below) for a period of three years following the time that such stockholder became an interested stockholder, unless:~~

~~1. prior to such time, the Board approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;~~

~~2. upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or~~

~~3. at or subsequent to such time, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66⅔% of the outstanding voting stock of the Corporation that is not owned by the interested stockholder.~~

~~**(C)** For purposes of this Article X, references to:~~

~~1. ''***affiliate***''means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.~~

~~2. ''***associate***,'' when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.~~

~~3. ''***Blackstone Direct Transferee***''means any person that acquires (other than in a registered public offering) directly from Blackstone or any of its successors or any ''group,'' or any member of any such group, of which such persons are a party under Rule 13d-5 of the Exchange Act beneficial ownership of 15% or more of the then outstanding voting stock of the Corporation.~~

~~4. ''***Blackstone Indirect Transferee***''means any person that acquires (other than in a registered public offering) directly from any Blackstone Direct Transferee or any other Blackstone Indirect Transferee beneficial ownership of 15% or more of the then outstanding voting stock of the Corporation.~~

~~5. ''***business combination***,'' when used in reference to the Corporation and any interested stockholder of the Corporation, means:~~

~~(i) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (a) with the interested stockholder, or (b) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation *Section 10.1(B)* of this *Article X* is not applicable to the surviving entity;~~

~~(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;~~

~~(iii) any transaction that results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (b) pursuant to a merger under Section 251(g) of the DGCL; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, *pro rata* to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (d) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (e) any issuance or transfer of stock by the Corporation; *provided*, *however*, that in no case under items (c) through (e) of this subsection (iii) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);~~

~~(iv) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation that has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary that is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or~~

~~(v) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (i) through (iv) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.~~

~~6. "***control***," including the terms "***controlling***," "***controlled by***"and "***under common control with***," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of a corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this Section, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.~~

~~7. "***interested stockholder***"means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of 15% or more of the outstanding voting stock of the Corporation, or (ii) is an affiliate or associate of the Corporation and was the owner of 15% or more of the outstanding voting stock of the Corporation at any time within the three year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder; and the affiliates and associates of such person; but "interested stockholder" shall not include (a) Blackstone, any Blackstone Direct Transferee, any Blackstone Indirect Transferee or any of their respective affiliates or successors or any "group", or any member of any such group, to which such persons are a party under Rule 13d-5 of the Exchange Act, or (b) any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of any action taken solely by the Corporation; provided that such person shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of "owner" below but shall not include any other unissued stock of the Corporation that may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.~~

~~8. "***owner***," including the terms "***own***"and "***owned***," when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:~~

~~(i) beneficially owns such stock, directly or indirectly; or~~

~~(ii) has (a) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; *provided*, *however*, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered stock is accepted for purchase or exchange; or (b) the right to vote such stock pursuant to any agreement, arrangement or understanding; *provided*, *however*, that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten or more persons; or~~

~~(iii) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (b) of subsection (ii) above), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.~~

~~9. "**person**" means an individual, corporation, partnership, unincorporated association or other entity.~~

~~10. "**stock**" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.~~

~~11. "**voting stock**" means stock of any class or series entitled to vote generally in the election of directors.~~

SUMMIT MATERIALS

2020 FORM 10-K

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

FORM 10-K

(Mark One)

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

For the fiscal year ended January 2, 2021

OR

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

For the transition period from ___________ to ___________

Commission file numbers:
001-36873 (Summit Materials, Inc.)
333-187556 (Summit Materials, LLC)

SUMMIT MATERIALS, INC.
SUMMIT MATERIALS, LLC

(exact name of registrants as specified in their charters)

Delaware (Summit Materials, Inc.) **Delaware (Summit Materials, LLC)**	**47-1984212** **26-4138486**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1550 Wynkoop Street, 3rd Floor **Denver, Colorado**	**80202**
(Address of principal executive offices)	**(Zip Code)**

Registrants' telephone number, including area code: (303) 893-0012

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock (par value $.01 per share)	SUM	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Summit Materials, Inc. Yes ☒ No ☐
Summit Materials, LLC Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Summit Materials, LLC Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Summit Materials, Inc. Yes ☒ No ☐
Summit Materials, LLC Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Summit Materials, Inc. Yes ☒ No ☐
Summit Materials, LLC Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Summit Materials, Inc.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

Summit Materials, LLC

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Summit Materials, Inc. Yes ☒ No ☐
Summit Materials, LLC Yes ☒ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
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.☐

Summit Materials, Inc. Yes ☐ No ☒
Summit Materials, LLC Yes ☐ No ☒

The aggregate market value of the Summit Materials, Inc. voting stock held by non-affiliates of the Registrants as of June 27, 2020 was approximately $1.7 billion.

As of February 22, 2021, the number of shares of Summit Materials, Inc.'s outstanding Class A and Class B common stock, par value $0.01 per share for each class, was 114,796,060 and 99, respectively.

As of February 22, 2021, 100% of Summit Materials, LLC's outstanding limited liability company interests were held by Summit Materials Intermediate Holdings, LLC, its sole member and an indirect subsidiary of Summit Materials, Inc.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required by Items 10, 11, 12, 13 and 14 of Part III incorporate information by reference from Summit Materials, Inc.'s definitive proxy statement relating to its 2021 annual meeting of stockholders to be filed with the Securities and Exchange Commission within 120 days after the close of Summit Materials, Inc.'s fiscal year.

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EXPLANATORY NOTE

This annual report on Form 10-K (this "report") is a combined annual report being filed separately by two registrants: Summit Materials, Inc. and Summit Materials, LLC. Each registrant hereto is filing on its own behalf all of the information contained in this report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information. We believe that combining the annual reports on Form 10-K of Summit Materials, Inc. and Summit Materials, LLC into this single report eliminates duplicative and potentially confusing disclosure and provides a more streamlined presentation since a substantial amount of the disclosure applies to both registrants.

Unless stated otherwise or the context requires otherwise, references to "Summit Inc." mean Summit Materials, Inc., a Delaware corporation, and references to "Summit LLC" mean Summit Materials, LLC, a Delaware limited liability company. The references to Summit Inc. and Summit LLC are used in cases where it is important to distinguish between them. We use the terms "we," "our," "Summit Materials" or "the Company" to refer to Summit Inc. and Summit LLC together with their respective subsidiaries, unless otherwise noted or the context otherwise requires.

Summit Inc. was formed on September 23, 2014 to be a holding company. As of January 2, 2021, its sole material asset was a 97.5% economic interest in Summit Materials Holdings L.P. ("Summit Holdings"). Summit Inc. has 100% of the voting rights of Summit Holdings, which is the indirect parent of Summit LLC. Summit LLC is a co-issuer of our $5\ ^{1}/_{8}\%$ senior notes due 2025 ("2025 Notes"), our $6\ ^{1}/_{2}\%$ senior notes due 2027 ("2027 Notes") and our $5\ ^{1}/_{4}\%$ senior notes due 2029 ("2029 Notes" and collectively with the 2025 Notes and 2027 Notes, the "Senior Notes"). Summit Inc.'s only revenue for the year ended January 2, 2021 is that generated by Summit LLC and its consolidated subsidiaries. Summit Inc. controls all of the business and affairs of Summit Holdings and, in turn, Summit LLC.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This report includes "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. All statements made relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results are forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially 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.

Some of the important factors that could cause actual results to differ materially from our expectations are disclosed under "Risk Factors" and elsewhere in this report. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements.

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 otherwise required by law.

CERTAIN DEFINITIONS

As used in this report, unless otherwise noted or the context otherwise requires:

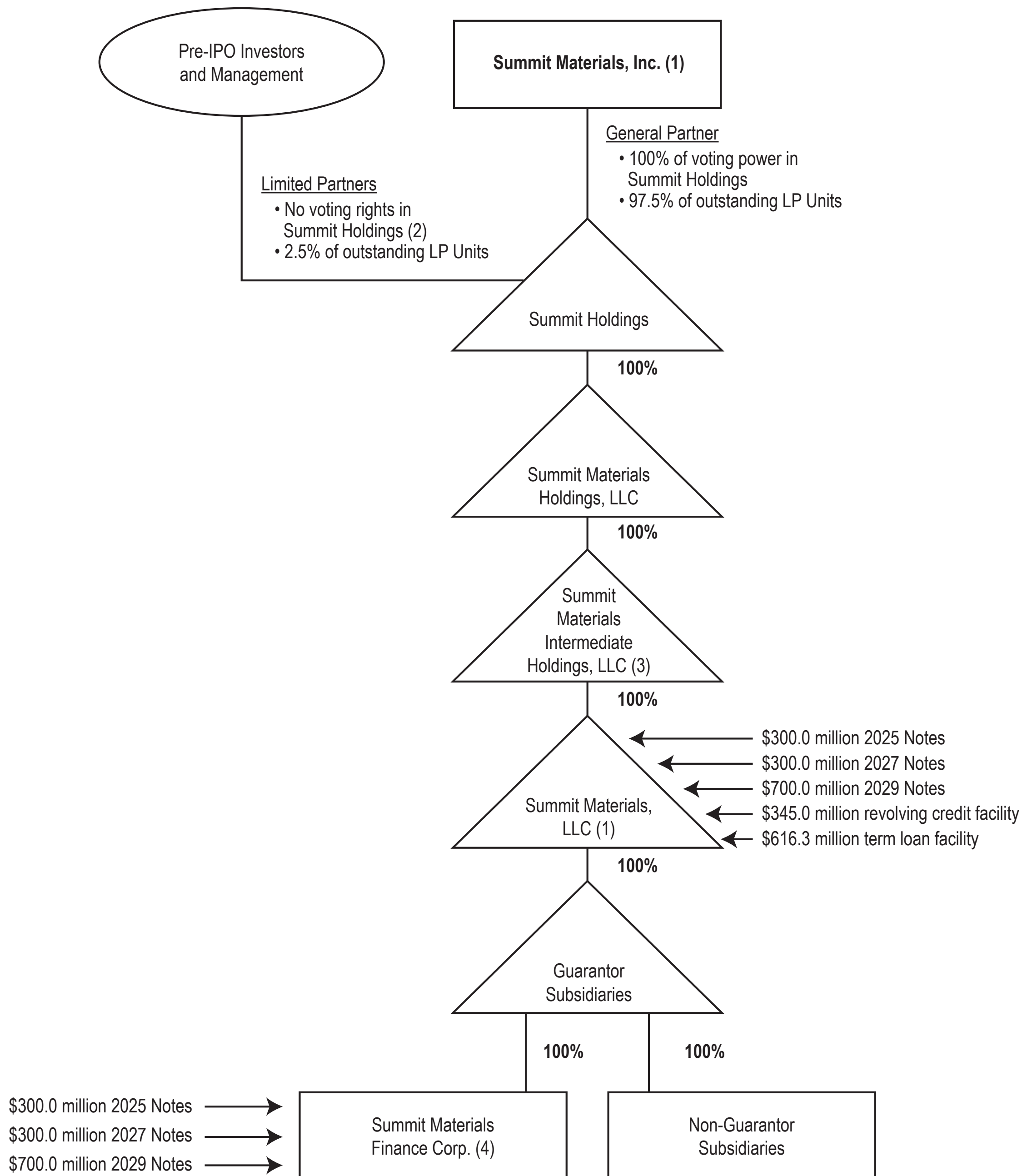
- "Continental Cement" refers to Continental Cement Company, L.L.C.;
- "EBITDA" refers to net income (loss) before interest expense, income tax expense (benefit), depreciation, depletion and amortization expense;
- "Finance Corp." refers to Summit Materials Finance Corp., an indirect wholly-owned subsidiary of Summit LLC and the co-issuer of the Senior Notes;
- "Issuers" refers to Summit LLC and Finance Corp. as co-issuers of the Senior Notes;

- “LP Units” refers to the Class A limited partnership units of Summit Holdings;
- “Mainland” refers to Mainland Construction Materials ULC, which is the surviving entity from the acquisition of Rock Head Holdings Ltd., B.I.M. Holdings Ltd., Carlson Ventures Ltd., Mainland Sand and Gravel Ltd. and Jamieson Quarries Ltd.;
- "APAC Assets" refers to two quarries, one landfill and two asphalt plants located in northeast Kansas;
- "Blake and Augusta Assets" refers to two quarries located in southeast Kansas; and
- “TRA” refers to a tax receivable agreement between Summit Inc. and holders of LP Units.

See “Business—Acquisition History” for a table of acquisitions we have completed since January 2018.

Corporate Structure

The following chart summarizes our organizational structure, equity ownership and our principal indebtedness as of January 2, 2021. This chart is provided for illustrative purposes only and does not show all of our legal entities or all obligations of such entities.



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(1) U.S. Securities and Exchange Commission ("SEC") registrant.

(2) The shares of Class B Common Stock are currently held by pre-initial public offering investors, including certain members of management or their family trusts that directly hold LP Units. A holder of Class B Common Stock is entitled, without regard to the number of shares of Class B Common Stock held by such holder, to a number of votes that is equal to the aggregate number of LP Units held by such holder.

(3) Guarantor under the senior secured credit facilities, but not the Senior Notes.

(4) Summit LLC and Finance Corp are the issuers of the Senior Notes and Summit LLC is the borrower under our senior secured credit facilities. Finance Corp. was formed solely for the purpose of serving as co-issuer or guarantor of certain indebtedness, including the Senior Notes. Finance Corp. does not and will not have operations of any kind and does not and will not have revenue or assets other than as may be incidental to its activities as a co-issuer or guarantor of certain indebtedness.

PART I

ITEM 1. BUSINESS.

Overview

We are one of the fastest growing construction materials companies in the United States, with a 63% increase in revenue between the year ended January 2, 2016 (the year of our initial public offering) and the year ended January 2, 2021. Within our markets, we offer customers a single-source provider for construction materials and related downstream products through our vertical integration. Our materials include aggregates, which we supply across the United States, and in British Columbia, Canada, and cement, which we supply to surrounding states along the Mississippi River from Minnesota to Louisiana. In addition to supplying aggregates to customers, we use a portion of our materials internally to produce ready-mix concrete and asphalt paving mix, which may be sold externally or used in our paving and related services businesses. Our vertical integration creates opportunities to increase aggregates volumes, optimize margin at each stage of production and provide customers with efficiency gains, convenience and reliability, which we believe gives us a competitive advantage.

Since our inception in 2009, we have become a major participant in the U.S. construction materials industry. We believe that, by volume, we are a top 10 aggregates supplier, a top 15 cement producer and a major producer of ready-mix concrete and asphalt paving mix. Our proven and probable aggregates reserves were 4.1 billion tons as of January 2, 2021. In the year ended January 2, 2021 we sold 59.1 million tons of aggregates, 2.3 million tons of cement, 5.7 million cubic yards of ready-mix concrete and 5.8 million tons of asphalt paving mix across our more than 400 sites and plants.

The rapid growth we have achieved over the years has been due in large part to our acquisitions, which we funded through equity issuances, debt financings and cash from operations. Over the past decade, the U.S. economy witnessed a cyclical decline followed by a gradual recovery in the private construction market and modest growth in public infrastructure spending. The U.S. private construction market has grown in recent years both nationally and in our markets. During 2020, although the overall U.S. economy experienced a decline related to the COVID-19 pandemic, we continued to see positive indicators for the construction market, including positive trends in housing starts and highway construction letting. We believe we are well positioned to capitalize on growth in the construction market to continue to expand our business.

Our revenue in 2020 was $2.3 billion with net income of $141.2 million. As of January 2, 2021, our total indebtedness outstanding was approximately $1.9 billion.

We anticipate continued growth in our primary end markets, public infrastructure and the private construction market. Public infrastructure, which includes spending by federal, state and local governments for roads, highways, bridges, airports and other public infrastructure projects, has been a relatively stable portion of government budgets providing consistent demand to our industry and is projected by the Portland Cement Association ("PCA") to grow approximately 8% in the U.S. from 2021 to 2025. We believe states will continue to institute state and local level funding initiatives dedicated towards increased infrastructure spending. We believe that growth in infrastructure spending will not be consistent across the United States, but will vary across different geographies. Economic conditions in our markets do vary by state, and public infrastructure funding has been impacted by COVID -19, particularly in Kentucky and Vancouver, British Columbia. The public infrastructure market represented 39% of our revenue in 2020.

The private construction market includes residential and nonresidential new construction and the repair and remodel market. According to the PCA, the number of total housing starts in the United States, a leading indicator for our residential business, is expected to grow 8% from 2021 to 2025. In addition, the PCA projects that spending in private nonresidential construction will grow 3% over the same period. Growth in private construction spending is influenced by changes in population, employment and general economic activity, among other factors which vary by geography across the United States. Residential activity in our key markets remains strong, particularly in the Houston and Salt Lake City areas, two of the largest metro areas where we operate. We believe residential activity in our key markets will continue to be a driver for volumes in future periods. The private construction market represented 61% of our revenue in 2020.

In addition to anticipated demand growth in our end markets, we expect continued improvement in pricing, especially in our materials businesses. The United States Geological Survey ("USGS") reports that aggregates pricing has increased in 70 of the last 75 years. Accordingly, we believe that this trend will continue in the future. The PCA estimates that cement consumption will increase approximately 10% in the U.S. from 2021 to 2025, reflecting rising demand in the major end markets. We believe that the increased demand will drive higher cement pricing as production capacity in the United States tightens.

Historically, we have supplemented organic growth with acquisitions by strategically targeting attractive, new markets and expanding in existing markets. We consider population trends, employment rates, competitive landscape, private and public construction outlook, public funding and various other factors prior to entering a new market. In addition to considering macroeconomic data, we seek to establish, and believe that we have, a top three position in our local markets, which we believe supports improving profit margins and sustainable organic growth. This positioning provides local economies of scale and synergies, which benefits our profitability. In addition, we also focus on developing greenfield and brownfield sites in our existing markets.

We believe that significant opportunities remain for growth through acquisitions. We estimate that approximately 65% of the U.S. construction materials market is privately owned. Our management team maintains contact with hundreds of private companies. These long-standing relationships, cultivated over decades, have been the primary source for our past acquisitions and, we believe, will continue to be an important source for future acquisitions. We believe we offer a compelling value proposition for private company sellers, including secure ongoing stewardship of their legacy businesses.

Our Business Segments

We operate in 21 U.S. states and in British Columbia, Canada and have assets in 23 U.S. states and in British Columbia, Canada through our platforms that make up our operating segments: West; East; and Cement. The 10 platform businesses in the West and East segments have their own management teams. The platform management teams are responsible for overseeing the operating platforms, implementing best practices, developing growth opportunities and integrating acquired businesses. We seek to enhance value through increased scale, efficiencies and cost savings within local markets.

- **West Segment:** Our West segment includes operations in Texas, Utah, Colorado, Idaho, Wyoming, Oklahoma, Nevada and British Columbia, Canada. We supply aggregates, ready-mix concrete, asphalt paving mix and paving and related services in the West segment. As of January 2, 2021, the West segment controlled approximately 1.3 billion tons of proven and probable aggregates reserves and $602.6 million of net property, plant and equipment and inventories ("hard assets"). During the year ended January 2, 2021, approximately 54% of our revenue was generated in the West segment.

- **East Segment:** Our East segment serves markets extending across the Midwestern and Eastern United States, most notably in Kansas, Missouri, Virginia, Kentucky, North Carolina, South Carolina, Georgia, Arkansas and Nebraska where we supply aggregates, ready-mix concrete, asphalt paving mix and paving and related services. As of January 2, 2021, the East segment controlled approximately 2.3 billion tons of proven and probable aggregates reserves and $745.5 million of hard assets. During the year ended January 2, 2021, approximately 34% of our revenue was generated in the East segment.

- **Cement Segment:** Our Cement segment consists of our Hannibal, Missouri and Davenport, Iowa cement plants and nine distribution terminals along the Mississippi River from Minnesota to Louisiana. Our highly efficient plants are complemented by our integrated distribution system that spans the Mississippi River. We process solid and liquid waste into fuel for the plants, which can reduce the plants' fuel costs by up to 50%. The Hannibal, Missouri plant is one of very few cement facilities in the United States that can process both hazardous and non-hazardous solid and liquid waste into fuel. As of January 2, 2021, the Cement segment controlled approximately 0.5 billion tons of proven and probable aggregates reserves, which serve its cement business, and $584.7 million of hard assets. During the year ended January 2, 2021, approximately 12% of our revenue was generated in the Cement segment.

Acquisition History

The following table lists acquisitions we have completed in the last three years:

Company	Date of Acquisition	Segment
Metro Ready Mix, LLC	January 5, 2018	West
Price Construction, Ltd and affiliates	January 12, 2018	West
Mertens Construction Company, Inc. and affiliates	January 26, 2018	East
Stoner Sand, LLC	February 16, 2018	East
Day Concrete Block Company, Inc. and affiliate	April 2, 2018	West
Midwest Minerals, LLC	April 27, 2018	East
Superior Ready Mix, Inc.	April 27, 2018	East
Buckingham Slate Company, LLC	June 1, 2018	East
Buildex, LLC	July 1, 2018	East
APAC Assets	July 2, 2018	East
XIT Sand and Gravel, LLC and affiliate	July 16, 2018	West
Walker Sand and Gravel Ltd. Co.	October 1, 2018	West
Jefferson Quarry, LLC and affiliate	October 10, 2018	East
Pete Lien & Sons, Inc.	January 4, 2019	West
Tomball Ready Mix, LLC and affiliate	November 8, 2019	West
Blake and Augusta Assets	July 2, 2020	East
Multisources, LTD. and affiliates	July 10, 2020	West
Valley Gravel Sales LTD. and affiliates	August 21, 2020	West

Our End Markets

Public Infrastructure. Public infrastructure construction includes spending by federal, state and local governments for highways, bridges, airports, schools, public buildings and other public infrastructure projects. Public infrastructure spending has historically been more stable than private sector construction. We believe that public infrastructure spending is less sensitive to interest rate changes and economic cycles and often is supported by multi-year federal and state legislation and programs. A significant portion of our revenue is derived from public infrastructure projects. As a result, the supply of federal and state funding for public infrastructure highway construction significantly affects our public infrastructure end-use business.

In the past, public infrastructure sector funding was underpinned by a series of six-year federal highway authorization bills. Federal funds are allocated to the states, which are required to match a portion of the federal funds they receive. Federal highway spending uses funds predominantly from the Federal Highway Trust Fund, which derives its revenue from taxes on diesel fuel, gasoline and other user fees. The dependability of federal funding allows the state departments of transportation to plan for their long-term highway construction and maintenance needs. The Fixing America's Surface Transportation ("FAST") Act was signed into law on December 4, 2015 and authorized $305 billion of funding from 2016 through 2020. Through a continuing resolution signed by the President in October 2020, funding for the existing federal transportation funding program now extends through September 2021. It provides funding for surface transportation infrastructure, including roads, bridges, transit systems, and the rail transportation network.

Residential Construction. Residential construction includes single family homes and multi-family units such as apartments and condominiums. Demand for residential construction is influenced primarily by employment prospects, new household formation and mortgage interest rates. In recent years, residential construction demand has been growing, although the rate of growth has varied across the U.S. As a result of the COVID-19 pandemic, migration trends towards rural and exurban U.S. markets has begun, including a notable influx in our Texas and Utah markets.

Nonresidential Construction. Nonresidential construction encompasses all privately financed construction other than residential structures. Demand for nonresidential construction is driven primarily by population and economic growth, and activity tends to following residential activity by 12-24 months. Population growth spurs demand for stores, shopping centers and restaurants. Economic growth creates demand for projects such as hotels, office buildings, warehouses and factories,

although growth rates vary across the U.S. The supply of nonresidential construction projects is also affected by interest rates and the availability of credit to finance these projects.

Our Competitive Strengths

Leading market positions. We believe each of our operating companies has a top three market share position in its local market area achieved through their respective, extensive operating histories, averaging over 30 years. We believe we are a top 10 supplier of aggregates, a top 15 producer of cement and a major producer of ready-mix concrete and asphalt paving mix in the United States by volume. We focus on acquiring aggregate-based companies that have leading local market positions, which we seek to enhance by building scale through additional bolt-on acquisitions. The construction materials industry is highly local in nature due to transportation costs from the high weight-to-value ratio of the products. Given this dynamic, we believe achieving local market scale provides a competitive advantage that drives growth and profitability for our business. We believe that our ability to prudently acquire, rapidly integrate and improve multiple businesses has enabled, and will continue to enable, us to become market leaders.

Operations positioned to benefit from attractive industry fundamentals. We believe the construction materials industry has attractive fundamentals, characterized by high barriers to entry and a stable competitive environment in the majority of markets. Barriers to entry are created by scarcity of raw material resources, limited efficient distribution range, asset intensity of equipment, land required for quarry operations and a time-consuming and complex regulatory and permitting process. According to a January 2020 U.S. Geological Survey, aggregates pricing in the United States had increased in 70 of the previous 75 years, with growth accelerating since 2002 as continuing resource scarcity in the industry has led companies to focus increasingly on improved pricing strategies.

One contributing factor that supports pricing growth through the economic cycles is that aggregates and asphalt paving mix have significant exposure to public road construction, which has demonstrated growth over the past 30 years, even during times of broader economic weakness. The majority of public road construction spending is funded at the state level through the states' respective departments of transportation. Texas, Utah, Kansas and Missouri, four of the states in which we have had our highest revenues, have funds with certain constitutional protections for revenue sources dedicated for transportation projects. These dedicated, earmarked funding sources limit the negative effect state deficits may have on public spending. As a result, we believe our business' profitability is significantly more stable than most other building product subsectors.

Vertically-integrated business model. We generate revenue across a spectrum of related products and services. Approximately 21% of the aggregates used in our products and services are internally supplied. Our vertically-integrated business model enables us to operate as a single source provider of materials and paving and related services, creating cost, convenience and reliability advantages for our customers, while at the same time creating significant cross-marketing opportunities among our interrelated businesses. We believe this creates opportunities to increase aggregates volumes, optimize margin at each stage of production, foster more stable demand for aggregates through a captive demand outlet, create a competitive advantage through the efficiency gains, convenience and reliability provided to customers and enhance our acquisition strategy by providing a greater population of target companies.

Attractive diversity, scale and product portfolio. We operate in dozens of metropolitan statistical areas across 23 U.S. states and in British Columbia, Canada. Between the year ended January 2, 2016 (the year of our initial public offering) and the year ended January 2, 2021, we grew our revenue by 63% and brought substantial additional scale and geographic diversity to our operations. In the year ended January 2, 2021, 59% of our operating income increase came from the West segment, 23% from East segment and 18% from the Cement segment, excluding corporate charges. As of January 2, 2021, we had approximately 4.1 billion tons of proven and probable aggregates reserves serving our aggregates and cement business. We estimate that the useful life of our proven and probable reserves serving our aggregates and cement businesses are approximately 74 years and 273 years, respectively, based on the average production rates in 2020 and 2019.

Our dry process cement plants in Hannibal, Missouri and Davenport, Iowa were commissioned in 2008 and 1981, respectively. These low-cost cement plants have efficient manufacturing capabilities and are strategically located on the Mississippi River and complemented by an extensive network of river and rail fed distribution terminals. Our terminal network can accept imported cement to supplement our internal production capacity as demand and market conditions dictate. Due to the location of our Hannibal and Davenport plants on the Mississippi River, in 2020, approximately 66% of cement distributed to our terminals was shipped by barge, which is generally more cost-effective than truck transport.

Proven ability to incorporate new acquisitions and grow businesses. Since our inception, we have acquired dozens of businesses, successfully integrating them into three segments through the implementation of operational improvements, industry-proven information technology systems, a comprehensive safety program and best in class management programs. A

typical acquisition and subsequent integration generally involves implementing common safety and financial back office systems, driving best practices in pricing and productivity. In addition, we seek to leverage scale while maintaining local branding and management decision-making and providing management support, strategic direction and financial capital for investment. These acquisitions have helped us achieve significant revenue growth, from $0.4 billion in 2010 to $2.3 billion in 2020.

Experienced and proven leadership driving organic growth and acquisition strategy. Our management team, including corporate and segment managers, corporate development, finance executives and other heavy side industry operators, has extensive experience in the industry. Our management team has successfully enhanced the operations of acquired companies, focusing on scale advantages, cost efficiencies and price optimization to improve profitability and cash flow.

Our Business Strategy

Utilize vertically-integrated and strategically located operations for growth. We believe that our vertical integration of construction materials, products and services is a significant competitive advantage that we will utilize to grow share in our existing markets and enter into new markets. A significant portion of materials used to produce our products and provide services to our customers is internally supplied, which enables us to operate as a single source provider of materials, products and paving and related services. This creates cost, convenience and reliability advantages for our customers and enables us to capture additional value throughout the supply chain, while at the same time creating significant cross-marketing opportunities among our interrelated businesses.

Enhance margins and free cash flow generation through implementation of operational improvements. Our management team includes individuals with decades of experience in our industry and proven success in integrating acquired businesses and organically growing operations. We have enhanced margins through proven profit optimization plans, managed working capital and achieved scale-driven purchasing synergies and fixed overhead control and reduction. Our platform management teams, supported by our operations, development, risk management, information technology and finance teams, drive the implementation of detailed and thorough profit optimization plans for each acquisition post close. These integration and improvement plans typically include, among other things, implementation of a common pricing strategy, safety and financial systems, systematic commercial strategies, operational benefits, efficiency improvement plans and business-wide cost reduction techniques.

Expand local positions in the most attractive markets through targeted capital investments and bolt-on acquisitions. We seek to expand our business through organic growth and bolt-on acquisitions in each of our local markets. In addition to our greenfield and brownfield project initiatives, our acquisition strategy involves acquiring platforms that serve as the foundation for continued incremental and complementary growth via locally situated bolt-on acquisitions to these platforms. We believe that increased local market scale drives profitable growth through efficiencies. Our existing platform of operations is expected to enable us to continue our growth as we expand in our existing markets. In pursuing our growth strategy, we may also pursue larger acquisition transactions that may require us to raise additional equity capital and or debt from time to time. Consistent with this strategy, we regularly evaluate potential acquisition opportunities, including ones that would be significant to us.

Drive profitable growth through strategic acquisitions. Based on aggregates sales, by volume, we believe that we are currently one of the ten largest producers in the United States. Our growth has been a result of the successful execution of our acquisition strategy and implementation of best practices to drive organic growth. We believe that the relative fragmentation of our industry creates an environment in which we can continue to acquire companies at attractive valuations and increase scale and diversity over time. We believe we have opportunity for further growth through strategic acquisitions in markets adjacent to our existing markets within the states where we currently operate, as well as into additional states as market and competitive conditions permit.

Capitalize on growth in the U.S. economy and construction markets. Given the nation's aging infrastructure and considering longstanding historical spending trends, we expect U.S. infrastructure investment to grow over time. We believe we are well positioned to capitalize on any such increase in investment. The PCA forecasts total housing starts to accelerate to 1.48 million in the United States by 2025. The American Institute of Architects' Consensus Construction Forecast projects nonresidential construction to shrink 4.8% in 2021. We believe nonresidential activity tends to follow residential activity after about 12 to 24 months. However, the COVID-19 pandemic may impact these trends in ways we cannot foresee. We believe that exposure to the public infrastructure, residential and nonresidential end markets across our markets will benefit us if the U.S. economy improves.

Our Industry

The U.S. construction materials industry is composed of four primary sectors: aggregates; cement; ready-mix concrete; and asphalt paving mix. Each of these materials is widely used in most forms of construction activity. Participants in these sectors typically range from small, privately-held companies focused on a single material, product or market to publicly traded multinational corporations that offer a wide array of construction materials and services. Competition is constrained in part by the distance materials can be transported efficiently, resulting in predominantly local or regional operations. Due to the lack of product differentiation, competition for all of our products is predominantly based on price and, to a lesser extent, quality of products and service. As a result, the prices we charge our customers are not likely to be materially different from the prices charged by other producers in the same markets. Accordingly, our profitability is generally dependent on the level of demand for our products and materials and our ability to control operating costs.

Transportation infrastructure projects, driven by both federal and state funding programs, represent a significant share of the U.S. construction materials market. Federal funds are allocated to the states, which are required to match a portion of the federal funds they receive. Federal highway spending uses funds predominantly from the Federal Highway Trust Fund, which derives its revenue from taxes on diesel fuel, gasoline and other user fees. The dependability of federal funding allows the state departments of transportation to plan for their long-term highway construction and maintenance needs. Funding for the existing federal transportation funding program extends through September 2021. With the nation's infrastructure aging, there is increased demand by states and municipalities for long-term federal funding to support the construction of new roads, highways and bridges in addition to the maintenance of existing infrastructure.

In addition to federal funding, state, county and local agencies provide highway construction and maintenance funding. Our four largest states by revenue, Texas, Utah, Kansas and Missouri, represented approximately 25%, 14%, 13% and 9%, respectively, of our total revenue in 2020.

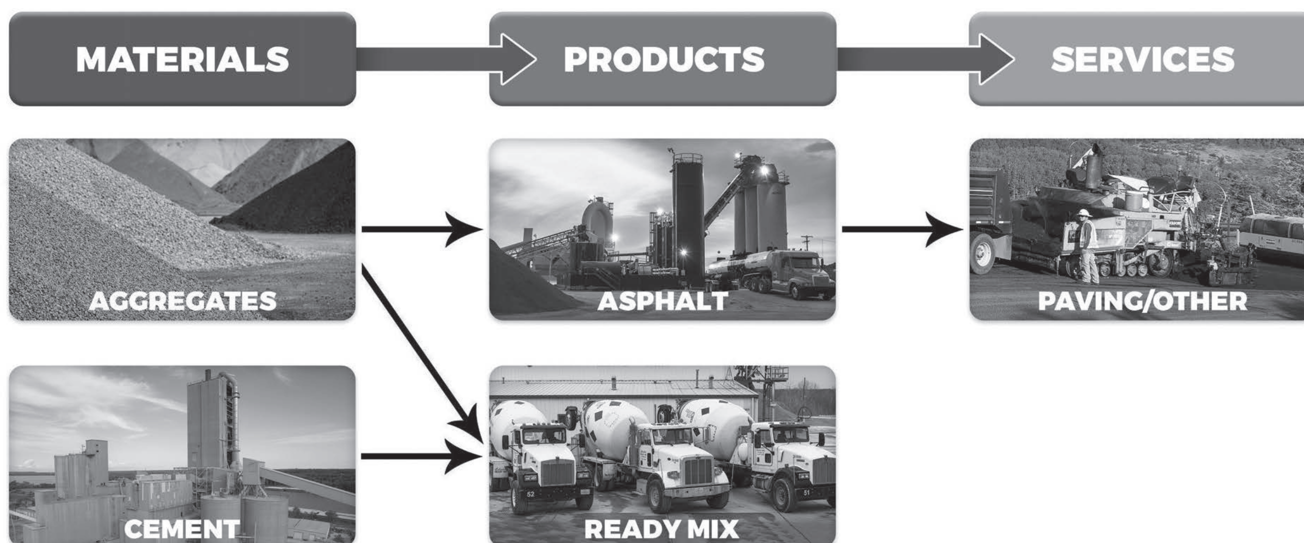
Our Industry and Operations

Demand for our materials and products is observed to have low elasticity in relation to prices. We believe this is partially explained by the absence of competitive replacement products. We do not believe that increases in our prices of materials or products are likely to affect the decision to undertake a construction project since these costs usually represent a small portion of total construction costs.

We operate our construction materials, products and paving and related services businesses through local management teams, which work closely with our end customers to deliver the materials, products and services that meet each customer's specific needs for a project. We believe that this strong local presence gives us a competitive advantage by allowing us to obtain a unique understanding for the evolving needs of our customers.

We have operations in 23 U.S. states and in British Columbia, Canada. Our business in each region is vertically-integrated. We supply aggregates internally for the production of cement, ready-mix concrete and asphalt paving mix and a significant portion of our asphalt paving mix is used internally by our paving and related services businesses. In the year ended January 2, 2021, approximately 79% of our aggregates production was sold directly to outside customers with the remaining amount being further processed by us and sold as a downstream product. In addition, we operate a municipal waste landfill in our East segment, and have construction and demolition debris landfills and liquid asphalt terminal operations in our West and East segments.

Approximately 69% of our asphalt paving mix was installed by our paving and related services businesses in the year ended January 2, 2021. We charge a market price and competitive margin at each stage of the production process in order to optimize profitability across our operations. Our production value chain is illustrated as follows:



Aggregates are key material components used in the production of cement, ready-mix concrete and asphalt paving mixes for the public infrastructure, residential and nonresidential end markets and are also widely used for various applications and products, such as road and building foundations, railroad ballast, erosion control, filtration, roofing granules and in solutions for snow and ice control. Generally extracted from the earth using surface or underground mining methods, aggregates are produced from natural deposits of various materials such as limestone, sand and gravel, granite and trap rock. Aggregates are produced mainly from blasting hard rock from quarries and then crushing and screening it to various sizes to meet our customers' needs. The production of aggregates also involves the extraction of sand and gravel, which requires less crushing, but still requires screening for different sizes. Aggregate production utilizes capital intensive heavy equipment which includes the use of loaders, large haul trucks, crushers, screens and other heavy equipment at quarries and sand and gravel pits. Once extracted, processed and/or crushed and graded on-site into crushed stone, concrete and masonry sand, specialized sand, pulverized lime or agricultural lime, they are supplied directly to their end use or incorporated for further processing into construction materials and products, such as cement, ready-mix concrete and asphalt paving mix. The minerals are processed to meet customer specifications or to meet industry standard sizes. Crushed stone is used primarily in ready-mix concrete, asphalt paving mix, and the construction of road base for highways.

We believe that the long-term growth of the market for aggregates is predominantly driven by growth in population, employment and households, which in turn affects demand for transportation infrastructure, residential and nonresidential construction, including stores, shopping centers and restaurants. While short-term demand for aggregates fluctuates with economic cycles, the declines have historically been followed by strong recovery, with each peak establishing a new historical high.

We mine limestone, gravel, and other natural resources from 132 crushed stone quarries and 116 sand and gravel deposits throughout the United States and in British Columbia, Canada. Our extensive network of quarries, plants and facilities, located throughout the regions in which we operate, enables us to have a nearby operation to meet the needs of customers in each of our markets. As of January 2, 2021, we had approximately 4.1 billion tons of proven and probable reserves of recoverable stone, and sand and gravel of suitable quality for economic extraction. Our estimate is based on drilling and studies by geologists and engineers, recognizing reasonable economic and operating restraints as to maximum depth of extraction and permit or other restrictions. Reported proven and probable reserves include only quantities that are owned or under lease, and for which all required zoning and permitting have been obtained. Of the 4.1 billion tons of proven and probable aggregates reserves, 2.4 billion, or 58%, are located on owned land and 1.7 billion are located on leased land.

According to the September 2020 U.S. Geological Survey, approximately 1.7 billion tons of crushed stone with a value of approximately $18.4 billion was produced in the United States in 2019, which was an increase from the 1.5 billion tons produced in 2018. Sand and gravel production was approximately 1.1 billion tons in 2019 and 2018, valued at approximately $9.0 billion in 2019. The U.S. aggregate industry is highly fragmented relative to other building product markets, with numerous participants operating in localized markets and the top ten players controlling approximately 35% of the national market in 2020. In February 2020, the U.S. Geological Survey reported that a total of 1,430 companies operating 3,440 quarries

and 176 sales/distribution yards produced or sold crushed stone in 2019 in the United States. This fragmentation is a result of the cost of transporting aggregates, which typically limits producers to a market area within approximately 40 miles of their production facilities.

Transportation costs are a major variable in determining the marketing radius for our products. The cost of transporting aggregate products from the plant to the market often equates to or exceeds the sale price of the product at the plant. As a result of the high transportation costs and the large quantities of bulk material that have to be shipped, finished products are typically marketed locally. High transportation costs are responsible for the wide dispersion of production sites. Where possible, construction material producers maintain operations adjacent to highly populated areas to reduce transportation costs and enhance margins. However, more recently, rising land values combined with local environmental concerns have been forcing production sites to move further away from the end-use locations.

Each of our aggregates operations is responsible for the sale and marketing of its aggregates products. Approximately 79% of our aggregates production is sold directly to outside customers and the remaining amount is further processed by us and sold as a downstream product. Even though aggregates are a commodity product, we work to optimize pricing depending on the site location, availability of a particular product, customer type, project type and haul cost. We sell aggregates to internal downstream operations at market prices.

A significant portion of annual demand for aggregates is derived from large public infrastructure and highway construction projects. According to the Montana Contractors' Association, approximately 38,000 tons of aggregate are required to construct a one mile stretch of a typical four-lane interstate highway. Highways located in markets with significant seasonal temperature variances are particularly vulnerable to freeze-thaw conditions that exert excessive stress on pavement and lead to more rapid surface degradation. Surface maintenance repairs, as well as general highway construction, occur in the warmer months, resulting in a majority of aggregates production and sales in the period from April through November in most states.

Our competitors in aggregates supply include large vertically-integrated companies, that have a combined estimated market share of approximately 30%, in addition to various local suppliers.

We believe we have a strong competitive advantage in aggregates through our well located reserves and assets in key markets, high quality reserves and our logistic networks. We further share and implement best practices relating to safety, strategy, sales and marketing, production, and environmental and land management. Our vertical integration and local market knowledge enable us to maintain a strong understanding of the needs of our aggregates customers. In addition, our companies have a reputation for responsible environmental stewardship and land restoration, which assists us in obtaining new permits and new reserves.

Cement

Portland cement, an industry term for the common cement in general use around the world, is made from a combination of limestone, shale, clay, silica and iron ore. It is a fundamental building material consumed in several stages throughout the construction cycle of public infrastructure, residential and nonresidential projects. It is a binding agent that, when mixed with sand or aggregates and water, produces either ready-mix concrete or mortar and is an important component of other essential construction materials. Few construction projects can take place without utilizing cement somewhere in the design, making it a key ingredient used in the construction industry. The majority of all cement shipments are sent to ready-mix concrete operators. Sales are made on the basis of competitive terms and prices in each market. Nearly two-thirds of U.S. consumption occurs between May and November, coinciding with end-market construction activity.

Cement production in the United States is distributed among over 90 production facilities located across a majority of the states and is a capital-intensive business with variable costs dominated by raw materials and energy required to fuel the kiln. Most U.S. cement producers are owned by large foreign companies operating in multiple international markets. Our largest competitors include large vertically integrated companies. Construction of cement production facilities is highly capital intensive and requires long lead times to complete engineering design, obtain regulatory permits, acquire equipment and construct a plant.

As reported by the PCA, consumption is up from the industry trough of approximately 77.6 million tons in 2010, to approximately 112.6 million tons in 2019, consistent with an increase in U.S. construction activity. Cement sales are still below their peak, but we believe there will be additional growth in the cement industry. U.S. cement consumption has at times outpaced domestic production capacity with the shortfall being supplied with imports, primarily from Canada, Turkey, Greece, Mexico and China. The PCA reports that cement imports are above their trough of approximately 7.2 million tons in 2011 versus approximately 17.8 million tons in 2019.

We operate a highly-efficient, low-cost integrated cement manufacturing and distribution network through our cement plants in Hannibal, Missouri, and Davenport, Iowa and our nine terminals along the Mississippi River from Minnesota to Louisiana. The combined potential capacity at our Hannibal and Davenport cement plants is approximately 2.4 million short tons per annum. We also operate on-site waste fuel processing facilities at the plants, which can reduce plant fuel costs by up to 50%. Our Hannibal plant is one of very few with hazardous waste fuel facilities permitted and operating out of over 90 cement plants in the United States. Competitive factors include price, reliability of deliveries, location, quality of cement and support services. With two cement plants, on-site raw material supply, a network of cement terminals, and longstanding customer relationships, we believe we are well positioned to serve our customers.

Cement is a product that is costly to transport. Consequently, the radius within which a typical cement plant is competitive with truck transportation is typically limited to 150 miles from any shipping/distribution point. However, access to rail and barge can extend the distribution radius significantly. With both of our plants located on the Mississippi River, we are able to cost effectively distribute cement from both of our plants by truck, rail and barge directly to customers or to our nine storage and distribution terminals along the Mississippi River. Our Hannibal and Davenport plants are located on the Mississippi River and, consequently, in 2020, approximately 66% of cement distributed to our terminals was shipped by barge, which is significantly more cost-effective than truck transport.

The majority of U.S. cement plants are subject to the Portland Cement – Maximum Achievable Control Technology ("PC-MACT"). Our Hannibal and Davenport cement plants utilize alternative fuels, hazardous and non-hazardous at Hannibal and non-hazardous at Davenport, as well as coal, natural gas and petroleum coke and, as a result, are subject to the Hazardous Waste Combustor – Maximum Achievable Control Technology ("HWC-MACT") and Commercial/Industrial Solid Waste Incinerators ("CISWI") standards, respectively, rather than PC-MACT standards.

Ready-mix Concrete

Ready-mix concrete is one of the most versatile and widely used materials in construction today. Its flexible recipe characteristics allow for an end product that can assume almost any color, shape, texture and strength to meet the many requirements of end users that range from bridges, foundations, skyscrapers, pavements, dams, houses, parking garages, water treatment facilities, airports, tunnels, power plants, hospitals and schools. The versatility of ready-mix concrete gives engineers significant flexibility when designing these projects.

Cement, coarse aggregate, fine aggregate, water and admixtures are the primary ingredients in ready-mix concrete. Other materials commonly used in the production of ready-mix concrete include fly-ash, a waste by-product from coal burning power plants, silica fume, a waste by-product generated from the manufacture of silicon and ferro-silicon metals, and ground granulated blast furnace slag, a by-product of the iron and steel manufacturing process. These materials are available directly from the producer or via specialist distributors who intermediate between the ready-mix concrete producers and the users.

Competition among ready-mix concrete suppliers is generally based on product characteristics, delivery times, customer service and price. Product characteristics such as tensile strength, resistance to pressure, durability, set times, ease of placing, aesthetics, workability under various weather and construction conditions as well as environmental effect are the main criteria that our customers consider for selecting their product. Our quality assurance program produces results in excess of design strengths while optimizing material costs. Additionally, we believe our strategic network of locations and superior customer service gives us a competitive advantage relative to other producers. Our ready-mix concrete operations compete with CEMEX in Texas and Nevada and CRH plc in Utah and Colorado and various other privately owned competitors in other parts of the West and East segments.

Given the high weight-to-value ratio, delivery of ready-mix concrete is typically limited to a one-hour haul from a production plant and is further limited by a 90 minute window in which newly-mixed concrete must be poured to maintain quality and performance. As a result of the transportation constraints, the ready-mix concrete market is highly localized, with an estimated 5,500 ready-mix concrete plants in the United States according to the NRMCA. According to the NRMCA, 371.2 million cubic yards of ready-mix concrete were produced in 2019, which is a 4% increase from the 358.2 million cubic yards produced in 2018 but a 19% decrease from the industry peak of 458.3 million cubic yards in 2005.

We believe our West and East segments are leaders in the supply of ready-mix concrete in their respective markets. The West segment has ready-mix concrete operations in the Texas, Utah, Nevada, Idaho and Colorado markets. Our East segment supplies ready-mix concrete in the Kansas, Missouri, Arkansas, North Carolina, South Carolina, Kentucky and Virginia markets and surrounding areas. We operated 69 ready-mix concrete plants and over 700 concrete delivery trucks in the West segment and 55 ready-mix concrete plants and almost 350 concrete delivery trucks in the East segment as of January 2,

2021. Our aggregates business serves as the primary source of the raw materials for our concrete production, functioning essentially as a supplier to our ready-mix concrete operations.

Asphalt Paving Mix

Asphalt paving mix is the most common roadway material used today. It is a versatile and essential building material that has been used to surface 94% of the more than 2.7 million miles of paved roadways in the United States, according to the National Asphalt Pavement Association ("NAPA").

Typically, asphalt paving mix is placed in three distinct layers to create a flexible pavement structure. These layers consist of a base course, an intermediate or binder course, and a surface or wearing course. These layers vary in thicknesses of three to six inches for base mix, two to four inches for intermediate mix and one to two inches for surface mix.

Asphalt pavement is generally 100% recyclable and reusable and is the most reused and recycled pavement material in the United States. Reclaimed asphalt pavement can be incorporated into new pavement at replacement rates in excess of 30% depending upon the mix and the application of the product. We actively engage in the recycling of previously used asphalt pavement and concrete. This material is crushed and repurposed in the construction cycle. Approximately 89.2 million tons of used asphalt is recycled annually by the industry according to a September 2020 NAPA survey. As of January 2, 2021, we operated 26 and 23 asphalt paving mix plants in the West and East segments, respectively. Approximately 98% of our plants can utilize recycled asphalt pavement.

The use of warm mix asphalt ("WMA") or "green" asphalt is gaining popularity. The immediate benefit to producing WMA is the reduction in energy consumption required by burning fuels to heat traditional hot mix asphalt ("HMA") to temperatures in excess of 300°F at the production plant. These high production temperatures are needed to allow the asphalt binder to become viscous enough to completely coat the aggregate in the HMA, have good workability during laying and compaction, and durability during traffic exposure. According to the Federal Highway Administration, WMA can reduce the mixing temperature by 50°F to 70°F, resulting in lower emissions, fumes and odors generated at the plant and the paving site.

Approximately 69% of the asphalt paving mix we produce is installed by our own paving crews. The rest is sold on a per ton basis to road contractors, state departments of transportation and local agencies. Asphalt paving mix is used by our paving crews and by our customers primarily for the construction of roads, driveways and parking lots.

According to NAPA, there were approximately 3,500 asphalt paving mix plants in the United States in 2019 and an estimated 421.9 million tons of asphalt paving mix was produced in 2019 compared to 389.3 million tons produced in 2018. Our asphalt paving mix operations compete with CRH plc and other local suppliers. Based on availability of internal aggregate supply, quality, operating efficiencies, and location advantages, we believe we are well positioned vis-à-vis our competitors.

Asphalt paving mix is generally applied at high temperatures. Prolonged exposure to air causes the mix to lose temperature and harden. Therefore, delivery is typically within close proximity to the asphalt paving mix plant. Local market demand, proximity to competition, transportation costs and supply of aggregates and liquid asphalt vary widely from market to market. Most of our asphalt operations use a combination of company-owned and hired haulers to deliver materials to job sites.

As part of our vertical integration strategy, we provide asphalt paving and related services to both the private and public infrastructure sectors as either a prime or sub-contractor. These services complement our construction materials and products businesses by providing a reliable downstream outlet, in addition to our external distribution channels.

Our asphalt paving and related services businesses bid on both private construction and public infrastructure projects in their respective local markets. We only provide paving and related services operations as a complement to our aggregates operations, which we believe is a major competitive strength. Factors affecting competitiveness in this business segment include price, estimating abilities, knowledge of local markets and conditions, project management, financial strength, reputation for quality and the availability of machinery and equipment.

Contracts with our customers are primarily fixed price or fixed unit price. Under fixed unit price contracts, we provide materials or services at fixed unit prices (for example, dollars per ton of asphalt placed). While the fixed unit price contract shifts the risk of estimating the quantity of units required for a particular project to the customer, any increase in our unit cost over the bid amount, whether due to inflation, inefficiency, errors in our estimates or other factors, is borne by us unless otherwise provided in the contract. Most of our contracts contain adjustment provisions to account for changes in liquid asphalt prices.

Customers

Our business is not dependent on any single customer or a few customers. Therefore, the loss of any single or particular small number of customers would not have a material adverse effect on any individual respective market in which we operate or on us as a whole. No individual customer accounted for more than 10% of our 2020 revenue.

Seasonality

Use and consumption of our products fluctuate due to seasonality. Nearly all of the products used by us, and by our customers, in the private construction or public infrastructure industries are used outdoors. Our highway operations and production and distribution facilities are also located outdoors. Therefore, seasonal changes and other weather-related conditions, in particular extended rainy and cold weather in the spring and fall and major weather events, such as hurricanes, tornadoes, tropical storms, heavy snows and flooding, can adversely affect our business and operations through a decline in both the use of our products and demand for our services. In addition, construction materials production and shipment levels follow activity in the construction industry, which typically occurs in the spring, summer and fall. Warmer and drier weather during the second and third quarters of our fiscal year typically result in higher activity and revenue levels during those quarters. The first quarter of our fiscal year typically has lower levels of activity due to weather conditions.

Backlog

Our products are generally delivered upon receipt of orders or requests from customers, or shortly thereafter. Accordingly, the backlog associated with product sales is converted into revenue within a relatively short period of time. Inventory for products is generally maintained in sufficient quantities to meet rapid delivery requirements of customers. Therefore, a period over period increase or decrease of backlog does not necessarily result in an improvement or a deterioration of our business. Our backlog includes only those products and projects for which we have obtained a purchase order or a signed contract with the customer and does not include products purchased and sold or services awarded and provided within the period.

Subject to applicable contract terms, substantially all contracts in our backlog may be canceled or modified by our customers. Historically, we have not been materially adversely affected by significant contract cancellations or modifications.

Intellectual Property

We do not own or have a license or other rights under any patents that are material to our business.

Corporate Information

Summit Materials, Inc. and Summit Materials, LLC were formed under the laws of the State of Delaware on September 23, 2014 and September 24, 2008, respectively. Our principal executive office is located at 1550 Wynkoop Street, 3rd Floor, Denver, Colorado 80202. Through its predecessor, Summit Inc. commenced operations in 2009 when Summit Holdings was formed. Our telephone number is (303) 893-0012.

Human Capital Resources

As of January 2, 2021, we employed approximately 6,000 employees, of which approximately 5,700 were employed in the United States with the remainder being employed in Canada. Approximately 80% of our employees are hourly workers, with the remainder being salaried. Approximately 7% of our employees are union members, substantially all in our cement division and at our Canadian operations, with whom we believe we enjoy a satisfactory working relationship. Our collective bargaining agreements for employees who are union members generally expire between 2022 and 2026. Because of the seasonal nature of our industry, many of our hourly and certain of our salaried employees are subject to seasonal layoffs. The scope of layoffs varies greatly from season to season as they are predominantly a function of the type of projects in process and the weather during the late fall through early spring.

Health and Safety: We maintain a safety culture grounded on the premise of striving to eliminate workplace incidents, risks and hazards. We have created and implemented processes to help eliminate safety events by reducing their frequency and severity. We also review and monitor our performance closely. Our goal is to reduce Occupational Safety and Health Administration ("OSHA") recordable incidents each year. During fiscal 2020, our recordable incident rate declined 6% compared to fiscal 2019.

As a result of the COVID-19 pandemic, we have implemented safety protocols to protect our employees, contractors and customers. These protocols include complying with social distancing and other health and safety standards as required by federal, state and local government agencies, taking into consideration guidelines of the Centers for Disease Control and Prevention and other public health authorities. We continue to provide personal protective equipment and additional cleaning supplies. Many of our administrative and operational functions during this time have required modification, including some of our workforce working remotely. Our experienced employees adapted to the changes in our work environment and continued to successfully manage our business successfully during this challenging time.

Inclusion and Diversity: We embrace the diversity of our team members, customers, stakeholders and consumers, including their unique backgrounds, experiences, thoughts and talents. Everyone is valued and appreciated for their distinct contributions to the growth and sustainability of our business. We strive to cultivate a culture and vision that supports and enhances our ability to recruit, develop and retain diverse talent at every level. We have a goal to build a highly engaged team by increasing retention year over year.

Talent Development: We prioritize and invest in creating opportunities to help employees grow and build their careers, through various training and development programs. These include on-the-job learning formats as well as executive talent and succession planning paired with an individualized development approach.

Compensation and Benefits: We provide compensation and benefit programs to help meet the needs of our employees. In addition to base compensation, we offer incentive plans for both safety and operational results, stock awards, a 401(k) plan, healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, family leave programs, employee assistance programs, among others. Our 401(k) plan covers all U.S. employees, and provides for matching contributions to the plan, including 100% of pre-tax employee contributions, up to 4% of eligible compensation. Employer contributions vest immediately.

Legal Proceedings

We are party to certain legal actions arising from the ordinary course of business activities. While the ultimate results of claims and litigation cannot be predicted with certainty, management expects that the ultimate resolution of all current pending or threatened claims and litigation will not have a material effect on our consolidated financial condition, results of operations or liquidity.

In March 2018, we were notified of an investigation by the Canadian Competition Bureau (the “CCB”) into pricing practices by certain asphalt paving contractors in British Columbia, including Winvan Paving, Ltd. (“Winvan”). We believe the investigation is focused on time periods prior to our April 2017 acquisition of Winvan and we are cooperating with the CCB. Although we currently do not believe this matter will have a material adverse effect on our business, financial condition or results of operations, we are not able to predict the ultimate outcome or cost of the investigation at this time.

Environmental and Government Regulation

We are subject to federal, state, provincial and local laws and regulations relating to the environment and to health and safety, including noise, discharges to air and water, waste management including the management of hazardous waste used as a fuel substitute in our cement plants, remediation of contaminated sites, mine reclamation, operation and closure of landfills and dust control and zoning, land use and permitting. Our failure to comply with such laws and regulations can result in sanctions such as fines or the cessation of part or all of our operations. From time to time, we may also be required to conduct investigation or remediation activities. There also can be no assurance that our compliance costs or liabilities associated with such laws and regulations or activities will not be significant.

In addition, our operations require numerous governmental approvals and permits. Environmental operating permits are subject to modification, renewal and revocation and can require us to make capital, maintenance and operational expenditures to comply with the applicable requirements. Stricter laws and regulations, or more stringent interpretations of existing laws or regulations, may impose new liabilities on us, reduce operating hours, require additional investment by us in pollution control equipment or impede our opening new, expanding or maintaining existing plants or facilities. We regularly monitor and review our operations, procedures and policies for compliance with environmental laws and regulations, changes in interpretations of existing laws and enforcement policies, new laws that are adopted, and new requirements that we anticipate will be adopted that could affect our operations.

Multiple permits are required for our operations, including those required to operate our cement plants. Applicable permits may include conditional use permits to allow us to operate in certain areas absent zoning approval and operational permits governing, among other matters, air and water emissions, dust, particulate matter and storm water management and

control. In addition, we are often required to obtain bonding for future reclamation costs, most commonly specific to restorative grading and seeding of disturbed surface areas.

Like others in our industry, we expend substantial amounts to comply with applicable environmental laws and regulations and permit limitations, which include amounts for pollution control equipment required to monitor and regulate emissions into the environment. The Hannibal and Davenport cement plants are subject to HWC-MACT and CISWI standards, respectively, for which we do not expect any material incremental costs to maintain compliance. Since many environmental requirements are likely to be affected by future legislation or rule making by government agencies, and are therefore not quantifiable, it is not possible to accurately predict the aggregate future costs of compliance and their effect on our future financial condition, results of operations and liquidity.

At most of our quarries, we incur reclamation obligations as part of our mining activities. Reclamation methods and requirements can vary depending on the individual site and state regulations. Generally, we are required to grade the mined properties to a certain slope and seed the property to prevent erosion. We record a mining reclamation liability in our consolidated financial statements to reflect the estimated fair value of the cost to reclaim each property including active and closed sites.

Our operations in Kansas include one municipal waste landfill and four construction and demolition debris landfills, one of which has been closed and in Colorado, we have a construction and demolition debris landfill. In Vancouver, British Columbia, we operate a landfill site that accepts environmentally clean soil deposits. Among other environmental, health and safety requirements, we are subject to obligations to appropriately close those landfills at the end of their useful lives and provide for appropriate post-closure care. Asset retirement obligations relating to these landfills are recorded in our consolidated financial statements.

Health and Safety

Our facilities and operations are subject to a variety of worker health and safety requirements, particularly those administered by the federal Occupational Safety and Health Administration ("OSHA") and Mine Safety and Health Administration ("MSHA"). Throughout our organization, we strive for a zero-incident safety culture and full compliance with safety regulations. Failure to comply with these requirements can result in sanctions such as fines and penalties and claims for personal injury and property damage. These requirements may also result in increased operating and capital costs in the future.

Worker safety and health matters are overseen by our corporate risk management and safety department as well as operating company level safety managers. We provide our operating company level safety managers leadership and support, comprehensive training, and other tools designed to accomplish health and safety goals, reduce risk, eliminate hazards, and ultimately make our work places safer.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the internet at the SEC's website at http://www.sec.gov. Our SEC filings are also available on our website, free of charge, at http://www.summit-materials.com as soon as reasonably practicable after they are filed with or furnished to the SEC.

We maintain an internet site at http://www.summit-materials.com. Our website and the information contained on or connected to that site are not incorporated into this report.

ITEM 1A. RISK FACTORS

Risks Related to Our Industry and Our Business

Industry Risks

Our business depends on activity within the construction industry and the strength of the local economies in which we operate.

We sell most of our construction materials and products and provide all of our paving and related services to the construction industry, so our results are significantly affected by the strength of the construction industry. Federal and state budget issues may negatively affect the amount of funding available for infrastructure spending, particularly highway construction, which constitutes a significant portion of our business. Demand for our products, particularly in the residential and nonresidential construction markets, could decline if companies and consumers cannot obtain funding for construction projects. In addition, a slow pace of economic activity typically results in delays or cancellations of capital projects.

Our earnings depend on the strength of the local economies in which we operate because of the high cost to transport our products relative to their price. Although some states in recent years, such as Texas, have increased their budgets for road construction, maintenance, rehabilitation and acquiring right of way for public roads, certain other states, such as Kentucky, have reduced their construction spending due to budget shortfalls from lower tax revenue and other factors. As a result, there has been a reduction in certain states' investment in infrastructure spending. If economic and construction activity diminishes in one or more areas, particularly in our top revenue-generating markets of Texas, Utah, Kansas and Missouri, our financial condition, results of operations and liquidity could be materially adversely affected.

Our business is cyclical and requires significant working capital to fund operations.

Our business is cyclical and requires that we maintain significant working capital to fund our operations. Our ability to generate sufficient cash flow depends on future performance, which will be subject to general economic conditions, industry cycles and financial, business and other factors affecting our operations, many of which are beyond our control. If we are unable to generate sufficient cash to operate our business and service our outstanding debt and other obligations, we may be required, among other things, to further reduce or delay planned capital or operating expenditures, sell assets or take other measures, including the restructuring of all or a portion of our debt, which may only be available, if at all, on unsatisfactory terms.

Weather can materially affect our business and we are subject to seasonality.

Nearly all of the products we sell and the services we provide are used or performed outdoors. Therefore, seasonal changes and other weather-related conditions can adversely affect our business and operations through a decline in both the use and production of our products and demand for our services. Adverse weather conditions such as heavy or sustained rainy and cold weather in the spring and fall can reduce demand for our products and reduce sales, render our contracting operations less efficient or restrict our ability to ship our products. For example, unusually severe flooding conditions on the Mississippi River during the first half of 2019, negatively impacted our operations which affected our financial results. Major weather events such as hurricanes, tornadoes, tropical storms and heavy snows have adversely affected and could adversely affect sales in the near term and may be more severe due to climate change. In particular, our operations in the southeastern and Gulf Coast regions of the United States are at risk for hurricane activity, most notably in August, September and October. For example, in 2017, Hurricane Harvey adversely affected our operations not only during the days immediately before and after the storm, but also in the weeks and months after the storm as our customers recovered and reallocated resources in response to damage caused by the storm.

Construction materials production and shipment levels follow activity in the construction industry, which typically occurs in the spring, summer and fall. Warmer and drier weather during the second and third quarters of our fiscal year typically result in higher activity and revenue levels during those quarters. The first quarter of our fiscal year has typically lower levels of activity due to the weather conditions. Our second quarter varies greatly with spring rains and wide temperature variations. A cool wet spring increases drying time on projects, which can delay sales in the second quarter, while a warm dry spring may enable earlier project startup. Such adverse weather conditions can adversely affect our business, financial condition and results of operations if they occur with unusual intensity, during abnormal periods or last longer than usual in our major markets, especially during peak construction periods.

Our industry is capital intensive and we have significant fixed and semi-fixed costs. Therefore, our profitability is sensitive to changes in volume.

The property and machinery needed to produce our materials and products can be very expensive. Therefore, we need to spend a substantial amount of capital to purchase and maintain the equipment necessary to operate our business. Although we believe that our current cash balance, along with our projected internal cash flows and our available financing resources, will provide sufficient cash to support our currently anticipated operating and capital needs, if we are unable to generate sufficient cash to purchase and maintain the property and machinery necessary to operate our business, we may be required to reduce or delay planned capital expenditures or incur additional debt. In addition, given the level of fixed and semi-fixed costs within our business, particularly at our cement production facilities, decreases in volumes could have a material adverse effect on our financial condition, results of operations and liquidity.

Within our local markets, we operate in a highly competitive industry.

The U.S. construction aggregates industry is highly fragmented with a large number of independent local producers in a number of our markets. Additionally, in most markets, we compete against large private and public infrastructure companies, some of which are also vertically-integrated. Therefore, there is intense competition in a number of the markets in which we operate. This significant competition could lead to lower prices, lower sales volumes and higher costs in some markets, negatively affecting our financial condition, results of operations and liquidity.

Growth Risks

The success of our business depends in part on our ability to execute on our acquisition strategy.

A significant portion of our historical growth has occurred through acquisitions, and we will likely execute acquisition transactions in the future. We are presently evaluating, and we expect to continue to evaluate on an ongoing basis, possible acquisition transactions. We are presently engaged, and at any time in the future we may be engaged, in discussions or negotiations with respect to possible acquisitions, including larger transactions that would be significant to us. We regularly make, and we expect to continue to make, non-binding acquisition proposals, and we may enter into letters of intent, in each case allowing us to conduct due diligence on a confidential basis. In addition, from time to time we may enter into dispositions or other transactions involving certain of our assets or businesses. We cannot predict the timing of any contemplated transactions. To successfully acquire a significant target, we may need to raise additional capital through additional equity issuances, additional indebtedness, or a combination of equity and debt issuances. There can be no assurance that we will enter into definitive agreements with respect to any contemplated transactions or that they will be completed. Our acquisition related growth has placed, and will continue to place, significant demands on our management and operational and financial resources. Acquisitions involve risks that, among other things, the businesses acquired will not perform as expected.

Our results of operations from these acquisitions could, in the future, result in impairment charges for any of our intangible assets, including goodwill, or other long-lived assets, particularly if economic conditions worsen unexpectedly. As a result of these changes, our financial condition, results of operations and liquidity could be materially adversely affected. In addition, many of the businesses that we have acquired and will acquire have unaudited financial statements that have been prepared by the management of such companies and have not been independently reviewed or audited. We cannot assure you that the financial statements of companies we have acquired or will acquire would not be materially different if such statements were independently reviewed or audited. If such statements were to be materially different, the tangible and intangible assets we acquire may be more susceptible to impairment charges, which could have a material adverse effect on us.

The success of our business depends on our ability to successfully integrate acquisitions.

Acquisitions may require integration of the acquired companies' sales and marketing, distribution, production, purchasing, information technology, finance and administrative organizations. We may not be able to integrate successfully any business we may acquire or have acquired into our existing business and any acquired businesses may not be profitable or as profitable as we had expected. Our inability to complete the integration of new businesses in a timely and orderly manner could increase costs and lower profits. Factors affecting the successful integration of acquired businesses include, but are not limited to, the following:

- We may become liable for certain liabilities of any acquired business, whether or not known to us. These risks could include, among others, tax liabilities, product liabilities, environmental liabilities and liabilities for employment practices. These liabilities may be significant.

- Substantial attention from our senior management and the management of the acquired business may be required, which could decrease the time that they have to service and attract customers.

- Capital equipment at acquired businesses may require additional maintenance or need to be replaced sooner than we expected.

- The complete integration of acquired companies depends, to a certain extent, on the full implementation of our financial systems and policies.

- We may actively pursue a number of opportunities simultaneously and we may encounter unforeseen expenses, complications and delays, including difficulties in employing sufficient staff and maintaining operational and management oversight.

The success of our business depends on our ability to retain key employees of our acquired businesses.

We cannot assure you we will be able to retain local managers and employees who are important to the operations of our acquired businesses. The loss of key employees may have an adverse effect on the acquired business and on our business as a whole.

Our long-term success is dependent upon securing and permitting aggregate reserves in strategically located areas. The inability to secure and permit such reserves could negatively affect our earnings in the future.

Aggregates are bulky and heavy and therefore difficult to transport efficiently. Because of the nature of the products, the freight costs can quickly surpass production costs. Therefore, except for geographic regions that do not possess commercially viable deposits of aggregates and are served by rail, barge or ship, the markets for our products tend to be localized around our quarry sites and are served by truck. New quarry sites often take a number of years to develop. Our strategic planning and new site development must stay ahead of actual growth. Additionally, in a number of urban and suburban areas in which we operate, it is increasingly difficult to permit new sites or expand existing sites due to community resistance. Therefore, our future success is dependent, in part, on our ability to accurately forecast future areas of high growth in order to locate optimal facility sites and on our ability to either acquire existing quarries or secure operating and environmental permits to open new quarries. If we are unable to accurately forecast areas of future growth, acquire existing quarries or secure the necessary permits to open new quarries, our financial condition, results of operations and liquidity could be materially adversely affected.

Economic Risks

The ongoing outbreak of the novel coronavirus (COVID-19) has caused severe disruptions in the U.S. and global economy and is expected to continue to adversely impact the economy, at least for the near term. While the full scale and scope of the long-term effects of the COVID-19 outbreak are unknown at this time, the overall impact on our business, operating results, cash flows and/or financial condition could be material.

As of the date of this report, there is an ongoing outbreak of COVID-19, which has spread to over 200 countries and territories, including the United States, and to every state in the United States. The United States and other countries have reacted to the COVID-19 outbreak with unprecedented government intervention. The global impact of the outbreak has been rapidly evolving, and many countries have reacted by instituting, or strongly encouraging quarantines and restrictions on travel, closing financial markets and/or restricting trading, limiting operations of non-essential businesses, and taking other restrictive measures designed to help slow the spread of COVID-19. Such actions are disrupting global supply chains, increasing rates of unemployment and adversely impacting many industries. The outbreak has had an adverse impact on economic and market conditions. The outbreak of COVID-19 caused significant volatility on the market price of our Class A common stock and the extent of its impact on our future results of operations and overall financial performance remains uncertain.

The scale and scope of the COVID-19 pandemic may heighten the potential adverse effects on our business, operating results, cash flows and/or financial condition of the risks described in this report, including the impact of:

- potentially unfavorable economic conditions for our clients and customers, particularly in the residential and non-residential sectors, and the construction industry generally;
- delays or cancellation of projects and delays in collecting on certain of our accounts receivable from our customers;

- increased costs associated with compliance with new government regulations or restrictions, such as quarantines or social distancing mandates, which regulations or restrictions may curtail our normal operations in one or more of the markets in which we operate;
- significant disruptions at one or more of our locations, which could disrupt our operations, raise costs and reduce revenue and earnings in the affected areas;
- fluctuations in equity market prices (including that of our Class A common stock), interest rates and credit spreads limiting our ability to raise or deploy capital and affecting our overall liquidity: and
- a sustained longer term reduction in cash flows may be an indication some or all of our goodwill may not be realizable.

In addition, the COVID-19 pandemic has to date and may further adversely impact our business and financial condition in other areas, including as a result of:

- increased costs, including as a result of implementing health and safety protocols at our locations;
- disruptions to our supply and distribution channels, including delivery trucks;
- lower sales volumes due to reduced demand; and
- reduced state and local transportation budgets, particularly if such are not augmented by federal funding or if the federal government fails to act on a highway infrastructure bill.

The fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19 on economic and market conditions, and, as a result, present material uncertainty and risk with respect to our business. The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the extent and effectiveness of containment actions, the success of vaccination efforts and the impact of these and other factors on our employees, customers, suppliers and partners. It is also possible that negative consequences of the pandemic may continue once the pandemic is controlled.

The adverse impact on our business, financial condition, operating results or liquidity or future results from the COVID-19 pandemic, or any similar future crisis could be material. The inherent uncertainty surrounding COVID-19, and likewise any similar crisis, also makes it more challenging for our management to estimate the future performance of our business and develop strategies to generate growth or achieve our objectives for fiscal 2021.

A decline in public infrastructure construction and reductions in governmental funding could adversely affect our earnings in the future.

A significant portion of our revenue is generated from publicly-funded construction projects. As a result, if publicly-funded construction decreases due to reduced federal or state funding or otherwise, our financial condition, results of operations and liquidity could be materially adversely affected.

Under U.S. law, annual funding levels for highways is subject to yearly appropriation reviews. This annual review of funding increases the uncertainty of many state departments of transportation regarding funds for highway projects. This uncertainty could result in states being reluctant to undertake large multi-year highway projects which could, in turn, negatively affect our sales. We cannot be assured of the existence, amount and timing of appropriations for spending on federal, state or local projects. Federal support for the cost of highway maintenance and construction is dependent on congressional action. In addition, each state funds its infrastructure spending from specially allocated amounts collected from various taxes, typically gasoline taxes and vehicle fees, along with voter-approved bond programs. Shortages in state tax revenues can reduce the amounts spent on state infrastructure projects, even below amounts awarded under legislative bills. In recent years, certain states have experienced state-level funding pressures caused by lower tax revenues and an inability to finance approved projects. Delays or cancellations of state infrastructure spending could have a material adverse effect on our financial condition, results of operations and liquidity.

Our business relies on private investment in infrastructure, and periods of economic stagnation or recession may adversely affect our earnings in the future.

A significant portion of our sales are for projects with non-public owners whose construction spending is affected by developers' ability to finance projects. Residential and nonresidential construction could decline if companies and consumers are unable to finance construction projects or in periods of economic stagnation or recession, which could result in delays or cancellations of capital projects. If housing starts and nonresidential projects stagnate or decline, sale of our construction materials, downstream products and paving and related services may decline and our financial condition, results of operations and liquidity could be materially adversely affected.

Environmental, health and safety laws and regulations and any changes to, or liabilities or litigation arising under, such laws and regulations could have a material adverse effect on our financial condition, results of operations and liquidity.

We are subject to a variety of federal, state, provincial and local laws and regulations relating to, among other things: (i) the release or discharge of materials into the environment; (ii) the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous materials, including the management of hazardous and non-hazardous waste used as a fuel substitute in our cement kiln in Hannibal, Missouri; (iii) the management, use, generation, treatment, processing, handling, storage, transport or disposal of non-hazardous solid waste used as a fuel substitute in our cement kiln in Davenport, Iowa; and (iv) the protection of public and employee health and safety and the environment. These laws and regulations impose strict liability in some cases without regard to negligence or fault and expose us to liability for the environmental condition of our currently or formerly owned, leased or operated facilities or third-party waste disposal sites, and may expose us to liability for the conduct of others or for our actions, even if such actions complied with all applicable laws at the time these actions were taken. In particular, we may incur remediation costs and other related expenses because our facilities were constructed and operated before the adoption of current environmental laws and the institution of compliance practices or because certain of our processes are regulated. These laws and regulations may also expose us to liability for claims of personal injury or property or natural resource damage related to alleged exposure to, or releases of, regulated or hazardous materials. The existence of contamination at properties we own, lease or operate could also result in increased operational costs or restrictions on our ability to use those properties as intended.

There is an inherent risk of liability in the operation of our business, and despite our compliance efforts, we may be in noncompliance with environmental, health and safety laws and regulations from time to time. These potential liabilities or events of noncompliance could have a material adverse effect on our operations and profitability. In many instances, we must have government approvals, certificates, permits or licenses in order to conduct our business, which could require us to make significant capital, operating and maintenance expenditures to comply with environmental, health and safety laws and regulations. Our failure to obtain and maintain required approvals, certificates, permits or licenses or to comply with applicable governmental requirements could result in sanctions, including substantial fines or possible revocation of our authority to conduct some or all of our operations. Governmental requirements that affect our operations also include those relating to air and water quality, waste management, asset reclamation, the operation and closure of municipal waste and construction and demolition debris landfills, remediation of contaminated sites and worker health and safety. These requirements are complex and subject to frequent change, often in connection with changes in the presidential administration. Stricter laws and regulations, more stringent interpretations of existing laws or regulations or the future discovery of environmental conditions may impose new liabilities on us, reduce operating hours, require additional investment by us in pollution control equipment or impede our opening new or expanding existing plants or facilities.

We have incurred, and may in the future incur, significant capital and operating expenditures to comply with such laws and regulations, and in some cases we have been or could be named as a defendant in litigation brought by governmental agencies or private parties. In addition, we have recorded liabilities in connection with our reclamation and landfill closure obligations, but there can be no assurances that the costs of our obligations will not exceed our estimates. The cost of complying with such laws and defending against any litigation could have a material adverse effect on our financial condition, results of operations and liquidity.

We may incur significant costs in connection with pending and future litigation.

We have seen increases in litigation as the scope of our business and operations has grown. We are, or may become, party to various lawsuits, claims, investigations, and proceedings, including but not limited to personal injury, environmental, property entitlements and land use, commercial, contract, product liability, health and safety, and employment matters. The outcome of pending or future lawsuits, claims, investigations, or proceedings is often difficult to predict and could be adverse and material in amount. Development in these proceedings can lead to changes in management's estimates of liabilities associated with these proceedings including the judge's rulings or judgments, jury verdicts, settlements, or changes in applicable law. Future adverse rulings, settlements, or unfavorable developments could result in charges that could have a material adverse effect on our results of operations and cash flows in a particular period. In addition, the defense of these lawsuits, claims, investigations, and proceedings may divert our management's attention, and we may incur significant costs in defending these matters.

Shortages of, or increases in prices for, commodities, labor and other production and delivery inputs could restrict our ability to operate our business and could have significant impacts on our operating costs.

Shortages of, or increases in prices for, production and delivery inputs, including commodities and labor, and other inputs related to the production and delivery of our products, could adversely affect our business. Our cost of revenue consists of production and delivery inputs, which primarily include labor, utilities, raw materials, fuel, transportation, royalties and other direct costs incurred in the production and delivery of our products and services. Increases in these costs, as a result of general economic conditions, inflationary pressures or otherwise, may reduce our operating margin and adversely affect our financial position if we are unable to hedge or otherwise offset such increases. Specifically, significant increases or fluctuations in the prices of certain energy commodities, including diesel fuel, liquid asphalt and other petroleum-based resources, which we consume significant amounts of in our production and distribution processes, could negatively affect the results of our business operations or cause our results to suffer. Additionally, labor is a meaningful component in our ability to operate our business and can have a significant impact on the cost of operating our business. Labor shortages could restrict our ability to operate our business or result in increased labor costs as a result of wage increases due to competition for qualified workers. Increased labor costs, whether due to labor shortages, changing demographics of the overall work force or otherwise may reduce our operating margin and adversely affect our financial position.

Availability of and pricing for raw materials and labor can be affected by various national, regional, local, economic and political factors. For example, recent government-imposed tariffs and trade regulations on imported raw materials could have significant impacts on our costs to operate our business.

Financial Risks

Difficult and volatile conditions in the credit markets could affect our financial condition, results of operations and liquidity.

Demand for our products is primarily dependent on the overall health of the economy, and federal, state and local public infrastructure funding levels. A stagnant or declining economy tends to produce less tax revenue for public infrastructure agencies, thereby decreasing a source of funds available for spending on public infrastructure improvements, which constitute a significant part of our business.

There is a likelihood that we will not be able to collect on certain of our accounts receivable from our customers. If our customers are unable to obtain credit or unable to obtain credit in a timely manner, they may be unable to pay us, which could have a material adverse effect on our financial condition, results of operations and liquidity.

If we are unable to accurately estimate the overall risks, requirements or costs when we bid on or negotiate contracts that are ultimately awarded to us, we may achieve lower than anticipated profits or incur contract losses.

Even though the majority of our government contracts contain raw material escalators to protect us from certain input material price increases, a portion or all of the contracts are often on a fixed cost basis. Pricing on a contract with a fixed unit price is based on approved quantities irrespective of our actual costs and contracts with a fixed total price require that the total amount of work be performed for a single price irrespective of our actual costs. We realize profit on our contracts only if our revenue exceeds actual costs, which requires that we successfully estimate our costs and then successfully control actual costs and avoid cost overruns. If our cost estimates for a contract are inadequate, or if we do not execute the contract within our cost estimates, then cost overruns may cause us to incur a loss or cause the contract not to be as profitable as we expected. The costs incurred and profit realized, if any, on our contracts can vary, sometimes substantially, from our original projections due to a variety of factors, including, but not limited to:

- failure to include materials or work in a bid, or the failure to estimate properly the quantities or costs needed to complete a lump sum contract;
- delays caused by weather conditions or otherwise failing to meet scheduled acceptance dates;
- contract or project modifications or conditions creating unanticipated costs that are not covered by change orders;
- changes in availability, proximity and costs of materials, including liquid asphalt, cement, aggregates and other construction materials (such as stone, gravel, sand and oil for asphalt paving), as well as fuel and lubricants for our equipment;
- to the extent not covered by contractual cost escalators, variability and inability to predict the costs of purchasing diesel, liquid asphalt and cement;

- availability and skill level of workers;
- failure by our suppliers, subcontractors, designers, engineers or customers to perform their obligations;
- fraud, theft or other improper activities by our suppliers, subcontractors, designers, engineers, customers or our own personnel;
- mechanical problems with our machinery or equipment;
- citations issued by any governmental authority, including OSHA and MSHA;
- difficulties in obtaining required governmental permits or approvals;
- changes in applicable laws and regulations;
- uninsured claims or demands from third parties for alleged damages arising from the design, construction or use and operation of a project of which our work is part; and
- public infrastructure customers may seek to impose contractual risk-shifting provisions more aggressively which may result in us facing increased risks.

These factors, as well as others, may cause us to incur losses, which could have a material adverse effect on our financial condition, results of operations and liquidity.

We could incur material costs and losses as a result of claims that our products do not meet regulatory requirements or contractual specifications.

We provide our customers with products designed to meet building code or other regulatory requirements and contractual specifications for measurements such as durability, compressive strength, weight-bearing capacity and other characteristics. If we fail or are unable to provide products meeting these requirements and specifications, material claims may arise against us and our reputation could be damaged. Additionally, if a significant uninsured, non-indemnified or product-related claim is resolved against us in the future, that resolution could have a material adverse effect on our financial condition, results of operations and liquidity.

The cancellation of a significant number of contracts or our disqualification from bidding for new contracts could have a material adverse effect on our financial condition, results of operations and liquidity.

We could be prohibited from bidding on certain government contracts if we fail to maintain qualifications required by the relevant government entities. In addition, contracts with governmental entities can usually be canceled at any time by them with payment only for the work completed. A cancellation of an unfinished contract or our disqualification from the bidding process could result in lost revenue and cause our equipment to be idled for a significant period of time until other comparable work becomes available, which could have a material adverse effect on our financial condition, results of operations and liquidity.

Our operations are subject to special hazards that may cause personal injury or property damage, subjecting us to liabilities and possible losses which may not be covered by insurance.

Operating hazards inherent in our business, some of which may be outside our control, can cause personal injury and loss of life, damage to or destruction of property, plant and equipment and environmental damage. We maintain insurance coverage in amounts and against the risks we believe are consistent with industry practice, but this insurance may not be adequate or available to cover all losses or liabilities we may incur in our operations. Our insurance policies are subject to varying levels of deductibles. However, liabilities subject to insurance are difficult to estimate due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents not reported and the effectiveness of our safety programs. If we were to experience insurance claims or costs above our estimates, our financial condition, results of operations and liquidity could be materially adversely affected.

Unexpected factors affecting self-insurance claims and reserve estimates could adversely affect our business.

We use a combination of third-party insurance and self-insurance to provide for potential liabilities for workers' compensation, general liability, vehicle accident, property and medical benefit claims. Although we seek to minimize our exposure on individual claims, for the benefit of costs savings we have accepted the risk of multiple independent material claims arising. We estimate the projected losses and liabilities associated with the risks retained by us, in part, by considering historical claims experience, demographic and severity factors and other actuarial assumptions which, by their nature, are subject to a high degree of variability. Among the causes of this variability are unpredictable external factors affecting future inflation rates, discount rates, litigation trends, legal interpretations, benefit level changes and claim settlement patterns. Any such matters could have a material adverse effect on our financial condition, results of operations and liquidity.

Our substantial leverage could adversely affect our financial condition, our ability to raise additional capital to fund our operations, our ability to operate our business, our ability to react to changes in the economy or our industry and our ability to pay our debts, which could divert our cash flow from operations to debt payments.

We are highly leveraged. As of January 2, 2021, our total debt was approximately $1.9 billion, which includes $1.3 billion of Senior Notes and $616.3 million of senior secured indebtedness under our senior secured credit facilities and we had an additional $329.1 million of unutilized capacity under our senior secured revolving credit facility (after giving effect to approximately $15.9 million of letters of credit outstanding).

Our high degree of leverage could have important consequences, including:

- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- the deductibility of our interest expense is currently limited under existing law and would be further limited if proposed regulations are finalized in their current form;
- subject us to the risk of increased interest rates as a portion of our borrowings under our senior secured credit facilities are exposed to variable rates of interest;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged; and
- making it more difficult for us to make payments on our debt.

Borrowings under our senior secured credit facilities are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. We historically have and may in the future enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any interest rate swaps we enter into may not fully mitigate our interest rate risk. In addition, certain of our variable rate indebtedness uses London Inter-bank Offered Rate ("LIBOR") as a benchmark for establishing the rate of interest. LIBOR has been the subject of national, international and other regulatory guidance and proposals for reform. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced in 2017 that it intends to stop encouraging banks to submit LIBOR rates after 2021. However, the ICE Benchmark Administration, in its capacity as administrator of USD LIBOR, has announced that it intends to extend publication of USD LIBOR (other than one-week and two-month tenors) by 18 months to June 2023. Notwithstanding this possible extension, a joint statement by key regulatory authorities calls on banks to cease entering into new contracts that use USD LIBOR as a reference rate by no later than December 31, 2021. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate indebtedness. If LIBOR ceases to exist or if the methods of calculating LIBOR change from their current form, we may also need to renegotiate our variable rate indebtedness that utilizes LIBOR as a factor in determining the interest rate to replace LIBOR with the new standard that is established. In addition, the

indentures that govern the Senior Notes and the amended and restated credit agreement governing our senior secured credit facilities ("Credit Agreement") contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt.

Despite our current level of indebtedness, we and our subsidiaries may still incur substantially more debt. This could reduce our ability to satisfy our current obligations and further exacerbate the risks to our financial condition described above.

We and our subsidiaries may incur significant additional indebtedness in the future to fund acquisitions as part of our growth strategy. Although the indentures governing the Senior Notes and the Credit Agreement contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and we could incur substantial additional indebtedness in compliance with these restrictions.

Our senior secured credit facilities include an uncommitted incremental facility that allows us the option to increase the amount available under the term loan facility and/or the senior secured revolving credit facility by (i) $225.0 million plus (ii) an additional amount so long as we are in pro forma compliance with a consolidated first lien net leverage ratio. Availability of such incremental facilities will be subject to, among other conditions, the absence of an event of default and the receipt of commitments by existing or additional financial institutions.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on our debt obligations, refinance our debt obligations and fund planned capital expenditures and other corporate expenses depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions. We are also subject to certain financial, business, legislative, regulatory and legal restrictions on the payment of distributions and dividends. Many of these factors are beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, which would constitute an event of default if not cured. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." If our cash flows and capital resources are insufficient to fund our debt service obligations or our other needs, we may be forced to reduce or delay investments and capital expenditures, seek additional capital, restructure or refinance our indebtedness or sell assets. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations or fund planned capital expenditures. Significant delays in our planned capital expenditures may materially and adversely affect our future revenue prospects. In addition, our ability to restructure or refinance our debt will depend on the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The Credit Agreement and the indentures governing the Senior Notes restrict our ability to use the proceeds from asset sales. We may not be able to consummate those asset sales to raise capital or sell assets at prices that we believe are fair and proceeds that we do receive may not be adequate to meet any debt service obligations then due. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness.

The indentures governing the Senior Notes and the Credit Agreement contain covenants and provisions that are restrictive.

The indentures governing the Senior Notes and Credit Agreement contain restrictive covenants that, among other things, limit our ability, and the ability of our restricted subsidiaries, to:

- incur additional indebtedness, issue certain preferred shares or issue guarantees;
- pay dividends, redeem our membership interests or make other restricted payments, including purchasing our Class A common stock;
- make investments, loans or advances;
- incur additional liens;
- transfer or sell assets;

- merge or engage in consolidations;
- enter into certain transactions with our affiliates;
- designate subsidiaries as unrestricted subsidiaries;
- repay subordinated indebtedness; and
- change our lines of business.

The senior secured credit facilities also require us to maintain a maximum first lien net leverage ratio. The Credit Agreement also contains certain customary representations and warranties, affirmative covenants and events of default (including, among others, an event of default upon a change of control). If an event of default occurs, the lenders under our senior secured credit facilities will be entitled to take various actions, including the acceleration of amounts due under our senior secured credit facilities and all actions permitted to be taken by a secured creditor. Our failure to comply with obligations under the indentures governing the Senior Notes and the Credit Agreement may result in an event of default under the indenture or the amended and restated Credit Agreement. A default, if not cured or waived, may permit acceleration of our indebtedness. If our indebtedness is accelerated, we may not have sufficient funds available to pay the accelerated indebtedness or the ability to refinance the accelerated indebtedness on terms favorable to us or at all.

Other Risks

Our success is dependent on our senior management team and our ability to retain and attract qualified personnel.

Our success depends on the continuing services of key members of our management team. We believe our senior management team possesses valuable knowledge and skills that are crucial to our success and would be difficult to replicate or replace.

Competition for senior management is intense, and we may not be able to retain our management team or attract additional qualified personnel. The unexpected loss of a member of senior management has in the past and could in the future require certain of our remaining senior officers to divert immediate attention, which can be substantial or require costly external resources in the short term. While we are developing plans for key management succession and have long-term compensation plans designed to retain our senior employees, if our retention and succession plans do not operate effectively, our business could be adversely affected. The inability to adequately fill vacancies in our senior executive positions on a timely basis could negatively affect our ability to implement our business strategy, which could have a material adverse effect on our results of operations, financial condition and liquidity.

We use large amounts of electricity, diesel fuel, liquid asphalt and other petroleum-based resources that are subject to potential reliability issues, supply constraints and significant price fluctuation, which could have a material adverse effect on our financial condition, results of operations and liquidity.

In our production and distribution processes, we consume significant amounts of electricity, diesel fuel, liquid asphalt and other petroleum-based resources. The availability and pricing of these resources are subject to market forces that are beyond our control. Furthermore, we are vulnerable to any reliability issues experienced by our suppliers, which also are beyond our control. Our suppliers contract separately for the purchase of such resources and our sources of supply could be interrupted should our suppliers not be able to obtain these materials due to higher demand or other factors that interrupt their availability. Variability in the supply and prices of these resources could have a material adverse effect on our financial condition, results of operations and liquidity.

Climate change and climate change legislation or regulations may adversely affect our business.

A number of governmental bodies have finalized, proposed or are contemplating legislative and regulatory changes in response to the potential effects of climate change, and Canada and the United States have agreed to the Paris Agreement, the successor to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which could lead to additional legislative and regulatory changes in those countries. In addition, in the United States, there may be additional legislative and regulatory changes in connection with the recent change in presidential administration. Such legislation or regulation has and potentially could include provisions for a “cap and trade” system of allowances and credits, among other provisions. The EPA promulgated a mandatory reporting rule covering greenhouse gas (“GHG”) emissions from sources considered to be large emitters. The EPA has also promulgated a GHG emissions permitting rule, referred to as the “Tailoring

Rule" which sets forth criteria for determining which facilities are required to obtain permits for GHG emissions pursuant to the U.S. Clean Air Act's Prevention of Significant Deterioration ("PSD") and Title V operating permit programs. The U.S. Supreme Court ruled in June 2014 that the EPA exceeded its statutory authority in issuing the Tailoring Rule but upheld the Best Available Control Technology ("BACT") requirements for GHGs emitted by sources already subject to PSD requirements for other pollutants. Our cement plants and one of our landfills hold Title V Permits. If future modifications to our facilities require PSD review for other pollutants, GHG BACT requirements may also be triggered, which could require significant additional costs.

Other potential effects of climate change include physical effects such as disruption in production and product distribution as a result of major storm events and shifts in regional weather patterns and intensities. There is also a potential for climate change legislation and regulation to adversely affect the cost of purchased energy and electricity.

The effects of climate change on our operations are highly uncertain and difficult to estimate. However, because a chemical reaction inherent to the manufacture of Portland cement releases carbon dioxide, a GHG, cement kiln operations may be disproportionately affected by future regulation of GHGs. Climate change and legislation and regulation concerning GHGs could have a material adverse effect on our financial condition, results of operations and liquidity.

Unexpected operational difficulties at our facilities could disrupt operations, raise costs, and reduce revenue and earnings in the affected locations.

The reliability and efficiency of certain of our facilities is dependent upon vital pieces of equipment, such as our cement manufacturing kilns in Hannibal, Missouri and Davenport, Iowa. Although we have scheduled outages to perform maintenance on certain of our facilities, vital equipment may periodically experience unanticipated disruptions due to accidents, mechanical failures or other unanticipated events such as fires, explosions, violent weather conditions or other unexpected operational difficulties. A substantial interruption of one of our facilities could require us to make significant capital expenditures to restore operations and could disrupt our operations, raise costs, and reduce revenue and earnings in the affected locations.

We are dependent on information technology. Our systems and infrastructure face certain risks, including cyber security risks and data leakage risks.

We are dependent on information technology systems and infrastructure to carry out important operational activities and to maintain our business records. In addition, we rely on the systems of third parties, such as third-party vendors. As part of our normal business activities, we collect and store certain personal identifying and confidential information relating to our customers, employees, vendors and suppliers, and maintain operational and financial information related to our business. We may share some of this confidential information with our vendors. We rely on our vendors and third-party service providers to maintain effective cybersecurity measures to keep our information secure. Any significant breakdown, invasion, destruction or interruption of our existing or future systems by employees, third parties, vendors, others with authorized access to our systems, or unauthorized persons could negatively affect operations. In addition, future systems upgrades or changes could be time consuming, costly and result in unexpected interruptions or other adverse effects on our business. There is also a risk that we could experience a business interruption, theft of information or reputational damage as a result of a cyber-attack, such as an infiltration of a data center, or data leakage of confidential information either internally or at our third-party providers.

While we have invested in the protection of our data and information technology to reduce these risks and periodically test the security of our information systems network, there can be no assurance that our efforts will prevent breakdowns or breaches in our systems that could have a material adverse effect on our financial condition, results of operations and liquidity. Our or our vendors' and third-party service providers' failure to maintain the security of the data we are required to protect could result in damage to our reputation, financial obligations to third parties, fines, penalties, regulatory proceedings and private litigation with potentially large costs, and also in deterioration in customers' confidence in us and other competitive disadvantages. While, to date, we have not had a significant cybersecurity breach or attack that has a material impact on our business or results of operations, there can be no assurance that our efforts to maintain the security and integrity of our information technology networks and related systems will be effective or that attempted security breaches or disruptions would not be successful or damaging.

Labor disputes, strikes, other forms of work stoppage or slowdown or other union activities could disrupt operations of our businesses.

As of January 2, 2021, labor unions represented approximately 7% of our total employees, substantially all in our cement division and at our Canadian operations. Our collective bargaining agreements for employees generally expire between

2022 and 2026. Although we believe we have good relations with our employees and unions, disputes with our trade unions, union organizing activity, or the inability to renew our labor agreements or adverse labor relations at any of our locations, could lead to strikes, other forms of work stoppage, slowdowns or other actions that could disrupt our operations and, consequently, have a material adverse effect on our financial condition, results of operations and liquidity.

Organizational Structure Risks

Summit Inc.'s only material asset is its interest in Summit Holdings, and it is accordingly dependent upon distributions from Summit Holdings to pay taxes, make payments under the TRA and pay dividends.

Summit Inc. is a holding company and has no material assets other than its ownership of LP Units and has no independent means of generating revenue. Summit Inc. intends to cause Summit Holdings to make distributions to holders and former holders of LP Units in an amount sufficient to cover all applicable taxes at assumed tax rates, payments under the TRA and cash distributions, if any, declared by it. Deterioration in the financial condition, earnings or cash flow of Summit Holdings and its subsidiaries for any reason, or restrictions on payments by subsidiaries to their parent companies under applicable laws, including laws that require companies to maintain minimum amounts of capital and to make payments to stockholders only from profits, could limit or impair their ability to pay such distributions. Additionally, to the extent that Summit Inc. needs funds, and Summit Holdings is restricted from making such distributions under applicable law or regulation or under the terms of our financing arrangements, or is otherwise unable to provide such funds, it could have a material adverse effect on our financial condition, results of operations and liquidity.

Payments of dividends, if any, are at the discretion of our board of directors after taking into account various factors, including our business, operating results and financial condition, current and anticipated cash needs, plans for expansion and any legal or contractual limitations on our ability to pay dividends. Any financing arrangement that we enter into in the future may include restrictive covenants that limit our ability to pay dividends. In addition, Summit Holdings is generally prohibited under Delaware law from making a distribution to a limited partner to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of Summit Holdings (with certain exceptions) exceed the fair value of its assets. Subsidiaries of Summit Holdings are generally subject to similar legal limitations on their ability to make distributions to Summit Holdings.

Summit Inc. anticipates using certain distributions from Summit Holdings to acquire additional LP Units.

The limited partnership agreement of Summit Holdings provides for cash distributions, which we refer to as "tax distributions," to be made to the holders of the LP Units if it is determined that the income of Summit Inc. will give rise to net taxable income allocable to holders of LP Units. To the extent that future tax distributions Summit Inc. receives exceed the amounts it actually requires to pay taxes and make payments under the TRA, we expect that our board of directors will cause Summit Inc. to use such excess cash to acquire additional newly-issued LP Units at a per unit price determined by reference to the volume weighted average price per share of the Class A common stock during the five trading days immediately preceding the date of the relevant board action. See "Part II, Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities–Dividends." Although we anticipate that any such decision by our board of directors would be approved by a majority of our independent directors, any cash used by Summit Inc. to acquire additional LP Units would not then be available to fund cash dividends on the Class A common stock.

Summit Inc. is required to pay exchanging holders of LP Units for most of the benefits relating to any additional tax depreciation or amortization deductions that we may claim as a result of the tax basis step-up we receive in connection with sales or exchanges of LP Units and related transactions.

Holders of LP Units (other than Summit Inc.) may, subject to the vesting and minimum retained ownership requirements and transfer restrictions applicable to such holders as set forth in the limited partnership agreement of Summit Holdings, and subject to the terms of an exchange agreement, exchange their LP Units for Class A common stock on a one-for-one basis. The exchanges are expected to result in increases in the tax basis of the tangible and intangible assets of Summit Holdings. These increases in tax basis may increase (for tax purposes) depreciation and amortization deductions and therefore reduce the amount of tax that Summit Inc. would otherwise be required to pay in the future, although the Internal Revenue Service (the "IRS") may challenge all or part of the tax basis increase, and a court could sustain such a challenge.

In connection with the initial public offering ("IPO"), we entered into a TRA with the holders of LP Units that provides for the payment by Summit Inc. to exchanging holders of LP Units of 85% of the benefits, if any, that Summit Inc. is deemed to realize as a result of the increases in tax basis described above and certain other tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA. This payment obligation is an obligation of Summit

Inc. and not of Summit Holdings. While the actual increase in tax basis and the actual amount and utilization of net operating losses, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, including the timing of exchanges, the price of shares of our Class A common stock at the time of the exchange, the extent to which such exchanges are taxable and the amount and timing of our income, we expect that as a result of the size of the transfers and increases in the tax basis of the tangible and intangible assets of Summit Holdings and our possible utilization of net operating losses, the payments that Summit Inc. may make under the TRA will be substantial.

In certain cases, payments under the TRA may be accelerated or significantly exceed the actual benefits Summit Inc. realizes in respect of the tax attributes subject to the TRA.

The TRA provides that upon certain changes of control, or if, at any time, Summit Inc. elects an early termination of the TRA, Summit Inc.'s obligations under the TRA may be accelerated. Summit Inc.'s ability to achieve benefits from any tax basis increase or net operating losses, and the payments to be made under the TRA, will depend upon a number of factors, including the timing and amount of our future income. As a result, even in the absence of a change of control or an election to terminate the TRA, payments under the TRA could be in excess of 85% of Summit Inc.'s actual cash tax savings.

The actual cash tax savings realized by Summit Inc. under the TRA may be less than the corresponding TRA payments. Further, payments under the TRA may be made years in advance of when the benefits, if any, are realized on our federal and state income tax returns. Accordingly, there may be a material negative effect on our liquidity if the payments under the TRA exceed the actual cash tax savings that Summit Inc. realizes in respect of the tax attributes subject to the TRA and/or distributions to Summit Inc. by Summit Holdings are not sufficient to permit Summit Inc. to make payments under the TRA. Based upon a $20.08 share price of our Class A common stock, which was the closing price on December 31, 2020, and a contractually defined discount rate of 1.34%, we estimate that if Summit Inc. were to exercise its termination right, the aggregate amount of these termination payments would be approximately $312 million. The foregoing number is merely an estimate and the actual payments could differ materially. We may need to incur debt to finance payments under the TRA to the extent our cash resources are insufficient to meet our obligations under the TRA as a result of timing discrepancies or otherwise.

Ownership of Our Class A Common Stock Risks

The market price of shares of our Class A common stock has fluctuated significantly, which could cause the value of your investment to decline.

The market price of our Class A common stock has fluctuated significantly in the past and could be subject to wide fluctuations in the future. During the year ended January 2, 2021, the closing price of our Class A common stock on the New York Stock Exchange has fluctuated from a low of $8.48 per share to a high of $24.59 per share. Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of shares of our Class A common stock regardless of our operating performance. In addition, our operating results could be below the expectations of public market analysts and investors due to a number of potential factors, including variations in our quarterly operating results or dividends, if any, to stockholders, additions or departures of key management personnel, failure to meet analysts' earnings estimates, publication of research reports about our industry, litigation and government investigations, changes or proposed changes in laws or regulations or differing interpretations or enforcement thereof affecting our business, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, changes in market valuations of similar companies or speculation in the press or investment community, announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments, adverse publicity about the industries we participate in or individual scandals, and in response the market price of shares of our Class A common stock could decrease significantly. You may be unable to resell your shares of Class A common stock for a profit.

In recent years, stock markets have experienced extreme price and volume fluctuations. In the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Because we have no current plans to pay cash dividends on our Class A common stock, you may not receive any return on investment unless you sell your Class A common stock for a price greater than that which you paid for it.

We have no current plans to pay any cash dividends. The declaration, amount and payment of any future dividends on shares of Class A common stock will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us and such other factors as our board of directors may deem relevant. In addition, our ability to pay dividends is limited by our senior secured credit facilities and our Senior Notes and may be limited by covenants of other indebtedness we or our subsidiaries incur in the future. As a result, you may not receive any return on an investment in our Class A common stock unless you sell our Class A common stock for a price greater than that which you paid for it.

Future issuance of additional Class A common stock, or securities convertible or exchangeable for Class A common stock, may adversely affect the market price of the shares of our Class A common stock.

As of January 2, 2021, we had 114,390,595 shares of Class A common stock issued and outstanding, and 885,609,405 shares authorized but unissued. The number of unissued shares includes 2,873,170 shares available for issuance upon exchange of LP Units held by limited partners of Summit Holdings. Our amended and restated certificate of incorporation authorizes us to issue shares of Class A common stock and options, rights, warrants and appreciation rights relating to Class A common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion. We may need to raise significant additional equity capital in connection with acquisitions or otherwise. Similarly, the limited partnership agreement of Summit Holdings permits Summit Holdings to issue an unlimited number of additional limited partnership interests of Summit Holdings with designations, preferences, rights, powers and duties that are different from, and may be senior to, those applicable to the LP Units, and which may be exchangeable for shares of our Class A common stock. Sales of substantial amounts of Class A common stock, or securities convertible or exchangeable for Class A common stock, or the perception that such sales could occur may adversely affect the prevailing market price for the shares of our Class A common stock. Thus holders of our Class A common stock will bear the risk of our future issuances reducing the market price of our Class A common stock and diluting the value of their stock holdings in us.

An aggregate of 13,500,000 shares of Class A common stock may be granted under the Summit Materials, Inc. 2015 Omnibus Incentive Plan (the "Omnibus Incentive Plan") of which 4.3 million shares were available for grant as of January 2, 2021. In addition, as of January 2, 2021 we had outstanding warrants to purchase an aggregate of 100,037 shares of Class A common stock. Any Class A common stock that we issue, including under our Omnibus Incentive Plan or other equity incentive plans that we may adopt in the future, or upon exercise of outstanding options or warrants, or other securities convertible or exchangeable for Class A common stock would dilute the percentage ownership held by the investors of our Class A common stock and may adversely affect the market price of the shares of our Class A common stock.

Anti-takeover provisions in our organizational documents and Delaware law might discourage or delay acquisition attempts for us that you might consider favorable.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the merger or acquisition of our company more difficult without the approval of our board of directors. Among other things, these provisions:

- would allow us to authorize the issuance of undesignated preferred stock in connection with a stockholder rights plan or otherwise, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include super voting, special approval, dividend, or other rights or preferences superior to the rights of the holders of Class A common stock;

- prohibit stockholder action by written consent unless such action is recommended by all directors then in office;

- provide that the board of directors is expressly authorized to make, alter, or repeal our bylaws and that our stockholders may only amend our bylaws with the approval of 66 2/3% or more in voting power of all outstanding shares of our capital stock.

- establish advance notice requirements for nominations for elections to our board or for proposing matters that can be acted upon by stockholders at stockholder meetings.

Further, as a Delaware corporation, we are also subject to provisions of Delaware law, which may impede or discourage a takeover attempt that our stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of our company, including

actions that our stockholders may deem advantageous, or negatively affect the trading price of our Class A common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES.

Properties

Our headquarters are located in a 21,615 square foot office space, which we lease in Denver, Colorado, under a lease expiring on January 31, 2024.

As of January 2, 2021, we had 4.1 billion tons of proven and probable aggregates reserves serving our aggregates and cement businesses and operated over 400 sites and plants, to which we believe we have adequate road, barge and/or railroad access. By segment, our estimate of proven and probable reserves as of January 2, 2021 for which we have permits for extraction and that we consider to be recoverable aggregates of suitable quality for economic extraction are shown in the table below along with average annual production.

Segment	Number of producing quarries	Tonnage of reserves for each general type of aggregate		Annual production(1)	Average years until depletion at current production(2)	Percent of reserves owned and percent leased	
		Hard rock(1)	Sand and gravel(1)			Owned	Leased(3)
West	85	351,127	922,799	28,953	44	30 %	70 %
East	160	1,984,747	309,582	25,493	90	65 %	35 %
Cement	3	500,468	—	1,833	273	100 %	—
Total	248	2,836,342	1,232,381	56,279			

(1) Hard rock, sand and gravel and annual production tons are shown in thousands.
(2) Calculated based on total reserves divided by our average of 2020 and 2019 annual production
(3) Lease terms range from monthly to on-going with an average lease expiry of 2027.

As of January 2, 2021, we operated the following production and distribution facilities:

	Quarries and Sand Deposits	Cement Plants	Cement Distribution Terminals	Fixed and portable ready-mix concrete plants	Asphalt paving mix plants
Owned	97	2	5	97	28
Leased	133	—	4	27	17
Partially owned and leased	18	—	—	—	4
Total	248	2	9	124	49

The following chart summarizes our production and distribution facilities by state as of January 2, 2021:

State	Sand & Gravel	Limestone	Cement	Ready-mix Concrete	Asphalt Plant	Landfill	Other*
Arkansas	5	—	—	17	2	—	2
Colorado	29	1	—	9	7	—	2
Georgia	4	—	—	—	—	—	—
Idaho	4	—	—	3	—	—	2
Iowa	—	1	2	—	—	—	1
Kansas	9	45	—	17	6	8	17
Kentucky	1	18	—	10	13	—	9
Louisiana	—	—	3	—	—	—	1
Minnesota	—	—	2	—	—	—	—
Missouri	2	47	2	6	—	—	7
Nebraska	—	1	—	—	—	—	—
Nevada	1	—	—	3	—	—	—
North Carolina	4	—	—	—	—	—	2
Oklahoma	5	1	—	12	—	—	2
South Carolina	14	1	—	1	—	—	—
Tennessee	—	1	1	—	—	—	—
Texas	17	3	—	22	12	—	20
Utah	19	2	—	19	4	—	3
Virginia	1	9	—	4	4	—	5
Wisconsin	—	—	1	—	—	—	—
Wyoming	1	—	—	1	—	—	2
Total US	116	130	11	124	48	8	75
British Columbia, Canada	—	2	—	—	1	—	6
Total	116	132	11	124	49	8	81

*Other primarily consists of office space.

ITEM 3. LEGAL PROCEEDINGS.

The information set forth under "—Legal Proceedings" in Item 1, "Business," is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES.

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95.1 to this report.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Pursuant to General Instruction G(3) to Form 10-K, certain of the information regarding our executive officers required by Items 401(b) and (e) of Regulation S-K is hereby included in Part I of this report.

***Anne P. Noonan**, 57, President and Chief Executive Officer.* Ms. Noonan joined the Company in September 2020. Prior to joining the Company, Ms. Noonan served as president and chief executive officer and as a director of OMNOVA Solutions Inc. ("OMNOVA"), a global provider of emulsion polymers, specialty chemicals, and engineered surfaces for a variety of commercial, industrial, and residential end uses, with manufacturing, technical, and other facilities located in North America, Europe, China, and Thailand, from December 2016 until April 1, 2020 when OMNOVA was acquired by Synthomer plc. Before being appointed President and Chief Executive Officer, Ms. Noonan served as OMNOVA's President, Performance Chemicals, from 2014 until December 2016. Ms. Noonan previously held several positions of increasing responsibility with Chemtura Corporation, a global specialty chemicals company, from 1987 through 2014, including most recently as senior vice

president and president of Chemtura's Industrial Engineered Products business and Corporate Development function. Ms. Noonan serves on the board of CF Industries Holdings, Inc., a global leader in nitrogen fertilizer manufacturing and distribution.

Anne Lee Benedict*, 48, Executive Vice President, Chief Legal Officer and Secretary.* Ms. Benedict joined the Company in October 2013. Prior to joining the Company, Ms. Benedict was a corporate partner in the Washington, D.C. office of Gibson, Dunn & Crutcher LLP, where she had practiced since 2000. Ms. Benedict's practice involved a wide range of corporate law matters, including mergers and acquisitions, joint ventures and other strategic transactions, securities offerings, securities regulation and corporate governance matters. Ms. Benedict received a Bachelor of Arts degree in English and Psychology from the University of Michigan and a Juris Doctor from the University of Pennsylvania Law School.

Michael J. Brady*, 53, Executive Vice President and Chief Business Development Officer.* Mr. Brady joined the Company in April 2009 after having been a Senior Vice President at CRH Plc's U.S. subsidiary, Oldcastle, with overall responsibility for acquisitions and business development, having joined Oldcastle in 2000. Prior to that, Mr. Brady worked in several operational and general management positions in the paper and packaging industry in Ireland, the United Kingdom and Asia Pacific with the Jefferson Smurfit Group, plc (now Smurfit Kappa Group plc). Mr. Brady received a Bachelor of Engineering (Electrical) and a Master of Engineering Science (Microelectronics) from University College, Cork in Ireland and a Master of Business Administration degree from INSEAD in France.

Brian J. Harris*, 64, Executive Vice President and Chief Financial Officer.* Mr. Harris joined the Company as Chief Financial Officer in October 2013 after having been Executive Vice President and Chief Financial Officer of Bausch & Lomb Holdings Incorporated, a leading global eye health company, from 2009 to 2013. From 1990 to 2009, Mr. Harris held positions of increasing responsibility with industrial, automotive, building products and engineering manufacturing conglomerate Tomkins plc, including President of the $2 billion worldwide power transmission business for Gates Corporation, and Senior Vice President for Strategic Business Development and Business Administration, Chief Financial Officer and Secretary of Gates Corporation. Mr. Harris received a Bachelor of Accountancy from Glasgow University and is qualified as a Scottish Chartered Accountant.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information

Summit Inc.'s Class A common stock began publicly trading on the NYSE under the symbol "SUM" on March 11, 2015. Prior to that time, there was no public market for our Class A common stock. Our Class B common stock is not publicly traded. As of February 22, 2021, there were five holders of record of our Class A common stock and 30 holders of record of our Class B common stock.

These stockholder figures do not include a substantially greater number of holders whose shares are held of record by banks, brokers and other financial institutions.

All of the outstanding limited liability company interests of Summit LLC are held by Summit Materials Intermediate Holdings, LLC, an indirect subsidiary of Summit Inc. There is no established public trading market for limited liability company interests of Summit LLC.

Dividends

If Summit Inc. uses future excess tax distributions to purchase additional LP Units, we anticipate that in order to maintain the relationship between the shares of Class A common stock and the LP Units, our board of directors may continue to declare stock dividends on the Class A common stock.

Summit Inc. has no current plans to pay cash dividends on its Class A common stock. The declaration, amount and payment of any future dividends on shares of Class A common stock is at the sole discretion of our board of directors and we may reduce or discontinue entirely the payment of any such dividends at any time. Our board of directors may take into account general and economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, and such other factors as our board of directors may deem relevant.

Summit Inc. is a holding company and has no material assets other than its ownership of LP Units. Should we decide to pay a cash dividend on our Class A common stock in the future, we anticipate funding this cash dividend by causing Summit Holdings to make distributions to Summit Inc. in an amount sufficient to cover such dividend, whereupon the other holders of LP Units will also be entitled to receive distributions pro rata in accordance with the percentages of their respective limited partnership interests. Because Summit Inc. must pay taxes and make payments under the TRA, any amounts ultimately distributed as dividends to holders of our Class A common stock are expected to be less on a per share basis than the amounts distributed by Summit Holdings to its partners on a per LP Unit basis.

The agreements governing our senior secured credit facilities and the Senior Notes contain a number of covenants that restrict, subject to certain exceptions, Summit LLC's ability to pay distributions to its parent company and ultimately to Summit Inc. See Note 8, Debt, to our consolidated financial statements.

Any financing arrangements that we enter into in the future may include restrictive covenants that limit our ability to pay dividends. In addition, Summit Holdings is generally prohibited under Delaware law from making a distribution to a limited partner to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of Summit Holdings (with certain exceptions) exceed the fair value of its assets.

Subsidiaries of Summit Holdings are generally subject to similar legal limitations on their ability to make distributions to Summit Holdings.

Issuer Purchases of Equity Securities

During the quarter and year ended January 2, 2021, we did not purchase any of our equity securities that are registered under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Unregistered Sales of Equity Securities

There were no unregistered sales of equity securities which have not been previously disclosed in a quarterly report on Form 10-Q or a current report on Form 8-K during the year ended January 2, 2021.

ITEM 6. SELECTED FINANCIAL DATA.

The selected financial data previously required by Item 301 of Regulation S-K has been omitted in reliance on SEC Release No. 33-10890.

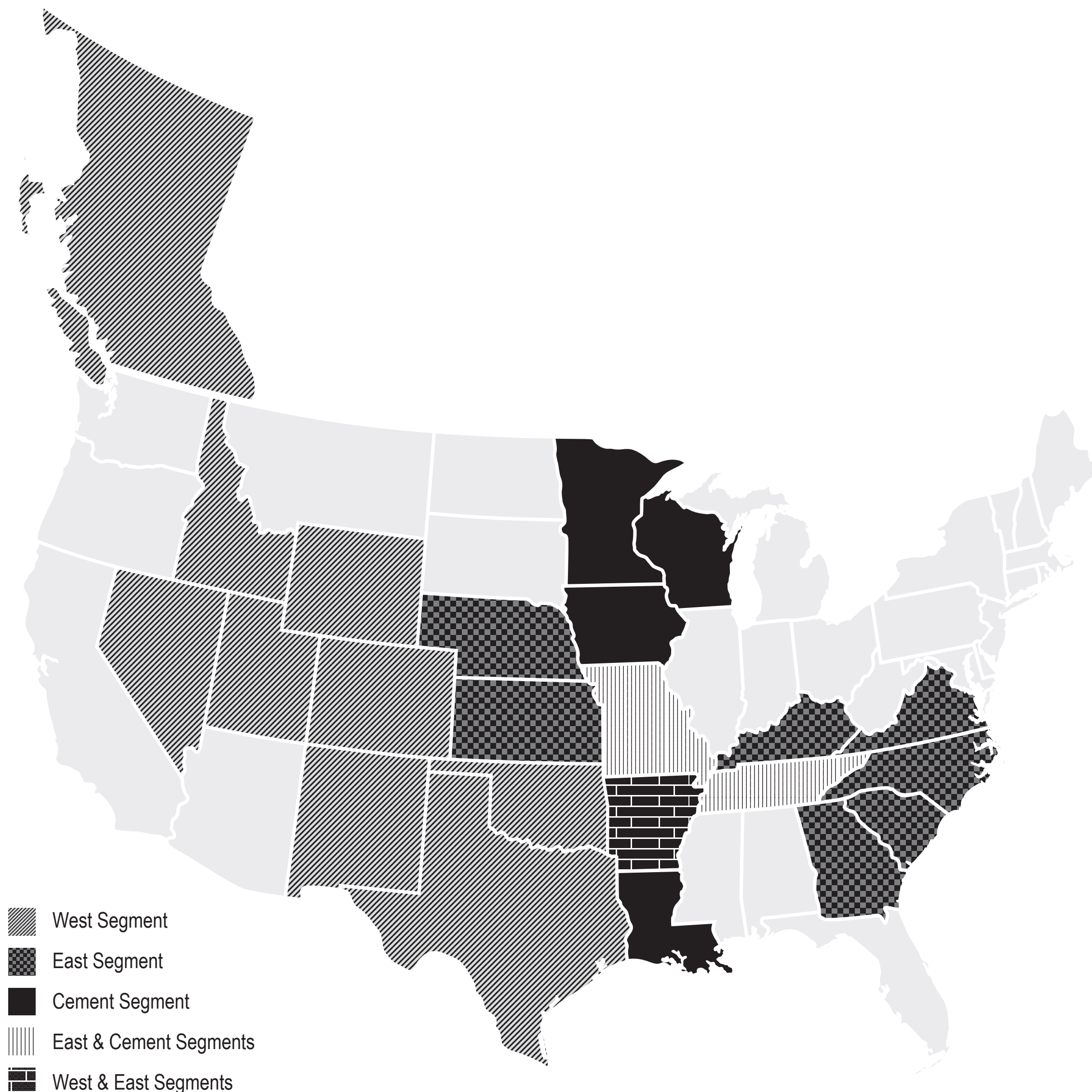
ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to assist in understanding and assessing the trends and significant changes in our results of operations and financial condition. Historical results may not be indicative of future performance. Forward-looking statements reflect our current views about future events, are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. Factors that may cause differences between actual results and those contemplated by forward-looking statements include, but are not limited to, those discussed in the section entitled "Risk Factors" and any factors discussed in the sections entitled "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" of this report. This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the "Selected Historical Consolidated Financial Data," our audited consolidated annual financial statements and the related notes thereto and other information included in this report. A discussion and analysis of our results of operations and changes in financial condition for fiscal 2019 compared to 2018 may be found in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation of our Annual Report on Form 10-K for the year ended December 29, 2019, filed with the SEC on February 5, 2020, which discussion is incorporated herein by reference.

Overview

We are one of the fastest growing construction materials companies in the United States, with a 63% increase in revenue between the year ended January 2, 2016 (the year of our initial public offering) and the year ended January 2, 2021. Within our markets, we offer customers a single-source provider for construction materials and related downstream products through our vertical integration. Our materials include aggregates, which we supply across the United States, and in British Columbia, Canada, and cement, which we supply to surrounding states along the Mississippi River from Minnesota to Louisiana. In addition to supplying aggregates to customers, we use a portion of our materials internally to produce ready-mix concrete and asphalt paving mix, which may be sold externally or used in our paving and related services businesses. Our vertical integration creates opportunities to increase aggregates volumes, optimize margin at each stage of production and provide customers with efficiency gains, convenience and reliability, which we believe gives us a competitive advantage.

Since our inception in 2009, we have completed dozens of acquisitions, which are organized into 11 operating companies that make up our three distinct operating segments—West, East and Cement. We operate in 21 U.S. states and in British Columbia, Canada and currently have assets in 23 U.S. states and British Columbia, Canada. The map below illustrates our geographic footprint:



Business Trends and Conditions

The U.S. construction materials industry is composed of four primary sectors: aggregates; cement; ready-mix concrete; and asphalt paving mix. Each of these materials is widely used in most forms of construction activity. Participants in these sectors typically range from small, privately-held companies focused on a single material, product or market to publicly traded multinational corporations that offer a wide array of construction materials and services. Competition is constrained in part by the distance materials can be transported efficiently, resulting in predominantly local or regional operations. Due to the lack of product differentiation, competition for all of our products is predominantly based on price and, to a lesser extent, quality of products and service. As a result, the prices we charge our customers are not likely to be materially different from the prices charged by other producers in the same markets. Accordingly, our profitability is generally dependent on the level of demand for our materials and products and our ability to control operating costs.

Our revenue is derived from multiple end-use markets including public infrastructure construction and private residential and nonresidential construction. Public infrastructure includes spending by federal, state, provincial and local governments for roads, highways, bridges, airports and other infrastructure projects. Public infrastructure projects have historically been a relatively stable portion of state and federal budgets. Residential and nonresidential construction consists of new construction and repair and remodel markets. Any economic stagnation or decline, which could vary by local region and market, could affect our results of operations. Our sales and earnings are sensitive to national, regional and local economic conditions and particularly to cyclical changes in construction spending, especially in the private sector. From a macroeconomic view, we see positive indicators for the construction sector, including positive trends in highway obligations, housing starts and construction employment.

Transportation infrastructure projects, driven by both federal and state funding programs, represent a significant share of the U.S. construction materials market. Federal funds are allocated to the states, which are required to match a portion of the federal funds they receive. Federal highway spending uses funds predominantly from the Federal Highway Trust Fund, which derives its revenue from taxes on diesel fuel, gasoline and other user fees. The dependability of federal funding allows the state departments of transportation to plan for their long term highway construction and maintenance needs. Funding for the existing federal transportation funding program was extended in late 2020 through 2021. With the nation's infrastructure aging, there is increased demand by states and municipalities for long-term federal funding to support the construction of new roads, highways and bridges in addition to the maintenance of the existing infrastructure.

In addition to federal funding, state, county and local agencies provide highway construction and maintenance funding. Our four largest states by revenue, Texas, Utah, Kansas and Missouri, represented approximately 25%, 14%, 13% and 9%, respectively, of our total revenue in 2020. The following is a summary of key funding initiatives in those states:

- According to the Texas Department of Transportation ("TXDOT"), annual funding available for transportation infrastructure, including state and federal funding, is estimated to average $14.9 billion in total for fiscal year 2021 (which commenced September 1, 2020) and fiscal year 2022 combined. Further, the 2021 Unified Transportation Program ("UTP") approved by the Texas Transportation Commission in September 2020 provides for $75 billion through fiscal year 2030 to fund transportation projects; more than double the fiscal year 2016 level, which was prior to the Proposition 1 and Proposition 7 funding initiatives. The funding available in any given year is separate and distinct from lettings, or the process of providing notice, issuing proposals, receiving proposals, and awarding contracts. In January 2021, TXDOT updated its fiscal year 2021 lettings estimate to $9.6 billion up from $7.5 billion in fiscal year 2020 and $8.9 billion in fiscal year 2019. Longer term, TXDOT has indicated a target of $8 billion per year in total state and local lettings. The Texas Comptroller released its biennial revenue estimate for fiscal year 2022 – 2023 in January 2021 and expects economic output to return to pre-pandemic levels in 2022, and despite revenue shortfalls due to COVID-19 it is expected that the state highway fund will be granted its full allotment of $2.5 billion for fiscal year 2021 and 2022 from Proposition 7 funding.

- In December 2020, Utah updated its revenue estimate for transportation funding to $639 million in fiscal year 2021 (which commenced July 1, 2020) up from $614 million in fiscal year 2020, with growth driven by increases in vehicle registration fees, diesel fuel tax and other revenue sources. In January 2020, the Utah Department of Transportation increased fees on electric and hybrid vehicles by 50% in 2020 and another 33% in 2021 and launched an alternative to a road usage charge program for those vehicles in the form of a pay per mile charge. In December 2019, Utah passed new legislation imposing a 4.85% sales tax on gas purchases and a 6 cents per gallon increase to the diesel tax, with an additional 4 cents per gallon diesel tax increase in 2022. The tax is estimated to generate an additional $170 million for transportation investment in 2021.

- In January 2021, the Governor of Kansas submitted a revised budget for fiscal year 2021 (which commenced July 1, 2020) and an initial budget recommendation for fiscal year 2022 with $1.9 billion in transportation funding budgeted in 2021 and $2.2 billion for 2022. Transfers from the State Highway Fund ("SHF") to the State General Fund ("SGF") are expected to be eliminated by fiscal year 2023 with $134 million currently estimated to be transferred to the SGF in fiscal year 2021 and $67 million in fiscal year 2022. The elimination of transfers out of the SHF is expected to help pave the way for the issuance of new transportation bonds and keep funds available to continue moving forward the 10-year, $10 billion Eisenhower Legacy Plan that was approved by the Kansas Legislature in early 2020. The Eisenhower Legacy Plan selects new modernization and expansion projects every two years, requires previously selected projects under the prior T-Works program to be let prior to July 1, 2023 and levies 16.2% of the state sales tax for the benefit of the SHF.

- In December 2020, new Missouri legislation was submitted that calls for five consecutive years of a two-cent gas tax increase starting in January 2022, which would raise an incremental $100 million of revenue annually; Missouri currently has the second-lowest motor fuel tax in the United States at 17 cents per gallon. Despite the impact of COVID-19, the Missouri Department of Transportation had one of its strongest construction programs on record with payments to contractors of $821 million in calendar year-to-date November 2020 versus $662 million in the prior period and has now scheduled or is scheduled to let during the remainder of fiscal year 2021 (which commenced July 1, 2020) the entire $360 million of construction projects delayed in early 2020 as a result of COVID-19.

The table below sets forth additional details regarding our four key states, including growth rates as compared to the U.S. as a whole:

State	Percentage of Our Total Revenue	Revenue by End Market(1)	Projected Industry Growth by End Market 2021 to 2023(2)	
		Residential and Nonresidential Construction	Residential Construction	Nonresidential Construction
Texas	25 %	56 %	2.4 %	1.1 %
Utah	14 %	82 %	4.1 %	4.4 %
Kansas	13 %	44 %	5.1 %	1.4 %
Missouri	9 %	69 %	2.5 %	2.9 %
Weighted average(3)			3.4 %	2.2 %
United States(2)			1.9 %	2.2 %

(1) Percentages based on our revenue by state for the year ended January 2, 2021 and management's estimates as to end markets.
(2) Source: 2019 PCA
(3) Calculated using a weighted average based on each state's percentage contribution to our total revenue.

Use and consumption of our products fluctuate due to seasonality. Nearly all of the products used by us, and by our customers, in the private construction or public infrastructure industries are used outdoors. Our highway operations and production and distribution facilities are also located outdoors. Therefore, seasonal changes and other weather-related conditions, in particular extended rainy and cold weather in the spring and fall and major weather events, such as hurricanes, tornadoes, tropical storms, heavy snows and flooding, can adversely affect our business and operations through a decline in both the use of our products and demand for our services. In addition, construction materials production and shipment levels follow activity in the construction industry, which typically occurs in the spring, summer and fall. Warmer and drier weather during the second and third quarters of our fiscal year typically result in higher activity and revenue levels during those quarters. The first quarter of our fiscal year typically has lower levels of activity due to weather conditions.

We are subject to commodity price risk with respect to price changes in liquid asphalt and energy, including fossil fuels and electricity for aggregates, cement, ready-mix concrete and asphalt paving mix production, natural gas for hot mix asphalt production and diesel fuel for distribution vehicles and production related mobile equipment. Liquid asphalt escalator provisions in most of our private and commercial contracts limit our exposure to price fluctuations in this commodity. We often obtain similar escalators on public infrastructure contracts. In addition, we enter into various firm purchase commitments, with terms generally less than one year, for certain raw materials.

Financial Highlights— Year ended January 2, 2021

The principal factors in evaluating our financial condition and operating results for the year ended January 2, 2021 are:

- Net revenue increased 5.1% or $104.1 million in 2020 as compared to 2019, primarily resulting from organic growth and to a lesser extent, contributions from our acquisitions.
- Our operating income increased 5.4% or $11.6 million in 2020 as compared to 2019, as pricing and volume increases exceeded the increases in cost of revenue.
- In August 2020, we issued $700.0 million of 5.250% senior notes due 2029 (the "2029 Notes"), resulting in net proceeds of $690.4 million, after related fees and expenses. The proceeds from the 2029 Notes were used to redeem the $650.0 million of 6.125% senior notes due 2023 (the "2023 Notes") at par.

Components of Operating Results

Total Revenue

We derive our revenue predominantly by selling construction materials and products and providing paving and related services. Construction materials consist of aggregates and cement. Products consist of related downstream products, including ready-mix concrete, asphalt paving mix and concrete products. Paving and related services that we provide are primarily asphalt paving services.

Revenue derived from the sale of construction materials is recognized when risks associated with ownership have passed to unaffiliated customers. Typically this occurs when products are shipped. Product revenue generally includes sales of aggregates, cement and related downstream products and other materials to customers, net of discounts or allowances and taxes, if any.

Revenue derived from paving and related services is recognized on the percentage-of-completion basis, measured by the cost incurred to date compared to estimated total cost of each project. This method is used because management considers cost incurred to be the best available measure of progress on these contracts. Due to the inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change over the life of the contract.

Operating Costs and Expenses

The key components of our operating costs and expenses consist of the following:

Cost of Revenue (excluding items shown separately)

Cost of revenue consists of all direct production and delivery costs and primarily includes labor, repair and maintenance, utilities, raw materials, fuel, transportation, subcontractor costs, and royalties. Our cost of revenue is directly affected by fluctuations in commodity energy prices, primarily diesel fuel, liquid asphalt and other petroleum-based resources. As a result, our adjusted cash gross profit margins can be significantly affected by changes in the underlying cost of certain raw materials if they are not recovered through corresponding changes in revenue. We attempt to limit our exposure to changes in commodity energy prices by entering into forward purchase commitments when appropriate. In addition, we have sales price adjustment provisions that provide for adjustments based on fluctuations outside a limited range in certain energy-related production costs. These provisions are in place for most of our public infrastructure contracts, and we seek to include similar price adjustment provisions in our private contracts.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and personnel costs, including stock-based compensation charges, for our sales and marketing, administration, finance and accounting, legal, information systems, human resources and certain managerial employees. Additional expenses include audit, consulting and professional fees, travel, insurance, rental costs, property taxes and other corporate and overhead expenses.

Depreciation, Depletion, Amortization and Accretion

Our business is capital intensive. We carry property, plant and equipment on our balance sheet at cost, net of applicable depreciation, depletion and amortization. Depreciation on property, plant and equipment is computed on a straight-line basis or based on the economic usage over the estimated useful life of the asset. The general range of depreciable lives by category, excluding mineral reserves, which are depleted based on the units of production method on a site-by-site basis, is as follows:

Buildings and improvements	10 - 30 years
Plant, machinery and equipment	7 - 20 years
Office equipment	3 - 7 years
Truck and auto fleet	5 - 8 years
Mobile equipment and barges	6 - 8 years
Landfill airspace and improvements	10 - 30 years
Other	4 - 20 years

Amortization expense is the periodic expense related to leasehold improvements and intangible assets. The intangible assets were recognized with certain acquisitions and are generally amortized on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the life of the underlying asset or the remaining lease term.

Accretion expense is the periodic expense recorded for the accrued mining reclamation liabilities and landfill closure and post-closure liabilities using the effective interest method.

Results of Operations

In late 2019, a novel strain of the coronavirus ("COVID-19") virus was first reported to have surfaced. COVID-19 has since spread globally, including to every state in the United States. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic and the United States declared a national emergency with respect to COVID-19. As construction activities were deemed essential businesses in all of our markets, we continued to operate while many businesses were forced to close or reduce operations. During 2020, our operating markets remained substantially unaffected by COVID-19, except for Kentucky and to a lesser degree, Vancouver, British Columbia. However, we believe its impact may negatively affect our operations in subsequent periods if construction activity in future periods slows due to COVID-19. Residential construction activity remains strong, particularly in the Houston and Salt Lake City areas, two of the largest metro areas in which we operate. We believe residential activity in our key markets will continue to be a driver for volumes in future periods. While Kentucky had experienced fiscal shortfalls prior to COVID-19, those shortfalls were extended by COVID-19, and subsequently, Kentucky suspended lettings of department of transportation projects for May and June, and subsequent lettings have been significantly reduced from prior levels. In the Vancouver, British Columbia area, the provincial government has cancelled or delayed certain infrastructure projects. Our cement segment has also been impacted by lower sales demand, which we believe to be related to COVID-19, notably in our southern markets. In most of our other markets, we have not experienced any significant delays or cancellations of projects. Typically, state revenues decrease as the economy slows, and ultimately, some infrastructure projects may be delayed or cancelled, which would reduce our revenues in future periods. In 2020, approximately 61% of our revenue was derived from the private construction market, and the remaining revenue from the public markets. In addition to the volume impact on the cement segment, our annual cement price increases were delayed in 2020 from April 1 to June 1 due to COVID-19. We continue to monitor our operations, the operations of our customers, and the recommendations of the various national, state and local governments in the areas in which we operate. We implemented work-from-home protocols at all of our administrative locations late in the first quarter of 2020, and while some locations have returned, other locations, including our headquarters location, continue to work remotely. In addition, we implemented additional safety measures specific to COVID-19 at all of our operating locations, which did not significantly increase our costs. The extent to which the COVID-19 pandemic impacts the national and local economies in which we operate, and ultimately our business, will depend on numerous developments, which are highly uncertain and difficult to predict. These events, as they continue to develop, could result in business disruption, including reduced revenues, profitability and cash flow.

The following discussion of our results of operations is focused on the key financial measures we use to evaluate the performance of our business from both a consolidated and operating segment perspective. Operating income and margins are discussed in terms of changes in volume, pricing and mix of revenue source (i.e., type of product sales or service revenue). We focus on operating margin, which we define as operating income as a percentage of net revenue, as a key metric when assessing the performance of the business, as we believe that analyzing changes in costs in relation to changes in revenue provides more meaningful insight into the results of operations than examining costs in isolation.

Operating income (loss) reflects our profit after taking into consideration cost of revenue, general and administrative expenses, depreciation, depletion, amortization and accretion and gain on sale of property, plant and equipment. Cost of revenue generally increases ratably with revenue, as labor, transportation costs and subcontractor costs are recorded in cost of revenue. In periods where our revenue growth occurs primarily through acquisitions, general and administrative expenses and depreciation, depletion, amortization and accretion have historically grown ratably with revenue. However, as organic volumes increase, we expect these costs, as a percentage of revenue, to decrease. General and administrative expenses as a percentage of revenue vary throughout the year due to the seasonality of our business.

The table below includes revenue and operating income by segment for the periods indicated. Operating income (loss) by segment is computed as earnings before interest, loss on debt financings, tax receivable agreement expense, gain on sale of business, other income / expense and taxes.

	Year ended					
	January 2, 2021		December 28, 2019		December 29, 2018	
(in thousands)	Revenue	Operating income (loss)	Revenue	Operating income (loss)	Revenue	Operating income (loss)
West	$ 1,262,196	$ 176,528	$ 1,122,338	$ 109,182	$ 1,117,066	$ 92,068
East	799,633	69,796	809,098	101,775	703,147	59,554
Cement	270,622	55,335	290,704	64,697	280,789	75,843
Corporate (1)	—	(76,486)	—	(62,096)	—	(64,999)
Total	$ 2,332,451	$ 225,173	$ 2,222,140	$ 213,558	$ 2,101,002	$ 162,466

(1) Corporate results primarily consist of compensation and office expenses for employees included in the Company's headquarters.

Consolidated Results of Operations

The table below sets forth our consolidated results of operations for the periods indicated:

($ in thousands)	2020	2019	2018
Net revenue	$ 2,134,754	$ 2,030,647	$ 1,909,258
Delivery and subcontract revenue	197,697	191,493	191,744
Total revenue	2,332,451	2,222,140	2,101,002
Cost of revenue (excluding items shown separately below)	1,583,996	1,526,332	1,475,779
General and administrative expenses	309,531	275,813	270,402
Depreciation, depletion, amortization and accretion	221,320	217,102	204,910
Gain on sale of property, plant and equipment	(7,569)	(10,665)	(12,555)
Operating income	225,173	213,558	162,466
Interest expense (1)	103,595	116,509	116,548
Loss on debt financings	4,064	14,565	149
Tax receivable agreement (benefit) expense	(7,559)	16,237	(22,684)
Gain on sale of business	—	—	(12,108)
Other income, net	(3,982)	(11,977)	(15,516)
Income from operations before taxes	129,055	78,224	96,077
Income tax expense (benefit)	(12,185)	17,101	59,747
Net income	$ 141,240	$ 61,123	$ 36,330

(1) The statement of operations above is based on the financial results of Summit Inc. and its subsidiaries, which was $20.5 million greater, $27.5 million less and $27.5 million less than Summit LLC and its subsidiaries in the years ended January 2, 2021, December 28, 2019 and December 29, 2018, respectively, due to interest expense associated with a deferred consideration obligation, TRA expense and income tax benefit are obligations of Summit Holdings and Summit Inc., respectively and are thus excluded from Summit LLC's consolidated net income.

Fiscal Year 2020 Compared to 2019

($ in thousands)	2020	2019	Variance	
Net revenue	$2,134,754	$2,030,647	$ 104,107	5.1 %
Operating income	225,173	213,558	11,615	5.4 %
Operating margin percentage	10.5 %	10.5 %		
Adjusted EBITDA (1)	$ 485,036	$ 461,462	$ 23,574	5.1 %

(1) Adjusted EBITDA is a non-GAAP measure that we find helpful in monitoring the performance of our business. See the definition of and the reconciliation below of Adjusted EBITDA to net income, which is the most directly comparable GAAP measure.

Net revenue increased $104.1 million in the year ended January 2, 2021, primarily resulting from organic growth in our aggregates and ready-mix concrete operations. Of the increase in net revenue, $80.5 million was from increased sales of products, $19.7 million from increased sales of materials and $3.9 million from increased service revenue. We generated organic volume growth of 3.6%, 5.0% and 4.7% in aggregates, ready-mix concrete and asphalt, respectively, during 2020 over the prior year period, while our organic cement volumes declined 4.6% compared to 2019. We had organic price growth in our cement, ready-mix and asphalt lines of business of 1.5%, 4.7% and 1.4%, respectively, during 2020. Operating income increased by $11.6 million in 2020 as compared to 2019, primarily as net revenue gains exceeded increases in costs of revenue and general and administrative expenses.

For the year ended January 2, 2021, our operating margin percentage remained flat as compared to the year ended December 28, 2019, due to the items noted above. Adjusted EBITDA, as defined below, increased by $23.6 million in the year ended January 2, 2021 as compared to the year ended December 28, 2019.

As a vertically-integrated company, we include intercompany sales from materials to products and from products to services when assessing the operating results of our business. We refer to revenue inclusive of intercompany sales as gross revenue. These intercompany transactions are eliminated in the consolidated financial statements. Gross revenue by line of business was as follows:

($ in thousands)	2020	2019	Variance	
Revenue by product*:				
Aggregates	$ 636,254	$ 593,027	$ 43,227	7.3 %
Cement	266,989	275,530	(8,541)	(3.1)%
Ready-mix concrete	668,488	608,168	60,320	9.9 %
Asphalt	377,742	369,650	8,092	2.2 %
Paving and related services	639,493	603,271	36,222	6.0 %
Other	(256,515)	(227,506)	(29,009)	(12.8)%
Total revenue	$ 2,332,451	$ 2,222,140	$ 110,311	5.0 %

* Revenue by product includes intercompany and intracompany sales transferred at market value. The elimination of intracompany transactions is included in Other. Revenue from the liquid asphalt terminals is included in asphalt revenue.

Detail of our volumes and average selling prices by product for the years ended January 2, 2021 and December 28, 2019 were as follows:

	2020		2019		Percentage Change in	
	Volume(1) (in thousands)	Pricing(2)	Volume(1) (in thousands)	Pricing(2)	Volume	Pricing
Aggregates	59,098	$ 10.77	53,954	$ 10.99	9.5 %	(2.0)%
Cement	2,286	116.80	2,395	115.03	(4.6)%	1.5 %
Ready-mix concrete	5,740	116.47	5,466	111.27	5.0 %	4.7 %
Asphalt	5,831	59.76	5,568	58.93	4.7 %	1.4 %

(1) Volumes are shown in tons for aggregates, cement and asphalt and in cubic yards for ready-mix concrete.
(2) Pricing is shown on a per ton basis for aggregates, cement and asphalt and on a per cubic yard basis for ready-mix concrete.

Revenue from aggregates increased $43.2 million in the year ended January 2, 2021. In 2020, increases in our northern Texas and Virginia markets were partially offset by organic aggregate volumes declines in Missouri as flood repair work in 2020 was less than in 2019 and Kentucky due to COVID-19 impacts. Overall, our average sales price in 2020 decreased over 2019 primarily as the product mix shifted away from higher priced flood repair products to lower priced products and the impact of lower priced acquisition related sales volumes in Texas. For the year ended January 2, 2021, our aggregate volumes increased primarily due to acquisition volumes, and to a lesser extent, due to increased organic volumes. Aggregate volumes growth was attributable to organic growth in both the West and East segments. Organic aggregate volumes increased 3.6% in 2020 as compared to 2019, primarily due to increases in our North Texas, Intermountain West and Kansas markets. Aggregate average sales prices of $10.77 per ton decreased 2.0% in 2020 as compared to 2019, primarily due to lower priced products in our Missouri markets and acquisition related volumes noted above.

Revenue from cement decreased $8.5 million in the year ended January 2, 2021. In 2020, organic cement volumes decreased 4.6% and organic cement average sales prices increased 1.5%, respectively, as compared to 2019.

Revenue from ready-mix concrete increased $60.3 million in the year ended January 2, 2021. In 2020, our ready-mix volumes increased 5.0% and our average sales prices increased 4.7%. These volume and price increases in 2020 occurred in both the West and East segments. Volumes in the Intermountain, Texas and Kansas geographies were impacted by more favorable weather conditions during 2020 as compared to 2019.

Revenue from asphalt increased $8.1 million in the year ended January 2, 2021. In 2020, organic pricing increased 1.4%, with strong pricing gains in the Kansas and North Texas geographies. Further, in 2020, we had strong volume increases in North Texas offset by decreases in Kentucky due to COVID-19 impacts.

Other Financial Information

General and Administrative Expense

Our general and administrative expenses in 2020 increased $32.2 million over 2019, due primarily to increased incentive compensation expenses, and expenses recognized in connection with the transition of our chief executive officer. Our stock based compensation expense increased $8.5 million over 2019, primarily due to additional equity grants related to the transition of our chief executive officer.

Loss on Debt Financings

In August 2020, we used the net proceeds from the offering of the 2029 Notes to redeem all of the outstanding 2023 Notes. In connection with that transaction, charges of $4.1 million were recognized in fiscal 2020. The charges included $0.8 million for the write-off of unamortized original issue discount and $3.3 million for the write-off of unamortized deferred financing fees.

In March 2019, we used the net proceeds from the offering of the 6.500% senior notes due March 15, 2027 (the "2027 Notes") to redeem all of the outstanding 8.500% senior notes due 2022 (the “2022 Notes”). In connection with this transaction, charges of $14.6 million were recognized in fiscal 2019. The charges included $11.7 million for the applicable prepayment premium and $2.9 million for the write-off of unamortized deferred financing fees.

Tax Receivable Agreement (Benefit) Expense

Our TRA benefit for the year ended January 2, 2021 was $7.6 million as compared to TRA expense of $16.2 million in the year ended December 28, 2019. Each year, we update our estimate as to when TRA payments will be made. When payments are made under the TRA, a portion of the payment made will be characterized as imputed interest under IRS regulations. We also updated our estimate of the state income tax rate that will be in effect at the date the TRA payments are made. As a result of updated state income tax rate, and the imputed interest limitation noted above, we decreased our TRA liability by $7.6 million as of January 2, 2021 and increased our TRA liability by $16.2 million as of December 28, 2019.

Income Tax Expense (Benefit)

Our income tax benefit was $12.2 million for the year ended January 2, 2021 as compared to income tax expense of $17.1 million for the year ended December 28, 2019. Our effective tax rate for Summit Inc. differs from the federal statutory tax rate primarily due to (1) unrecognized tax benefits, (2) changes in the valuation allowance, (3) state taxes, (4) tax depletion expense in excess of the expense recorded under U.S. GAAP, (5) the minority interest in the Summit Holdings partnership that is allocated outside of the Company and (6) various other items such as limitations on meals and entertainment, certain stock compensation and other costs. The Company's income tax provision is calculated under the provisions of the final regulations related to tax reform legislation, which may limit our ability to deduct interest expense in calculating our taxable income. All adjustments resulting from the issuance of the final regulations have been recorded.

As of January 2, 2021 and December 28, 2019, Summit Inc. had a valuation allowance of $1.7 million and $1.7 million against our deferred tax assets, respectively.

Segment Results of Operations

West Segment

($ in thousands)	2020	2019	Variance	
Net revenue	$1,147,921	$1,022,730	$ 125,191	12.2 %
Operating income	176,528	109,182	67,346	61.7 %
Operating margin percentage	15.4 %	10.7 %		
Adjusted EBITDA (1)	$ 271,052	$ 204,964	$ 66,088	32.2 %

(1) Adjusted EBITDA is a non-GAAP measure that we find helpful in monitoring the performance of our business. See the reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP measure below.

Net revenue in the West segment increased $125.2 million in the year ended January 2, 2021, due to increases in net revenues in all lines of business. Organic aggregate volumes increased 4.4% in 2020 as compared to 2019, and organic aggregates average sales prices increased 1.8%, primarily due to product mix. Organic ready-mix concrete volumes increased 3.0% and our organic ready-mix concrete average sales prices increased 4.7%.

The West segment’s operating income increased $67.3 million in the year ended January 2, 2021. Adjusted EBITDA increased $66.1 million in the year ended January 2, 2021. The increases in operating income and Adjusted EBITDA occurred as the weather conditions in 2020 have been generally more favorable as compared to 2019, which has resulted in operational efficiencies and increased sales volumes. The operating margin percentage in the West segment increased in 2020 as compared to 2019, due to the impact of the same factors noted above.

Gross revenue by product/service was as follows:

($ in thousands)	2020	2019	Variance	
Revenue by product*:				
Aggregates	$ 282,989	$ 244,138	$ 38,851	15.9 %
Ready-mix concrete	496,118	460,137	35,981	7.8 %
Asphalt	277,522	246,301	31,221	12.7 %
Paving and related services	436,018	359,577	76,441	21.3 %
Other	(230,451)	(187,815)	(42,636)	(22.7)%
Total revenue	$ 1,262,196	$ 1,122,338	$ 139,858	12.5 %

* Revenue by product includes intercompany and intracompany sales transferred at market value. The elimination of intracompany transactions is included in Other. Revenue from the liquid asphalt terminals is included in asphalt revenue.

The West segment's percent changes in sales volumes and pricing comparing 2020 to 2019 were as follows:

	Percentage Change in	
	Volume	Pricing
Aggregates	16.9 %	(0.8)%
Ready-mix concrete	3.0 %	4.7 %
Asphalt	10.3 %	2.9 %

Gross revenue from aggregates in the West segment increased $38.9 million in 2020 over 2019, primarily due to an increase in sales volumes that more than offset a slight decrease in average sales price. Aggregates volumes increased in 2020 mainly in our Texas markets which had organic growth coupled with increased acquisition volumes, and increased organic volumes in our Intermountain markets. In 2020, organic aggregate volumes decreased in the Vancouver, British Columbia area due to COVID-19 related delays in projects. Aggregates pricing in 2020 decreased 0.8% when compared to 2019, due to product mix primarily in our Texas markets, resulting primarily from the impact of lower prices on acquisition related volumes.

Gross revenue from ready-mix concrete in the West segment increased $36.0 million in 2020 over 2019. For the year ended January 2, 2021, organic ready-mix concrete prices increased 4.7%. For the year ended January 2, 2021, our ready-mix concrete organic volumes increased 3.0%, as volume increases in the Intermountain geographies were offset by volume decreases in North Texas. We continue to see strong residential volumes in the Salt Lake City and Houston areas, while volumes in the Permian basin area have decreased due to an economic slowdown in that area.

Gross revenue from asphalt in the West segment increased $31.2 million and asphalt volumes increased 10.3% in 2020, due to organic volume and price increases. Average sales prices for asphalt increased 2.9% in 2020. Gross revenue for paving and related services in the West segment increased by $76.4 million in 2020 due to greater activity in our North Texas markets, partially offset by our Intermountain geography and in Vancouver, British Columbia.

Prior to eliminations of intercompany transactions, the net effect of volume and pricing changes on gross revenue for the year ended January 2, 2021 was approximately $79.4 million and $26.7 million, respectively.

East Segment

($ in thousands)	2020	2019	Variance	
Net revenue	$ 716,211	$ 717,213	$ (1,002)	(0.1)%
Operating income	69,796	101,775	(31,979)	(31.4)%
Operating margin percentage	9.7 %	14.2 %		
Adjusted EBITDA (1)	$ 162,275	$ 187,625	$ (25,350)	(13.5)%

(1) Adjusted EBITDA is a non-GAAP measure that we find helpful in monitoring the performance of our business. See the reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure, net income, below.

Net revenue in the East segment decreased $1.0 million in 2020 over 2019, as the decrease in asphalt and paving and services revenues exceeded the increase in aggregates and ready-mix concrete revenues. Organic aggregate volumes increased 3.0% in 2020 over 2019 levels, while organic aggregate pricing decreased 2.1%. Organic ready mix volumes and pricing increased 11.2% and 4.6%, respectively. Due to weakness in our Kentucky market, organic asphalt volumes decreased (7.9)% in 2020 over 2019 levels, and paving and related services revenue decreased $40.2 million.

Operating income in the East segment decreased $32.0 million and Adjusted EBITDA decreased $25.4 million in 2020 over 2019, primarily due to lower margins on our asphalt and paving business, which resulted from decreased activity in Kentucky. In addition, our organic sales prices decreased in Missouri as 2019 included more higher priced flood and levy volumes. Further, our Kentucky operations worked to sell lower priced inventory to generate cash flow. Operating margin percentage in 2020 decreased to 9.7% from 14.2% in 2019, due to the items noted above.

Gross revenue by product/service was as follows:

($ in thousands)	2020	2019	Variance	
Revenue by product*:				
Aggregates	$ 353,265	$ 348,889	$ 4,376	1.3 %
Ready-mix concrete	172,370	148,031	24,339	16.4 %
Asphalt	100,220	123,349	(23,129)	(18.8)%
Paving and related services	203,475	243,694	(40,219)	(16.5)%
Other	(29,697)	(54,865)	25,168	45.9 %
Total revenue	$ 799,633	$ 809,098	$ (9,465)	(1.2)%

* Revenue by product includes intercompany and intracompany sales transferred at market value. The elimination of intracompany transactions is included in Other. Revenue from the liquid asphalt terminals is included in asphalt revenue.

The East segment's percent changes in sales volumes and pricing in 2020 as compared to 2019 were as follows:

	Percentage Change in	
	Volume	Pricing
Aggregates	3.5 %	(2.2)%
Ready-mix concrete	11.2 %	4.6 %
Asphalt	(7.9)%	(3.3)%

Revenue from aggregates in the East segment increased $4.4 million in the year ended January 2, 2021. Aggregate volumes in 2020 increased 3.5%, primarily due to organic growth in our Kansas markets from wind farm and other large non-residential project activity, offset by volume decreases in our Missouri and Kentucky markets. Our volumes decreased in Kentucky as the state continues to deal with lower tax revenues that preceded COVID-19, and those revenues further decreased after the onset of COVID-19. Aggregates pricing decreased 2.1% in 2020 due primarily to product mix in Missouri and Kentucky.

Revenue from ready-mix concrete in the East segment increased $24.3 million in 2020, as we realized higher organic volumes and pricing in all of our markets except Virginia. In 2020, ready-mix concrete volumes increased 11.2%, and average sales prices increased 4.6%.

Revenue from asphalt decreased $23.1 million in 2020, which was mainly attributable to lower volumes in Kentucky, due to the items mentioned above, which more than offset strong asphalt volumes in Kansas. Asphalt pricing decreased 3.3% in 2020, as lower prices occurred in most of our markets. Paving and related service revenue decreased $40.2 million in 2020, primarily due to lower activity in Kentucky as noted above.

Prior to eliminations of intercompany transactions, the net effect of volume and pricing changes on gross revenue for the year ended January 2, 2021 was approximately $6.9 million and $(1.3) million, respectively.

Cement Segment

($ in thousands)	2020	2019	Variance	
Net revenue	$ 270,622	$ 290,704	$ (20,082)	(6.9)%
Operating income	55,335	64,697	(9,362)	(14.5)%
Operating margin percentage	20.4 %	22.3 %		
Adjusted EBITDA (1)	$ 92,956	$ 103,438	$ (10,482)	(10.1)%

(1) Adjusted EBITDA is a non-GAAP measure that we find helpful in monitoring the performance of our business. See the reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure, net income, below.

Net revenue in the Cement segment decreased $20.1 million in 2020 over 2019, primarily due to decreased organic cement volumes of 4.6%. In addition, an explosion in April 2020 that shut down our solid waste processing facility contributed to the revenue decline in 2020 compared to 2019.

The Cement segment's operating income decreased $9.4 million and Adjusted EBITDA decreased $10.5 million in 2020. Although our sales volumes decreased, our production volumes increased as we did not purchase as much cement from

international producers as we did in 2019. As such, our overall operating costs increased in 2020 over 2019. We believe our lower sales volumes are related to COVID-19, notably in our southern markets. Additionally, our solid waste processing facility that provides fuel for one of our plants remained closed to processing solid waste due to an explosion in April 2020, which also increased our operating costs. We expect to receive the necessary approvals to reopen that facility sometime late in the first quarter 2021.

Operating margin percentage for the year ended January 2, 2021 decreased to 20.4% from 22.3% in the prior year, primarily due to the same factors noted above.

Gross revenue by product was as follows:

($ in thousands)	2020	2019	Variance	
Revenue by product*:				
Cement	$ 266,989	$ 275,530	$ (8,541)	(3.1)%
Other	3,633	15,174	(11,541)	(76.1)%
Total revenue	$ 270,622	$ 290,704	$ (20,082)	(6.9)%

* Revenue from waste processing and the elimination of intracompany transactions are included in Other.

The Cement segment's percent changes in sales volumes and pricing in 2020 from 2019 were as follows:

	Percentage Change in	
	Volume	Pricing
Cement	(4.6)%	1.5 %

Revenue from cement decreased $8.5 million in 2020, as volume decreases of 4.6% were only partially offset by small organic cement pricing gains. We have historically implemented cement pricing increases in April each year; however, in 2020, those increases were deferred until June 1 as a result of COVID-19. We believe the decreases in volume are the result of COVID-19, primarily in southern markets, where the demand for cement is partially driven by the energy industry.

Liquidity and Capital Resources

Our primary sources of liquidity include cash on-hand, cash provided by our operations and amounts available for borrowing under our credit facilities and capital-raising activities in the debt capital markets. In addition to our current sources of liquidity, we have access to liquidity through public offerings of shares of our Class A common stock. To facilitate such offerings, in January 2020, we filed a shelf registration statement with the SEC that is effective for a term of three years and will expire in January 2023. The amount of Class A common stock to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific limit on the amount we may issue. The specifics of any future offerings, along with the use of the proceeds thereof, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

As of January 2, 2021, we had $418.2 million in cash and cash equivalents and $570.6 million of working capital as compared to $311.3 million and $497.0 million, respectively, at December 28, 2019. Working capital is calculated as current assets less current liabilities. There were no restricted cash balances as of January 2, 2021 or December 28, 2019.

Our remaining borrowing capacity on our $345.0 million senior secured revolving credit facility as of January 2, 2021 was $329.1 million, which is net of $15.9 million of outstanding letters of credit, and is fully available to us within the terms and covenant requirements of our credit agreement.

Given the seasonality of our business, we typically experience significant fluctuations in working capital needs and balances throughout the year. Our working capital requirements generally increase during the first half of the year as we build up inventory and focus on repair and maintenance and other set-up costs for the upcoming season. Working capital levels then decrease as the construction season winds down and we enter the winter months, which is when we see significant inflows of cash from the collection of receivables.

Our acquisition strategy has historically required us to raise capital through equity issuances or debt financings. As of January 2, 2021 and December 28, 2019, our long-term borrowings totaled $1.9 billion, for which we incurred $91.2 million and $102.0 million of interest expense, respectively. Our senior secured revolving facility has been adequate to fund our

seasonal working capital needs and certain acquisitions. We had no outstanding borrowings on the revolving credit facility as of January 2, 2021.

We believe we have access to sufficient financial resources from our liquidity sources to fund our business and operations, including contractual obligations, capital expenditures and debt service obligations, for at least the next twelve months. Our growth strategy contemplates future acquisitions for which we believe we have sufficient access to capital.

As market conditions warrant we may, from time to time, seek to purchase our outstanding debt securities or loans, including Senior Notes and borrowings under our senior secured credit facilities. Such transactions could be privately negotiated, open market transactions, tender offers or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, any purchases made by us may be funded by the use of cash on our balance sheet or the incurrence of new secured or unsecured debt. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may equate to a substantial amount of a particular class or series of debt, which may reduce the trading liquidity of such class or series.

Our Long-Term Debt

Please refer to the notes to the consolidated financial statements found elsewhere in this report for detailed information regarding our long-term debt and senior secured revolving credit facility, scheduled maturities of long-term debt and affirmative and negative covenants. Among other things, we are required to maintain a Consolidated First Lien Net Leverage Ratio that is no greater than 4.75 to 1.00. Our first lien net leverage ratio, for purposes of this maintenance requirement, is calculated following each quarter based on information for the most recently ended four fiscal quarters for which internal financial information is available by dividing our Consolidated First Lien Net Debt as of the end of such period by our Consolidated EBITDA for such period. Consolidated EBITDA for purposes of our senior secured credit facility is calculated in accordance with our presentation of Further Adjusted EBITDA below. We define Further Adjusted EBITDA as Adjusted EBITDA plus the EBITDA contribution of certain recent acquisitions.

For the years ended January 2, 2021 and December 28, 2019, our Consolidated First Lien Net Leverage Ratio was 0.51 to 1.00 and 0.80 to 1.00, respectively, based on consolidated first lien net debt of $254.5 million and $369.4 million as of January 2, 2021 and December 28, 2019, respectively, divided by Further Adjusted EBITDA of $496.5 million and $461.5 million for the years ended January 2, 2021 and December 28, 2019, respectively. As of January 2, 2021 and December 28, 2019, we were in compliance with all debt covenants.

The following table sets forth a reconciliation of net income to Adjusted EBITDA and Further Adjusted EBITDA for the periods indicated. Adjusted EBITDA and Further Adjusted EBITDA are not U.S. GAAP measures and should not be considered in isolation, or as a substitute for our results as reported under U.S. GAAP.

($ in thousands)	2020	2019	2018
Net income	$ 141,240	$ 61,123	$ 36,330
Interest expense	103,595	116,509	116,548
Income tax expense (benefit)	(12,185)	17,101	59,747
Depreciation, depletion, and amortization	218,682	214,886	203,305
EBITDA	$ 451,332	$ 409,619	$ 415,930
Accretion	2,638	2,216	1,605
Loss on debt financings	4,064	14,565	149
Tax receivable agreement (benefit) expense	(7,559)	16,237	(22,684)
Gain on sale of business	—	—	(12,108)
Transaction costs(a)	2,747	2,222	4,238
Non-cash compensation(b)	28,857	20,403	25,378
Other(c)	2,957	(3,800)	(6,247)
Adjusted EBITDA	$ 485,036	$ 461,462	$ 406,261
EBITDA for certain acquisitions(d)	11,448	—	2,119
Further Adjusted EBITDA	$ 496,484	$ 461,462	$ 408,380

(a) Represents the transaction expenses associated with closed and probable acquisitions, consisting primarily of accounting, legal, valuation and financial advisory fees for the acquisitions.

(b) Represents non-cash equity-based compensation granted to employees.

(c) Represents the net (gain) loss recognized on assets identified for disposal. Includes non-recurring or one time income and expense items that were incurred outside normal operating activities such as integration costs, unrealized currency gains and losses and interest, tax, depreciation on unconsolidated joint ventures and fair value adjustments to contingent consideration obligations that originated with various acquisitions.

(d) Under the terms of our credit facilities, we include EBITDA from our acquisitions, net of dispositions, in each fiscal year for periods prior to acquisition. We believe this provides our lenders with a more meaningful view of our EBITDA across all periods by making the information more comparable.

At January 2, 2021 and December 28, 2019, $1.9 billion of total debt was outstanding under our respective debt agreements. Summit LLC's senior secured credit facilities provide for term loans in an aggregate amount of $650.0 million and revolving credit commitments in an aggregate amount of $345.0 million (the "Senior Secured Credit Facilities"). Summit LLC's domestic wholly-owned subsidiary companies are named as guarantors of the Senior Notes and the Senior Secured Credit Facilities. Certain other partially-owned subsidiaries, and the wholly-owned Canadian subsidiary, Mainland, do not guarantee the Senior Notes or Senior Secured Credit Facilities. Summit LLC has pledged substantially all of its assets as collateral for the Senior Secured Credit Facilities.

On February 28, 2019, Summit LLC entered into Incremental Amendment No. 4 to the Credit Agreement which, among other things, increased the total amount available under the revolving credit facility to $345.0 million and extended the maturity date of the Credit Agreement to February 2024.

Senior Notes

On August 11, 2020, Summit LLC and Summit Finance (together, the "Issuers") issued $700.0 million in aggregate principal amount of 5.250% senior notes due January 15, 2029. The 2029 Notes were issued at 100.0% of their par value with proceeds of $690.4 million, net of related fees and expenses. Interest on the 2029 Notes is payable semi-annually on January 15 and July 15 of each year commencing on January 15, 2021.

In August 2020, using the proceeds from the 2029 Notes, all of the outstanding $650.0 million 6.125% senior notes due 2023 were redeemed at a price equal to par and the indenture under which the 2023 Notes were issued was satisfied and discharged. As a result of the extinguishment, charges of $4.1 million were recognized in the quarter ended September 26, 2020, which included charges of $0.8 million for the write-off of original issue discount and $3.3 million for the write-off of deferred financing fees.

On March 15, 2019, the Issuers issued $300 million in aggregate principal amount of 6.500% senior notes due March 15, 2027. The 2027 Notes were issued at 100.0% of their par value with proceeds of $296.3 million, net of related fees and expenses. Interest on the 2027 Notes is payable semi-annually on March 15 and September 15 of each year commencing on September 15, 2019.

In March 2019, using the proceeds from the 2027 Notes, all of the 2022 Notes were redeemed at a price equal to par plus an applicable premium and the indenture under which the 2022 Notes were issued was satisfied and discharged. As a result of the extinguishment, charges of $14.6 million were recognized in the quarter ended March 30, 2019, which included charges of $11.7 million for the applicable redemption premium and $2.9 million for the write-off of deferred financing fees.

On June 1, 2017, the Issuers issued $300.0 million in aggregate principal amount of 5.125% senior notes due June 1, 2025. The 2025 Notes were issued at par value, resulting in proceeds of $295.4 million, net of related fees and expenses. Interest on the 2025 Notes is payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2017.

Senior Secured Credit Facilities

Summit LLC has credit facilities that provide for term loans in an aggregate amount of $650 million and revolving credit commitments in an aggregate amount of $345 million (the "Senior Secured Credit Facilities"). Under the terms of Senior Secured Credit Facilities, as amended through February 2019, required principal payments of 0.25% of the refinanced aggregate amount of term debt are due on the last business day of each March, June, September and December. The unpaid principal balance is due in full on the maturity date of November 21, 2024.

The revolving credit facility bears interest per annum equal to, at Summit LLC's option, either (i) a base rate determined by reference to the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate of Bank of America, N.A. and (c) LIBOR plus 1.00% plus an applicable margin of 2.00% for base rate loans or (ii) a LIBOR rate determined by reference to

Reuters prior to the interest period relevant to such borrowing adjusted for certain additional costs plus an applicable margin of 3.00% for LIBOR rate loans.

There were no outstanding borrowings under the revolving credit facility as of January 2, 2021 or December 28, 2019. As of January 2, 2021, we had remaining borrowing capacity of $329.1 million under the revolving credit facility, which is net of $15.9 million of outstanding letters of credit. The outstanding letters of credit are renewed annually and support required bonding on construction projects and the Company's insurance liabilities.

Summit LLC's Consolidated First Lien Net Leverage Ratio, as such term is defined in the Credit Agreement, should be no greater than 4.75:1.0 as of each quarter-end. As of January 2, 2021 and December 28, 2019, Summit LLC was in compliance with all financial covenants under the Credit Agreement.

Summit LLC's wholly-owned domestic subsidiary companies, subject to certain exclusions and exceptions, are named as subsidiary guarantors of the Senior Notes and the Senior Secured Credit Facilities. In addition, Summit LLC has pledged substantially all of its assets as collateral, subject to certain exclusions and exceptions, for the Senior Secured Credit Facilities.

Cash Flows

The following table summarizes our net cash provided by and used for operating, investing and financing activities and our capital expenditures for the periods indicated:

	Summit Inc.		Summit LLC	
($ in thousands)	2020	2019	2020	2019
Net cash provided by (used in):				
Operating activities	$ 408,869	$ 337,184	$ 408,869	$ 337,184
Investing activities	(285,587)	(162,809)	(285,587)	(162,809)
Financing activities	(16,771)	8,150	(16,771)	8,150

Operating Activities

During the year ended January 2, 2021, cash provided by operating activities was $408.9 million primarily as a result of:

- Net income of $141.2 million, adjusted for $235.4 million of non-cash expenses, including $227.8 million of depreciation, depletion, amortization and accretion, $28.9 million of share-based compensation and $(18.4) million of change in deferred tax asset, net.

- Billed and unbilled accounts receivable decreased by $10.0 million in fiscal 2020 as a result of the seasonality of our business. The majority of our sales occur in the spring, summer and fall and we typically incur an increase in accounts receivable (net billed and unbilled) during the second and third quarters of each year. This amount is typically converted to cash in the fourth and first quarters.

- The timing of payments associated with accounts payable and accrued expenses of cash, which is consistent with the seasonality of our business whereby we build-up inventory levels and incur repairs and maintenance costs to ready the business for increased sales volumes in the summer and fall. These costs are typically incurred in the first half of the year and paid by year-end. In addition, we made $99.6 million of interest payments in 2020. Our cash interest payments are expected to decrease slightly from this amount in 2021 and beyond.

During the year ended December 28, 2019, cash provided by operating activities was $337.2 million primarily as a result of:

- Net income of $61.1 million, adjusted for $249.7 million of non-cash expenses, including $222.9 million of depreciation, depletion, amortization and accretion, $20.4 million of share-based compensation and $16.0 million of change in deferred tax asset, net.

- Billed and unbilled accounts receivable increased by $31.5 million in fiscal 2019 as a result of increased revenue from our acquisitions as compared to fiscal 2018.

- The timing of payments associated with accounts payable and accrued expenses of cash, which is consistent with the seasonality of our business whereby we build-up inventory levels and incur repairs and maintenance costs to ready the business for increased sales volumes in the summer and fall. These costs are typically incurred in the first half of the year and paid by year-end. In addition, we made $104.6 million of interest payments in 2019.

Investing Activities

During the year ended January 2, 2021, cash used for investing activities was $285.6 million, of which $123.5 million related to acquisitions completed in the period and $177.2 million was invested in capital expenditures, which was partially offset by $14.0 million of proceeds from asset sales.

During the year ended December 28, 2019, cash used for investing activities was $162.8 million, of which $5.4 million related to acquisitions completed in the period and $177.5 million was invested in capital expenditures, which was partially offset by $21.2 million of proceeds from asset sales.

Financing Activities

During the year ended January 2, 2021, cash used in financing activities was $16.8 million. We received $700.0 million from proceeds of debt issuance, which was offset by $33.3 million of payments on acquisition related liabilities and $674.0 million in debt payments, which includes $14.4 million of finance lease cash payments. Our future payments under our finance lease obligations are expected to decrease slightly from 2020 levels.

During the year ended December 28, 2019, cash provided by financing activities was $8.2 million. We received $19.1 million of proceeds from stock option exercises and $300.0 million from proceeds of debt issuance, which was offset by $33.9 million of payments on acquisition related liabilities and $270.2 million in debt payments.

Cash Paid for Capital Expenditures

We expended approximately $177.2 million in capital expenditures for the year ended January 2, 2021 compared to $177.5 million and $220.7 million in the years ended December 28, 2019 and December 29, 2018, respectively.

We estimate that we will invest between $200 million and $220 million in capital expenditures in 2021, which includes $25 - $35 million for our greenfield development projects. The timing of our greenfield expenditures is dependent upon the timing of when permits may be issued. We expect to fund our capital expenditure program through cash on hand, cash from operations, outside financing arrangements and available borrowings under our revolving credit facility.

Tax Receivable Agreement

Exchanges of LP Units for shares of Class A common stock are expected to result in increases in the tax basis of the tangible and intangible assets of Summit Holdings. These increases in tax basis may increase (for tax purposes) depreciation and amortization deductions and therefore reduce the amount of tax that Summit Inc. would otherwise be required to pay in the future. In connection with the IPO, we entered into a TRA with the holders of LP Units that provides for the payment by Summit Inc. to exchanging holders of LP Units of 85% of the benefits, if any, that Summit Inc. is deemed to realize as a result of these increases in tax basis and certain other tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA. The increases in tax basis as a result of an exchange of LP Units for shares of Class A common stock, as well as the amount and timing of any payments under the TRA, are difficult to accurately estimate as they will vary depending upon a number of factors, including:

- *the timing of exchanges*—for instance, the increase in any tax deductions will vary depending on the fair market value, which may fluctuate over time, of the depreciable or amortizable assets of Summit Holdings at the time of each exchange;

- *the price of shares of our Class A common stock at the time of the exchange*—the increase in any tax deductions, as well as the tax basis increase in other assets, of Summit Holdings, is directly proportional to the price of shares of our Class A common stock at the time of the exchange;

- *the extent to which such exchanges are taxable*—if an exchange is not taxable for any reason, increased deductions will not be available;

- *the amount and timing of our income*—Summit Inc. is required to pay 85% of the cash tax savings, if any, as and when realized. If Summit Inc. does not have taxable income, Summit Inc. is not required (absent a change of control or circumstances requiring an early termination payment) to make payments under the TRA for that taxable year because no cash tax savings will have been realized. However, any tax attributes that do not result in realized benefits in a given tax year will likely generate tax attributes that may be utilized to generate benefits in previous or future tax years. The utilization of such tax attributes will result in cash tax savings that will result in payments under the tax receivable agreement; and

- *the effective tax rate* – The benefit that Summit Inc. realizes is dependent on the tax rate in effect at the time taxable income is generated.

We anticipate funding payments under the TRA from cash flows from operations, available cash and available borrowings under our Senior Secured Revolving Credit Facilities. As of January 2, 2021, we had accrued $321.7 million as TRA liability. The entire TRA liability is a long term liability as no additional payments are expected in the next twelve months.

In addition, the TRA provides that upon certain changes of control, Summit Inc.'s (or its successor's) obligations would be based on certain assumptions, including that Summit Inc. would have sufficient taxable income to fully utilize the deductions arising from tax basis and other tax attributes subject to the TRA. With respect to our obligations under the TRA relating to previously exchanged or acquired LP Units and certain net operating losses, we would be required to make a payment equal to the present value (at a discount rate equal to one year LIBOR plus 100 basis points) of the anticipated future tax benefits determined using assumptions (ii) through (v) of the following paragraph.

Furthermore, Summit Inc. may elect to terminate the TRA early by making an immediate payment equal to the present value of the anticipated future cash tax savings. In determining such anticipated future cash tax savings, the TRA includes several assumptions, including that (i) any LP Units that have not been exchanged are deemed exchanged for the market value of the shares of Class A common stock at the time of termination, (ii) Summit Inc. will have sufficient taxable income in each future taxable year to fully realize all potential tax savings, (iii) Summit Inc. will have sufficient taxable income to fully utilize any remaining net operating losses subject to the TRA on a straight line basis over the shorter of the statutory expiration period for such net operating losses or the five-year period after the early termination or change of control, (iv) the tax rates for future years will be those specified in the law as in effect at the time of termination and (v) certain non-amortizable assets are deemed disposed of within specified time periods. In addition, the present value of such anticipated future cash tax savings are discounted at a rate equal to LIBOR plus 100 basis points.

As a result of the change in control provisions and the early termination right, Summit Inc. could be required to make payments under the TRA that are greater than or less than the specified percentage of the actual cash tax savings that Summit Inc. realizes in respect of the tax attributes subject to the TRA (although any such overpayment would be taken into account in calculating future payments, if any, under the TRA) or that are prior to the actual realization, if any, of such future tax benefits. Also, the obligations of Summit Inc. would be automatically accelerated and be immediately due and payable in the event that Summit Inc. breaches any of its material obligations under the agreement and in certain events of bankruptcy or liquidation. In these situations, our obligations under the TRA could have a substantial negative impact on our liquidity.

Under the terms of the TRA, we can terminate the TRA at any time, which would trigger a cash payment to the pre-IPO owners. Based upon a $20.08 per share price of our Class A common stock, the closing price of our stock on January 2, 2021 and a contractually defined discount rate of 1.34%, we estimate that if we were to exercise our right to terminate the TRA, the aggregate amount required to settle the TRA would be approximately $312 million.

Contractual Obligations

The following table presents, as of January 2, 2021, our obligations and commitments to make future payments under contracts and contingent commitments (in thousands).

	Payments Due by Period						
	Total	2021	2022	2023	2024	2025	Thereafter
(in thousands)							
Short term borrowings and long-term debt, including current portion	$ 1,916,314	$ 6,354	$ 6,354	$ 6,354	$ 597,252	$ 300,000	$ 1,000,000
Finance lease obligations	61,009	26,742	18,603	7,053	3,207	2,573	2,831
Operating lease obligations	37,847	9,491	6,088	4,663	2,863	1,781	12,961
Interest payments (1)	556,898	82,360	84,803	84,665	83,257	63,938	157,875
Acquisition-related liabilities	31,956	10,360	3,522	2,774	2,742	2,696	9,862
Royalty payments	149,410	9,916	9,880	9,594	9,295	9,052	101,673
Defined benefit plans (2)	22,214	2,327	2,323	2,313	2,273	2,241	10,737
Asset retirement obligation payments	112,806	11,300	5,115	2,677	3,132	2,062	88,520
Purchase commitments (3)	29,200	29,037	163	—	—	—	—
Payments pursuant to tax receivable agreement (4)	321,679	—	—	455	2,292	3,786	315,146
Other	12,334	6,209	3,379	2,746	—	—	—
Total contractual obligations	$ 3,251,667	$ 194,096	$ 140,230	$ 123,294	$ 706,313	$ 388,129	$ 1,699,605

(1) Future interest payments were calculated using the applicable fixed and floating rates charged by our lenders in effect as of January 2, 2021 and may differ from actual results.

(2) Future payments to fund our defined benefit plans are estimated based on multiple assumptions which are enumerated in Note 14 to the consolidated financial statements included elsewhere in this report.

(3) Amounts represent purchase commitments entered into in the normal course of business, primarily for fuel purchases, the terms of which are generally one year.

(4) The total amount payable under our TRA is estimated at $321.7 million as of January 2, 2021. Under the terms of the TRA, payment of amounts benefiting us is due to the pre-IPO owners within four months of the tax returns being submitted to the respective regulatory agencies when the benefits are realized. We are currently estimating benefits next being realized in the 2021 tax year, and paid to TRA holders in early 2023. The estimated timing of TRA payments is subject to a number of factors, primarily around the timing of the generation of future taxable income in future years, which will be impacted by business activity in those periods.

Commitments and Contingencies

We are party to certain legal actions arising from the ordinary course of business activities. Accruals are recorded when the outcome is probable and can be reasonably estimated. While the ultimate results of claims and litigation cannot be predicted with certainty, management expects that the ultimate resolution of all current pending or threatened claims and litigation will not have a material effect on our consolidated financial position, results of operations or liquidity. We record legal fees as incurred.

In March 2018, we were notified of an investigation by the CCB into pricing practices by certain asphalt paving contractors in British Columbia, including Winvan. We believe the investigation is focused on time periods prior to our April 2017 acquisition of Winvan and we are cooperating with the CCB. Although we currently do not believe this matter will have a material adverse effect on our business, financial condition or results of operations, we are not able to predict the ultimate outcome or cost of the investigation at this time.

Environmental Remediation and Site Restoration—Our operations are subject to and affected by federal, state, provincial and local laws and regulations relating to the environment, health and safety and other regulatory matters. These operations require environmental operating permits, which are subject to modification, renewal and revocation. We regularly monitor and review its operations, procedures and policies for compliance with these laws and regulations. Despite these compliance efforts, risk of environmental liability is inherent in the operation of our business, as it is with other companies engaged in similar businesses and there can be no assurance that environmental liabilities and noncompliance will not have a material adverse effect on our consolidated financial condition, results of operations or liquidity.

Other—We are obligated under various firm purchase commitments for certain raw materials and services that are in the ordinary course of business. Management does not expect any significant changes in the market value of these goods and services during the commitment period that would have a material adverse effect on the financial condition, results of operations and cash flows of the Company. The terms of the purchase commitments generally approximate one year.

Off-Balance Sheet Arrangements

As of January 2, 2021, we had no material off-balance sheet arrangements.

Non-GAAP Performance Measures

We evaluate our operating performance using metrics that we refer to as “Adjusted EBITDA,” “Adjusted Cash Gross Profit” and “Adjusted Cash Gross Margin” which are not defined by U.S. GAAP and should not be considered as an alternative to earnings measures defined by U.S. GAAP. We define Adjusted EBITDA as EBITDA, adjusted to exclude accretion, loss on debt financings, loss from discontinued operations and certain non-cash and non-operating items. We define Adjusted Cash Gross Profit as operating income before general and administrative expenses, depreciation, depletion, amortization and accretion and transaction costs and Adjusted Cash Gross Margin as Adjusted Cash Gross Profit as a percentage of net revenue.

We present Adjusted EBITDA, Adjusted Cash Gross Profit and Adjusted Cash Gross Margin for the convenience of investment professionals who use such metrics in their analyses. The investment community often uses these metrics to assess the operating performance of a company’s business and to provide a consistent comparison of performance from period to period. We use these metrics, among others, to assess the operating performance of our individual segments and the consolidated company.

Non-GAAP financial measures are not standardized; therefore, it may not be possible to compare such financial measures with other companies’ non-GAAP financial measures having the same or similar names. We strongly encourage investors to review our consolidated financial statements in their entirety and not rely on any single financial measure.

The tables below reconcile our net income (loss) to EBITDA and Adjusted EBITDA and present Adjusted EBITDA by segment and reconcile operating income to Adjusted Cash Gross Profit for the periods indicated:

Reconciliation of Net Income (Loss) to Adjusted EBITDA by Segment	**Year ended January 2, 2021**				
	West	**East**	**Cement**	**Corporate**	**Consolidated**
($ in thousands)					
Net income (loss)	$ 178,460	$ 74,781	$ 69,484	$ (181,485)	$ 141,240
Interest (income) expense (1)	(5,447)	(3,156)	(13,795)	125,993	103,595
Income tax expense (benefit)	4,287	(283)	—	(16,189)	(12,185)
Depreciation, depletion and amortization	93,279	84,504	36,917	3,982	218,682
EBITDA	$ 270,579	$ 155,846	$ 92,606	$ (67,699)	$ 451,332
Accretion	587	1,701	350	—	2,638
Loss on debt financings	—	—	—	4,064	4,064
Tax receivable agreement benefit (1)	—	—	—	(7,559)	(7,559)
Transaction costs	—	—	—	2,747	2,747
Non-cash compensation	—	—	—	28,857	28,857
Other	(114)	4,728	—	(1,657)	2,957
Adjusted EBITDA	$ 271,052	$ 162,275	$ 92,956	$ (41,247)	$ 485,036

Reconciliation of Net Income (Loss) to Adjusted EBITDA by Segment	Year ended December 28, 2019				
	West	East	Cement	Corporate	Consolidated
($ in thousands)					
Net income (loss)	$ 108,751	$ 106,307	$ 75,480	$ (229,415)	$ 61,123
Interest expense (income) (1)	1,734	1,774	(10,489)	123,490	116,509
Income tax expense (benefit)	1,918	(267)	—	15,450	17,101
Depreciation, depletion and amortization	92,737	80,262	37,891	3,996	214,886
EBITDA	$ 205,140	$ 188,076	$ 102,882	$ (86,479)	$ 409,619
Accretion	519	1,141	556	—	2,216
Loss on debt financings	—	—	—	14,565	14,565
Tax receivable agreement expense (1)	—	—	—	16,237	16,237
Transaction costs	96	—	—	2,126	2,222
Non-cash compensation	—	—	—	20,403	20,403
Other (2)	(791)	(1,592)	—	(1,417)	(3,800)
Adjusted EBITDA	$ 204,964	$ 187,625	$ 103,438	$ (34,565)	$ 461,462

Reconciliation of Net Income (Loss) to Adjusted EBITDA by Segment	Year ended December 29, 2018				
	West	East	Cement	Corporate	Consolidated
($ in thousands)					
Net income (loss)	$ 109,363	$ 58,579	$ 83,148	$ (214,760)	$ 36,330
Interest expense (income) (1)	5,064	3,491	(6,815)	114,808	116,548
Income tax expense	535	32	—	59,180	59,747
Depreciation, depletion and amortization	91,224	74,463	34,996	2,622	203,305
EBITDA	$ 206,186	$ 136,565	$ 111,329	$ (38,150)	$ 415,930
Accretion	570	970	65	—	1,605
Loss on debt financings	—	—	—	149	149
Tax receivable agreement benefit	—	—	—	(22,684)	(22,684)
Gain on sale of business	(12,108)	—	—	—	(12,108)
Transaction costs	(3)	—	—	4,241	4,238
Non-cash compensation	—	—	—	25,378	25,378
Other (2)	(5,646)	497	—	(1,098)	(6,247)
Adjusted EBITDA	$ 188,999	$ 138,032	$ 111,394	$ (32,164)	$ 406,261

(1) The reconciliation of net income (loss) to Adjusted EBITDA is based on the financial results of Summit Inc. and its subsidiaries, which was $20.5 million greater, $27.5 million less and 27.5 million less than Summit LLC and its subsidiaries in the years ended January 2, 2021, December 28, 2019 and December 29, 2018, respectively, due to interest expense associated with a deferred consideration obligation, TRA expense and income tax benefit are obligations of Summit Holdings and Summit Inc., respectively, and are thus excluded from Summit LLC's consolidated net income.

(2) For the year ended December 28, 2019, we negotiated a $2.0 million reduction in the amount of a contingent liability from one of our acquisitions. For the year ended December 29, 2018, we negotiated a $6.9 million reduction in the amount of a contingent liability from one of our acquisitions. As we had passed the period to revise the opening balance sheet for this acquisition, the adjustment was recorded as other income.

Reconciliation of Working Capital	2020	2019
($ in thousands)		
Total current assets	$ 893,279	$ 796,281
Less total current liabilities	(322,689)	(299,297)
Working capital	$ 570,590	$ 496,984

Reconciliation of Operating Income to Adjusted Cash Gross Profit	2020	2019	2018
($ in thousands)			
Operating income	$ 225,173	$ 213,558	$ 162,466
General and administrative expenses	309,531	275,813	270,402
Depreciation, depletion, amortization and accretion	221,320	217,102	204,910
Gain on sale of property, plant and equipment	(7,569)	(10,665)	(12,555)
Adjusted Cash Gross Profit (exclusive of items shown separately)	$ 748,455	$ 695,808	$ 625,223
Adjusted Cash Gross Profit Margin (exclusive of items shown separately) (1)	35.1 %	34.3 %	32.7 %

(1) Adjusted Cash Gross Margin is defined as Adjusted Cash Gross Profit as a percentage of net revenue.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported period.

On an ongoing basis, management evaluates its estimates, including those related to the valuation of accounts receivable, inventories, goodwill, intangibles and other long-lived assets, pension and other postretirement obligations and asset retirement obligations. We base our estimates and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Acquisitions—Purchase Price Allocation

We regularly review strategic long-term plans, including potential investments in value-added acquisitions of related or similar businesses, which would increase our market share and/or are related to our existing markets. When an acquisition is completed, our consolidated statement of operations includes the operating results of the acquired business starting from the date of acquisition, which is the date that control is obtained. The purchase price is determined based on the estimated fair value of assets given to and liabilities assumed from the seller as of the date of acquisition. We allocate the purchase price to the estimated fair values of the tangible and intangible assets acquired and liabilities assumed as valued at the date of acquisition. Goodwill is recorded for the excess of the purchase price over the net of the fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date. The estimation of fair values of acquired assets and assumed liabilities is judgmental and requires various assumptions and the amounts and useful lives assigned to depreciable and amortizable assets compared to amounts assigned to goodwill, which is not amortized, can significantly affect the results of operations in the period of and periods subsequent to a business combination.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction, and therefore represents an exit price. A fair value measurement assumes the highest and best use of the asset by market participants, considering the use of the asset that is physically possible, legally permissible, and financially feasible at the measurement date. We assign the highest level of fair value available to assets acquired and liabilities assumed based on the following options:

- Level 1—Quoted prices in active markets for identical assets and liabilities.
- Level 2—Observable inputs, other than quoted prices, for similar assets or liabilities in active markets.
- Level 3—Unobservable inputs, which includes the use of valuation models.

Level 1 fair values are used to value investments in publicly-traded entities and assumed obligations for publicly-traded long-term debt.

Level 2 inputs are typically used to estimate the fair value of acquired machinery, equipment and land and assumed liabilities for asset retirement obligations, environmental remediation and compliance obligations and contingencies.

Level 3 fair values are used to value acquired mineral reserves and leased mineral interests and other identifiable intangible assets. The fair values of mineral reserves and leased mineral interests are determined using an excess earnings approach, which require management to estimate future cash flows. The estimate of future cash flows is based on available historical information and forecasts determined by management, but is inherently uncertain. Key assumptions in estimating future cash flows include sales price, volumes and expected profit margins, net of capital requirements. The present value of the projected net cash flows represents the fair value assigned to mineral reserves and mineral interests. The discount rate is a significant assumption used in the valuation model and is based on the required rate of return that a hypothetical market participant would assume if purchasing the acquired business.

There is a measurement period after the acquisition date during which we may adjust the amounts recognized for a business combination. Any such adjustments are based on us obtaining additional information that existed at the acquisition date regarding the assets acquired or the liabilities assumed. Measurement period adjustments are generally recorded as increases or decreases to the goodwill recognized in the transaction. The measurement period ends once we have obtained all necessary information that existed as of the acquisition date, but does not extend beyond one year from the date of acquisition. Any adjustments to assets acquired or liabilities assumed beyond the measurement period are recorded in earnings.

We paid cash of $123.5 million and $5.4 million, net of cash acquired, in business combinations and allocated this amount to assets acquired and liabilities assumed during the years ended January 2, 2021 and December 28, 2019, respectively.

Goodwill

Goodwill is tested annually for impairment and in interim periods if events occur indicating that the carrying amounts may be impaired. The evaluation involves the use of significant estimates and assumptions and considerable management judgment. Our judgments regarding the existence of impairment indicators and future cash flows are based on operational performance of our businesses, market conditions and other factors. Although there are inherent uncertainties in this assessment process, the estimates and assumptions we use, including estimates of future cash flows, volumes, market penetration and discount rates, are consistent with our internal planning. The estimated future cash flows are derived from internal operating budgets and forecasts for long-term demand and pricing in our industry and markets. If these estimates or their related assumptions change in the future, we may be required to record an impairment charge on all or a portion of our goodwill. Furthermore, we cannot predict the occurrence of future impairment-triggering events nor the affect such events might have on our reported values. Future events could cause us to conclude that impairment indicators exist and that goodwill associated with our acquired businesses are impaired. Any resulting impairment loss could have an adverse effect on our financial condition and results of operations.

The annual goodwill test is performed by first assessing qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (more than 50%) that the estimated fair value of a reporting unit is less than its carrying amount. If, as a result of the qualitative assessment, it is determined that an impairment is more likely than not, we are then required to perform the two-step quantitative impairment test, otherwise further analysis is not required. We also may elect not to perform the qualitative assessment and, instead, proceed directly to the two-step quantitative impairment test. The ultimate outcome of the goodwill impairment review for a reporting unit should be the same whether we choose to perform the qualitative assessment or proceed directly to the two-step quantitative impairment test.

Under the two-step quantitative impairment test, step one of the evaluation of impairment involves comparing the current fair value of each reporting unit to its carrying value, including goodwill. We use a discounted cash flow ("DCF") model to estimate the current fair value of our reporting units when testing for impairment, as management believes forecasted cash flows are the best indicator of fair value. A number of significant assumptions and estimates are involved in the application of the DCF model to forecast operating cash flows, including macroeconomic trends in the reporting unit's geographic area impacting private construction and public infrastructure industries, the timing of work embedded in our backlog, our performance and profitability under our contracts, our success in securing future sales and the appropriate interest rate used to discount the projected cash flows. We also perform a market assessment of our enterprise value. We believe the estimates and assumptions used in the valuations are reasonable.

In conjunction with our annual review of goodwill on the first day of the fourth quarter, we performed the qualitative assessment for our reporting units. In 2020, we performed a two-step quantitative analysis on four of our reporting units. Step 1 of that analysis compares the estimated the fair value of the reporting units using an income approach (i.e., a discounted cash flow technique) and a market approach to the carrying value of the reporting unit. If the estimated fair value exceeds its

carrying value, the goodwill of the reporting unit is not considered impaired. If the carrying value of the reporting unit exceeds its fair value, we proceed to the second step to measure the amount of potential impairment loss.

As of January 2, 2021, we determined that no events or circumstances from September 28, 2020 through January 2, 2021 indicated that a further assessment was necessary.

Service Revenue Recognition

We earn revenue from the provision of services, which are primarily paving and related services, but also include landfill operations and the receipt and disposal of waste that is converted to fuel for use in our cement plants. Revenue from the receipt of waste fuels is recognized when the waste is accepted and a corresponding liability is recognized for the costs to process the waste into fuel for the manufacturing of cement or to ship the waste offsite for disposal in accordance with applicable regulations.

Collectability of service contracts is due reasonably after certain milestones in the contract are performed. Milestones vary by project, but are typically calculated using monthly progress based on the percentage of completion or a customer's engineer review of progress. The majority of the time, collection occurs within 90 days of billing and cash is received within the same fiscal year as services performed. On most projects the customer will withhold a portion of the invoice for retainage which may last longer than a year depending on the job.

Revenue derived from paving and related services is recognized using the percentage of completion method, which approximates progress towards completion. Under the percentage of completion method, we recognize paving and related services revenue as services are rendered. The majority of our construction service contracts are completed within one year, but may occasionally extend beyond this time frame. The majority of our construction service contracts, and therefore, revenue, are opened and completed within one year, with most activity during the spring, summer and fall. We estimate profit as the difference between total estimated revenue and total estimated cost of a contract and recognize that profit over the life of the contract based on input measures. We generally measure progress toward completion on long-term paving and related services contracts based on the proportion of costs incurred to date relative to total estimated costs at completion. We include revisions of estimated profits on contracts in earnings under the cumulative catch-up method, under which the effect of revisions in estimates is recognized immediately. If a revised estimate of contract profitability reveals an anticipated loss on the contract, we recognize the loss in the period it is identified.

The percentage of completion method of accounting involves the use of various estimating techniques to project costs at completion, and in some cases includes estimates of recoveries asserted against the customer for changes in specifications or other disputes. Contract estimates involve various assumptions and projections relative to the outcome of future events over multiple periods, including future labor productivity and availability, the nature and complexity of the work to be performed, the cost and availability of materials, the effect of delayed performance, and the availability and timing of funding from the customer. These estimates are based on our best judgment. A significant change in one or more of these estimates could affect the profitability of one or more of our contracts. We review our contract estimates regularly to assess revisions in contract values and estimated costs at completion. Inherent uncertainties in estimating costs make it at least reasonably possible that the estimates used will change within the near term and over the life of the contracts. No material adjustments to a contract were recognized in the year ended January 2, 2021.

We recognize claims when the amount of the claim can be estimated reliably and its legally enforceable. In evaluating these criteria, we consider the contractual basis for the claim, the cause of any additional costs incurred, the reasonableness of those costs and the objective evidence available to support the claim.

When the contract includes variable consideration, we estimate the amount of consideration to which we will be entitled in exchange for transferring the promised goods or services to a customer. The amount of estimated variable consideration included in the transaction price is the amount for which it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Types of variable consideration include, but are not limited to, liquidated damages and other performance penalties and production and placement bonuses.

The majority of contract modifications relate to the original contract and are often an extension of the original performance obligation. Predominately, modifications are not distinct from the terms in the original contract; therefore, they are considered part of a single performance obligation. We account for the modification using a cumulative catch-up adjustment. However, there are instances where goods or services in a modification are distinct from those transferred prior to the

modification. In these situations, we account for the modifications as either a separate contract or prospectively depending on the facts and circumstances of the modification.

Generally, construction contracts contain mobilization costs which are categorized as costs to fulfill a contract. These costs are excluded from any measure of progress toward contract fulfillment. These costs do not result in the transfer of control of a good or service to the customer and are amortized over the life of the contract.

Costs and estimated earnings in excess of billings are composed principally of revenue recognized on contracts on the percentage of completion method for which billings had not been presented to customers because the amounts were not billable under the contract terms at the balance sheet date. In accordance with the contract terms, the unbilled receivables at the balance sheet date are expected to be billed in following periods. Billings in excess of costs and estimated earnings represent billings in excess of revenue recognized.

Income Taxes

Summit Inc. is a corporation subject to income taxes in the United States. Certain subsidiaries, including Summit Holdings, or subsidiary groups of the Company are taxable separate from Summit Inc. The provisions for income taxes, or Summit Inc.'s proportional share of the provision, are included in the Company's consolidated financial statements.

The Company's deferred income tax assets and liabilities are computed for differences between the tax basis and financial statement amounts that will result in taxable or deductible amounts in the future. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible, as well as consideration of tax-planning strategies to determine whether we may seek to utilize any net operating loss carryforwards scheduled to expire in the near future. The estimates of future taxable income involves the use of significant estimates and assumptions and considerable management judgment. Our judgments regarding future taxable income and future cash flows are based on operational performance of our businesses, market conditions and other factors. Although there are inherent uncertainties in this assessment process, the estimates and assumptions we use, including estimates of future cash flows, are consistent with our internal planning. The computed deferred balances are based on enacted tax laws and applicable rates for the periods in which the differences are expected to affect taxable income. A valuation allowance is recognized for deferred tax assets if it is more likely than not that some portion or all of the net deferred tax assets will not be realized. In making such a determination, all available positive and negative evidence is considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines it would be able to realize its deferred tax assets for which a valuation allowance had been recorded, then an adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company evaluates the tax positions taken on income tax returns that remain open and positions expected to be taken on the current year tax returns to identify uncertain tax positions. Unrecognized tax benefits on uncertain tax positions are recorded on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the largest amount of tax benefit that is more than 50 percent likely to be realized is recognized. Interest and penalties related to unrecognized tax benefits are recorded in income tax benefit.

Tax Receivable Agreement

Tax Receivable Agreement— When Summit Inc. purchases LP Units for cash or LP Units are exchanged for shares of Class A common stock, this results in increases in Summit Inc.'s share of the tax basis of the tangible and intangible assets of Summit Holdings, which increases the tax depreciation and amortization deductions that otherwise would not have been available to Summit Inc. These increases in tax basis and tax depreciation and amortization deductions are expected to reduce the amount of cash taxes that we would otherwise be required to pay in the future. In connection with our IPO, we entered into a TRA with the holders of the LP Units and the pre-IPO owners that provides for the payment by Summit Inc. to exchanging holders of LP Units of 85% of the benefits, if any, that Summit Inc. actually realizes (or, under certain circumstances such as an early termination of the TRA is deemed to realize) as a result of (i) these increases in tax basis and (ii) our utilization of certain net operating losses of the pre-IPO owners and certain other tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA.

We periodically evaluate the realizability of the deferred tax assets resulting from the exchange of LP Units for Class A common stock. Our evaluation considers all sources of taxable income; all evidence, both positive and negative, is considered to determine whether, based on the weight of that evidence, a valuation allowance is needed for some portion or all

of the deferred tax assets. If the deferred tax assets are determined to be realizable, we then assess whether payment of amounts under the TRA have become probable. If so, we record a TRA liability of 85% of such deferred tax assets. In subsequent periods, we assess the realizability of all of our deferred tax assets subject to the TRA. Should we determine a deferred tax asset with a valuation allowance is realizable in a subsequent period, the related valuation allowance will be released and consideration of a corresponding TRA liability will be assessed. The realizability of deferred tax assets, including those subject to the TRA, is dependent upon the generation of future taxable income during the periods in which those deferred tax assets become deductible and consideration of prudent and feasible tax-planning strategies.

The measurement of the TRA liability is accounted for as a contingent liability. Therefore, once we determine that a payment to a pre-IPO owner has become probable and can be estimated, the estimate of payment will be accrued.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to certain market risks arising from transactions that are entered into in the normal course of business. Our operations are highly dependent upon the interest rate-sensitive construction industry as well as the general economic environment. Consequently, these marketplaces could experience lower levels of economic activity in an environment of rising interest rates or escalating costs. Management has considered the current economic environment and its potential effect to our business. Demand for materials-based products, particularly in the residential and nonresidential construction markets, could decline if companies and consumers are unable to obtain financing for construction projects or if an economic recession causes delays or cancellations to capital projects. Additionally, in preceding years, declining tax revenue, state budget deficits and unpredictable or inconsistent federal funding have negatively affected states' abilities to finance infrastructure construction projects.

Commodity and Energy Price Risk

We are subject to commodity price risk with respect to price changes in liquid asphalt and energy, including fossil fuels and electricity for aggregates, cement, ready-mix concrete and asphalt paving mix production, natural gas for hot mix asphalt production and diesel fuel for distribution vehicles and production related mobile equipment. Liquid asphalt escalators in most of our public infrastructure contracts limit our exposure to price fluctuations in this commodity, and we seek to obtain escalators on private and commercial contracts. Similarly, in periods of decreasing oil prices, a portion of the cost savings will be recouped by our end customers. Changes in oil prices also could affect demand in certain of our markets, particularly in Midland/Odessa, Texas and indirectly in Houston, Texas, which collectively represented approximately 13.0% of our consolidated revenue in 2020. In addition, we enter into various firm purchase commitments, with terms generally less than one year, for certain raw materials.

For the year ended January 2, 2021, our costs associated with liquid asphalt and energy amounted to approximately $257.3 million. Accordingly, a 10% increase or decrease in the total cost of liquid asphalt and energy would have decreased or increased, respectively, our operating results for the year by approximately $25.7 million. However, this does not take into consideration liquid asphalt escalators in certain contracts or forward purchase commitments put into place before January 2, 2021.

Inflation Risk

Inflation rates in recent years have not been a significant factor in our revenue or earnings due to relatively low inflation and our ability to recover increasing costs by obtaining higher prices for our products, including sale price escalators in place for most public infrastructure sector contracts. Inflation risk varies with the level of activity in the construction industry, the number, size and strength of competitors and the availability of products to supply a local market.

Foreign Currency Risk

In 2014, we expanded our operations into Canada with the acquisition of Mainland. With this expansion, we became subject to foreign currency risk related to changes in the U.S. dollar/Canadian dollar exchange rates. A 10% adverse change in foreign currency rates from December 2020 levels would not have had a material effect on our financial condition, results of operations or liquidity.

Interest Rate Risk

As of January 2, 2021, we had $616.3 million in term loans outstanding which bear interest at a variable rate. As of January 2, 2021, the rate in effect was the one-month LIBOR of 0.15%, plus the Applicable Rate of 200 basis points. Therefore,

a 100 basis point increase in the interest rate at January 2, 2021 would only have increased the all-in rate from 2.15% to 3.15%, the effect of which would have been an increase of $6.2 million on annual interest expense.

On January 19, 2017, we amended the Credit Agreement and, as a result, the floor decreased from 1.00% to 0.75% and the applicable margin was reduced. On November 21, 2017, Summit LLC entered into Amendment No. 2 to the Amended and Restated Credit Agreement, which, among other things, extended the maturity date from 2022 to 2024, brought the floor to zero and reduced the applicable margin in respect of the $635.4 million outstanding principal amount of term loans thereunder. On May 22, 2018, Summit LLC entered into Amendment No. 3 to the Amended and Restated Credit Agreement, which further reduced the applicable margin in respect of the $633.8 million outstanding principal amount of term loans thereunder.

We have entered into interest rate derivatives on $200.0 million of our term loan borrowings to add stability to interest expense and to manage exposure to interest rate movements. The derivative expired in September 2019.

At our cement plants, we sponsored two non-contributory defined benefit pension plans for certain hourly and salaried employees and two healthcare and life insurance benefits plans for certain eligible retired employees. As of January 2014, the two pension plans had been frozen to new participants and future benefit accruals and the healthcare and life insurance benefit plan has been amended to eliminate all future retiree health and life coverage for current employees. As a result of the acquisition of a cement and quarry in Davenport, Iowa and cement distribution terminals along the Mississippi River in 2015, the hourly defined benefit pension plan was amended to permit a new group of participants into the plan to accrue benefits in accordance with the terms of the collective bargaining agreement covering such Davenport employees. As a result of the collective bargaining unit negotiations in 2017, the hourly defined benefit pension plan was amended to stop future benefit accruals for the Davenport employees effective December 31, 2017. In 2015, the company adopted one new retiree healthcare plan to provide benefits prior to Medicare eligibility for certain hourly Davenport employees. As a result of the collective bargaining unit negotiations in 2017, hourly Davenport employees hired on or after January 1, 2018 are no longer eligible for retiree medical benefits. Our results of operations are affected by our net periodic benefit cost from these plans, which was $0.2 million in 2019. Assumptions that affect this expense include the discount rate and, for the pension plans only, the expected long-term rate of return on assets. Beginning in 2021, we decreased our estimated rate of return on assets from 7% to 5%, to better align with actual returns. Therefore, we have interest rate risk associated with these factors. Our cash flow obligations related to this change in estimate are not expected to change materially over the next five years.

The healthcare and life insurance benefit plans are exposed to changes in the cost of healthcare services. A one percentage-point increase or decrease in assumed health care cost trend rates would have affected the accumulated postretirement benefit obligation by approximately $0.8 million or $(0.7) million, respectively, at January 2, 2021.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Summit Materials, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Summit Materials, Inc. and subsidiaries (the Company) as of January 2, 2021 and December 28, 2019, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 2, 2021 and December 28, 2019, and the results of its operations and its cash flows for each of the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 2, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 24, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for leases as of December 30, 2018 due to the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 842, *Leases*.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue recognized over time on paving and related services contracts

As discussed in Notes 1 and 4 to the consolidated financial statements, the Company earns revenue from providing paving and related services, which are recognized over time as performance obligations are satisfied. The Company recognizes paving and related services revenue as services are rendered based on the proportion of costs incurred to date relative to total estimated costs to complete. For the year ended January 2, 2021, the Company recognized service revenue related to paving and related services of $310 million.

We identified the assessment of revenue recognized over time on paving and related services contracts in-progress as a critical audit matter. Paving and related services contracts in-progress required challenging auditor judgment to evaluate the forecast of remaining costs to complete, which had a significant impact on the amount of revenue recognized during the period.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's revenue recognition process related to paving and related services, including controls over the forecasting of estimated costs to complete. We selected a sample of in-progress paving and related services costs incurred and compared the amounts and dates incurred to underlying supporting documentation. We analyzed prior year end in-progress contracts that were completed in the current year to evaluate the Company's ability to accurately estimate paving and related services contract forecasted costs to complete. For certain contracts, we evaluated the estimated costs to complete by performing project manager interviews to obtain an understanding of the facts and circumstances of each selected contract, including changes in scope to the contract, additional estimated costs to complete, and expected completion date. For certain contracts, we also confirmed with the Company's customers that the original contract amount, terms of the contact, modifications and billings to the customer were accurate.

/s/ KPMG LLP

We have served as the Company's auditor since 2012.

Denver, Colorado
February 24, 2021

SUMMIT MATERIALS, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
January 2, 2021 and December 28, 2019
(In thousands, except share and per share amounts)

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	$ 418,181	$ 311,319
Accounts receivable, net	254,696	253,256
Costs and estimated earnings in excess of billings	8,666	13,088
Inventories	200,308	204,787
Other current assets	11,428	13,831
Total current assets	893,279	796,281
Property, plant and equipment	1,850,169	1,747,449
Goodwill	1,201,291	1,199,699
Intangible assets	47,852	23,498
Deferred tax assets	231,877	212,333
Operating lease right-of-use assets	28,543	32,777
Other assets	55,000	55,519
Total assets	$ 4,308,011	$ 4,067,556
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of debt	$ 6,354	$ 7,942
Current portion of acquisition-related liabilities	10,265	32,700
Accounts payable	120,813	116,359
Accrued expenses	160,570	120,005
Current operating lease liabilities	8,188	8,427
Billings in excess of costs and estimated earnings	16,499	13,864
Total current liabilities	322,689	299,297
Long-term debt	1,892,347	1,851,057
Acquisition-related liabilities	12,246	19,801
Tax receivable agreement liability	321,680	326,965
Noncurrent operating lease liabilities	21,500	25,381
Other noncurrent liabilities	121,281	100,282
Total liabilities	2,691,743	2,622,783
Commitments and contingencies (see note 16)		
Stockholders' equity:		
Class A common stock, par value $0.01 per share; 1,000,000,000 shares authorized, 114,390,595 and 113,309,385 shares issued and outstanding as of January 2, 2021 and December 28, 2019, respectively	$ 1,145	$ 1,134
Class B common stock, par value $0.01 per share; 250,000,000 shares authorized, 99 shares issued and outstanding as of January 2, 2021 and December 28, 2019	—	—
Additional paid-in capital	1,264,681	1,234,020
Accumulated earnings	326,772	188,805
Accumulated other comprehensive income	5,203	3,448
Stockholders' equity	1,597,801	1,427,407
Noncontrolling interest in Summit Holdings	18,467	17,366
Total stockholders' equity	1,616,268	1,444,773
Total liabilities and stockholders' equity	$ 4,308,011	$ 4,067,556

See accompanying notes to consolidated financial statements.

SUMMIT MATERIALS, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
Years ended January 2, 2021, December 28, 2019 and December 29, 2018
(In thousands, except share and per share amounts)

	2020	2019	2018
Revenue:			
Product	$ 1,824,679	$ 1,724,462	$ 1,600,159
Service	310,075	306,185	309,099
Net revenue	2,134,754	2,030,647	1,909,258
Delivery and subcontract revenue	197,697	191,493	191,744
Total revenue	2,332,451	2,222,140	2,101,002
Cost of revenue (excluding items shown separately below):			
Product	1,166,266	1,116,662	1,058,544
Service	220,033	218,177	225,491
Net cost of revenue	1,386,299	1,334,839	1,284,035
Delivery and subcontract cost	197,697	191,493	191,744
Total cost of revenue	1,583,996	1,526,332	1,475,779
General and administrative expenses	309,531	275,813	270,402
Depreciation, depletion, amortization and accretion	221,320	217,102	204,910
Gain on sale of property, plant and equipment	(7,569)	(10,665)	(12,555)
Operating income	225,173	213,558	162,466
Interest expense	103,595	116,509	116,548
Loss on debt financings	4,064	14,565	149
Tax receivable agreement (benefit) expense	(7,559)	16,237	(22,684)
Gain on sale of business	—	—	(12,108)
Other income, net	(3,982)	(11,977)	(15,516)
Income from operations before taxes	129,055	78,224	96,077
Income tax expense (benefit)	(12,185)	17,101	59,747
Net income	141,240	61,123	36,330
Net income attributable to Summit Holdings	3,273	2,057	2,424
Net income attributable to Summit Inc.	$ 137,967	$ 59,066	$ 33,906
Earnings per share of Class A common stock:			
Basic	$ 1.21	$ 0.53	$ 0.30
Diluted	$ 1.20	$ 0.52	$ 0.30
Weighted average shares of Class A common stock:			
Basic	114,227,192	112,204,067	111,380,175
Diluted	114,631,768	112,684,718	112,316,646

See accompanying notes to consolidated financial statements.

SUMMIT MATERIALS, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
Years ended January 2, 2021, December 28, 2019 and December 29, 2018
(In thousands)

	2020	2019	2018
Net income	$ 141,240	$ 61,123	$ 36,330
Other comprehensive income (loss):			
Postretirement liability adjustment	(2,229)	(1,925)	1,661
Foreign currency translation adjustment	4,617	4,716	(9,348)
Income (loss) on cash flow hedges	—	(146)	1,206
Less tax effect of other comprehensive (loss) income items	(575)	—	1,578
Other comprehensive income	1,813	2,645	(4,903)
Comprehensive income	143,053	63,768	31,427
Less comprehensive income attributable to Summit Holdings	3,331	3,935	2,226
Comprehensive income attributable to Summit Inc.	$ 139,722	$ 59,833	$ 29,201

See accompanying notes to consolidated financial statements.

SUMMIT MATERIALS, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended January 2, 2021, December 28, 2019 and December 29, 2018
(In thousands)

	2020	2019	2018
Cash flow from operating activities:			
Net income	$ 141,240	$ 61,123	$ 36,330
Adjustments to reconcile net income to net cash used in operating activities:			
Depreciation, depletion, amortization and accretion	227,817	222,862	208,772
Share-based compensation expense	28,857	20,403	25,378
Net gain on asset disposals	(7,548)	(10,294)	(30,093)
Non-cash loss on debt financings	4,064	2,850	—
Change in deferred tax asset, net	(18,384)	16,012	57,490
Other	619	(2,135)	2,018
Decrease (increase) in operating assets, net of acquisitions and dispositions:			
Accounts receivable, net	5,467	(37,049)	(5,796)
Inventories	3,339	8,582	(11,598)
Costs and estimated earnings in excess of billings	4,535	5,558	(8,702)
Other current assets	472	5,465	(7,159)
Other assets	10,264	5,085	(106)
(Decrease) increase in operating liabilities, net of acquisitions and dispositions:			
Accounts payable	(4,231)	18,903	(13,403)
Accrued expenses	15,476	7,640	(16,544)
Billings in excess of costs and estimated earnings	2,616	1,988	(5,052)
Tax receivable agreement liability	(5,285)	17,291	(21,666)
Other liabilities	(449)	(7,100)	(501)
Net cash provided by operating activities	408,869	337,184	209,368
Cash flow from investing activities:			
Acquisitions, net of cash acquired	(123,477)	(5,392)	(246,017)
Purchases of property, plant and equipment	(177,249)	(177,495)	(220,685)
Proceeds from the sale of property, plant and equipment	14,018	21,173	21,635
Proceeds from sale of business	—	—	21,564
Other	1,121	(1,095)	3,804
Net cash used in investing activities	(285,587)	(162,809)	(419,699)
Cash flow from financing activities:			
Proceeds from debt issuances	700,000	300,000	64,500
Debt issuance costs	(9,605)	(6,312)	(550)
Payments on debt	(674,045)	(270,229)	(85,042)
Payments on acquisition-related liabilities	(33,257)	(33,883)	(36,504)
Distributions from partnership	—	—	(69)
Proceeds from stock option exercises	1,043	19,076	15,615
Other	(907)	(502)	(1,943)
Net cash (used in) provided by financing activities	(16,771)	8,150	(43,993)
Impact of foreign currency on cash	351	286	(724)
Net increase in cash	106,862	182,811	(255,048)
Cash and cash equivalents—beginning of period	311,319	128,508	383,556
Cash and cash equivalents—end of period	$ 418,181	$ 311,319	$ 128,508

See accompanying notes to consolidated financial statements.

SUMMIT MATERIALS, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
Years ended January 2, 2021, December 28, 2019 and December 29, 2018
(In thousands, except share amounts)

	Summit Materials, Inc.								
	Accumulated Earnings	Accumulated Other Comprehensive income	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Noncontrolling Interest in Summit Holdings	Total Stockholders' Equity
			Shares	Dollars	Shares	Dollars			
Balance — December 30, 2017	$ 95,833	$ 7,386	110,350,594	$1,104	100	$ —	$ 1,154,220	$ 13,178	$ 1,271,721
Net income	33,906	—	—	—	—	—	—	2,424	36,330
LP Unit exchanges	—	—	254,102	2	—	—	929	(931)	—
Other comprehensive income, net of tax	—	(4,705)	—	—	—	—	—	(198)	(4,903)
Stock option exercises	—	—	863,898	9	—	—	15,607	—	15,616
Share-based compensation	—	—	—	—	—	—	25,378	—	25,378
Distributions from partnership	—	—	—	—	—	—	—	(69)	(69)
Shares redeemed to settle taxes and other	—	—	190,333	2	(1)	—	(1,930)	—	(1,928)
Balance — December 29, 2018	$ 129,739	$ 2,681	111,658,927	$1,117	99	$ —	$ 1,194,204	$ 14,404	$ 1,342,145
Net income	59,066	—	—	—	—	—	—	2,057	61,123
LP Unit exchanges	—	—	185,861	2	—	—	971	(973)	—
Other comprehensive income, net of tax	—	767	—	—	—	—	—	1,878	2,645
Stock option exercises	—	—	1,065,446	11	—	—	19,065	—	19,076
Share-based compensation	—	—	—	—	—	—	20,403	—	20,403
Shares redeemed to settle taxes and other	—	—	399,151	4	—	—	(623)	—	(619)
Balance — December 28, 2019	$ 188,805	$ 3,448	113,309,385	$1,134	99	$ —	$ 1,234,020	$ 17,366	$ 1,444,773
Net income	137,967	—	—	—	—	—	—	3,273	141,240
LP Unit exchanges	—	—	376,487	4	—	—	2,226	(2,230)	—
Other comprehensive income, net of tax	—	1,755	—	—	—	—	—	58	1,813
Stock option exercises	—	—	54,517	1	—	—	1,042	—	1,043
Share-based compensation	—	—	—	—	—	—	28,857	—	28,857
Shares redeemed to settle taxes and other	—	—	650,206	6	—	—	(1,464)	—	(1,458)
Balance — January 2, 2021	$ 326,772	$ 5,203	114,390,595	$1,145	99	$ —	$ 1,264,681	$ 18,467	$ 1,616,268

See accompanying notes to consolidated financial statements.

(1) Summary of Organization and Significant Accounting Policies

Summit Materials, Inc. (“Summit Inc.” and, together with its subsidiaries, “Summit,” “we,” “us,” “our” or the “Company”) is a vertically-integrated construction materials company. The Company is engaged in the production and sale of aggregates, cement, ready-mix concrete, asphalt paving mix and concrete products and owns and operates quarries, sand and gravel pits, two cement plants, cement distribution terminals, ready-mix concrete plants, asphalt plants and landfill sites. It is also engaged in paving and related services. The Company’s three operating and reporting segments are the West, East and Cement segments.

Substantially all of the Company’s construction materials, products and services are produced, consumed and performed outdoors, primarily in the spring, summer and fall. Seasonal changes and other weather-related conditions can affect the production and sales volumes of its products and delivery of services. Therefore, the financial results for any interim period are typically not indicative of the results expected for the full year. Furthermore, the Company’s sales and earnings are sensitive to national, regional and local economic conditions, weather conditions and to cyclical changes in construction spending, among other factors.

On September 23, 2014, Summit Inc. was formed as a Delaware corporation to be a holding company. Its sole material asset is a controlling equity interest in Summit Materials Holdings L.P. (“Summit Holdings”). Pursuant to a reorganization into a holding company structure (the “Reorganization”) consummated in connection with Summit Inc.’s March 2015 initial public offering ("IPO"), Summit Inc. became a holding corporation operating and controlling all of the business and affairs of Summit Holdings and its subsidiaries. Summit Inc. owns the majority of the partnership interests of Summit Holdings (see note 11, Stockholders’ Equity). Summit Materials, LLC (“Summit LLC”) an indirect wholly owned subsidiary of Summit Holdings, conducts the majority of our operations. Continental Cement Company, L.L.C. (“Continental Cement”) is also a wholly owned subsidiary of Summit LLC. Summit Materials Finance Corp. (“Summit Finance”), an indirect wholly owned subsidiary of Summit LLC, has jointly issued our Senior Notes as described below.

Principles of Consolidation—The consolidated financial statements include the accounts of Summit Inc. and its majority owned subsidiaries. All intercompany balances and transactions have been eliminated. As a result of the Reorganization, Summit Holdings became a variable interest entity over which Summit Inc. has 100% voting power and control and for which Summit Inc. has the obligation to absorb losses and the right to receive benefits.

The Company’s fiscal year is based on a 52-53 week year with each quarter composed of 13 weeks ending on a Saturday. The year ended January 2, 2021 was a 53-week year.

For a summary of the changes in Summit Inc.’s ownership of Summit Holdings, see Note 11, Stockholders’ Equity.

The Company attributes consolidated stockholders’ equity and net income separately to the controlling and noncontrolling interests. The Company accounts for investments in entities for which it has an ownership of 20% to 50% using the equity method of accounting.

Use of Estimates—Preparation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) requires management to make estimates and assumptions. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities and reported amounts of revenue and expenses. Such estimates include the valuation of accounts receivable, inventories, valuation of deferred tax assets, goodwill, intangibles and other long-lived assets, the tax receivable agreement (“TRA”) liability, pension and other postretirement obligations, and asset retirement obligations. Estimates also include revenue earned on contracts and costs to complete contracts. Most of the Company’s paving and related services are performed under fixed unit-price contracts with state and local governmental entities. Management regularly evaluates its estimates and assumptions based on historical experience and other factors, including the current economic environment. As future events and their effects cannot be determined with precision, actual results can differ significantly from estimates made. Changes in estimates, including those resulting from continuing changes in the economic environment, are reflected in the Company’s consolidated financial statements when the change in estimate occurs.

Business and Credit Concentrations—The Company's operations are conducted primarily across 23 U.S. states and in British Columbia, Canada, with the most significant revenue generated in Texas, Utah, Kansas and Missouri. The Company's accounts receivable consist primarily of amounts due from customers within these areas. Therefore, collection of these accounts is dependent on the economic conditions in the aforementioned states, as well as specific situations affecting individual customers. Credit granted within the Company's trade areas has been granted to many customers and management does not believe that a significant concentration of credit exists with respect to any individual customer or group of customers. No single customer accounted for more than 10% of the Company's total revenue in 2020, 2019 or 2018.

Accounts Receivable—Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the collectability of individual accounts. In establishing the allowance, management considers historical losses adjusted to take into account current market conditions and its customers' financial condition, the amount of receivables in dispute, the current receivables aging and current payment terms. Balances that remain outstanding after reasonable collection efforts are exercised are written off through a charge to the valuation allowance.

The balances billed but not paid by customers, pursuant to retainage provisions included in contracts, are generally due upon completion of the contracts.

Revenue Recognition—We earn revenue from the sale of products, which primarily include aggregates, cement, ready-mix concrete and asphalt, but also include concrete products and plastics components, and from the provision of services, which are primarily paving and related services, but also include landfill operations, the receipt and disposal of waste that is converted to fuel for use in our cement plants.

Products

We earn revenue from the sale of products, which primarily include aggregates, cement, ready-mix concrete and asphalt, but also include concrete products, net of discounts or allowances, if any, and freight and delivery charges billed to customers. Revenue for product sales is recognized when evidence of an arrangement exists and when control passes, which generally is when the product is shipped.

Aggregates and cement products are sold point-of-sale through purchase orders. When the product is sold on account, collectability typically occurs 30 to 60 days after the sale. Revenue is recognized when cash is received from the customer at the point of sale or when the products are delivered or collected on site. There are no other timing implications that will create a contract asset or liability, and contract modifications are unlikely given the timing and nature of the transaction. Material sales are likely to have multiple performance obligations if the product is sold with delivery. In these instances, delivery most often occurs on the same day as the control of the product transfers to the customer. As a result, even in the case of multiple performance obligations, the performance obligations are satisfied concurrently and revenue is recognized simultaneously.

Services

We earn revenue from the provision of services, which are primarily paving and related services, but also include landfill operations and the receipt and disposal of waste that is converted to fuel for use in our cement plants. Revenue from the receipt of waste fuels is recognized when the waste is accepted and a corresponding liability is recognized for the costs to process the waste into fuel for the manufacturing of cement or to ship the waste offsite for disposal in accordance with applicable regulations.

Collectability of service contracts is due reasonably after certain milestones in the contract are performed. Milestones vary by project, but are typically calculated using monthly progress based on the percentage of completion or a customer's engineer review of progress. The majority of the time, collection occurs within 90 days of billing and cash is received within the same fiscal year as services performed. On most projects, the customer will withhold a portion of the invoice for retainage, which may last longer than a year depending on the job.

Revenue derived from paving and related services is recognized over time based on the proportion of costs incurred to date relative to the total estimated costs at completion, which approximates progress towards completion. Under this method, we recognize paving and related services revenue as services are rendered. The majority of our construction service contracts are completed within one year, but may occasionally extend beyond this time frame. The majority of our construction service contracts, and therefore, revenue, are opened and completed within one year, with most activity during the spring, summer and fall. We estimate profit as the difference between total estimated revenue and total estimated cost of a contract and recognize that profit over the life of the contract based on input measures. We generally measure progress toward completion on long-

term paving and related services contracts based on the proportion of costs incurred to date relative to total estimated costs at completion. We include revisions of estimated profits on contracts in earnings under the cumulative catch-up method, under which the effect of revisions in estimates is recognized immediately. If a revised estimate of contract profitability reveals an anticipated loss on the contract, we recognize the loss in the period it is identified.

The actual cost to total estimated cost method of accounting involves the use of various estimating techniques to project costs at completion, and in some cases includes estimates of recoveries asserted against the customer for changes in specifications or other disputes. Contract estimates involve various assumptions and projections relative to the outcome of future events over multiple periods, including future labor productivity and availability, the nature and complexity of the work to be performed, the cost and availability of materials, the effect of delayed performance, and the availability and timing of funding from the customer. These estimates are based on our best judgment. A significant change in one or more of these estimates could affect the profitability of one or more of our contracts. We review our contract estimates regularly to assess revisions in contract values and estimated costs at completion. Inherent uncertainties in estimating costs make it at least reasonably possible that the estimates used will change within the near term and over the life of the contracts. No material adjustments to a contract were recognized in the year ended January 2, 2021.

We recognize claims when the amount of the claim can be estimated reliably and it is legally enforceable. In evaluating these criteria, we consider the contractual basis for the claim, the cause of any additional costs incurred, the reasonableness of those costs and the objective evidence available to support the claim.

When the contract includes variable consideration, we estimate the amount of consideration to which we will be entitled in exchange for transferring the promised goods or services to a customer. The amount of estimated variable consideration included in the transaction price is the amount for which it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Types of variable consideration include, but are not limited to, liquidated damages and other performance penalties and production and placement bonuses.

The majority of contract modifications relate to the original contract and are often an extension of the original performance obligation. Predominately, modifications are not distinct from the terms in the original contract; therefore, they are considered part of a single performance obligation. We account for the modification using a cumulative catch-up adjustment. However, there are instances where goods or services in a modification are distinct from those transferred prior to the modification. In these situations, we account for the modifications as either a separate contract or prospectively depending on the facts and circumstances of the modification.

Generally, construction contracts contain mobilization costs which are categorized as costs to fulfill a contract. These costs are excluded from any measure of progress toward contract fulfillment. These costs do not result in the transfer of control of a good or service to the customer and are amortized over the life of the contract.

Costs and estimated earnings in excess of billings are composed principally of revenue recognized on contracts on the percentage of completion method for which billings had not been presented to customers because the amounts were not billable under the contract terms at the balance sheet date. In accordance with the contract terms, the unbilled receivables at the balance sheet date are expected to be billed in following periods. Billings in excess of costs and estimated earnings represent billings in excess of revenue recognized.

Inventories—Inventories consist of stone that has been removed from quarries and processed for future sale, cement, raw materials and finished concrete blocks. Inventories are valued at the lower of cost or net realizable value and are accounted for on a first-in first-out basis or an average cost basis. If items become obsolete or otherwise unusable or if quantities exceed what is projected to be sold within a reasonable period of time, they will be charged to costs of revenue in the period that the items are designated as obsolete or excess inventory. Stripping costs are costs of removing overburden and waste material to access aggregate materials and are expensed as incurred.

Property, Plant and Equipment, net—Property, plant and equipment are recorded at cost, less accumulated depreciation, depletion and amortization. Expenditures for additions and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Repair and maintenance costs that do not substantially expand productive capacity or extend the life of property, plant and equipment are expensed as incurred.

Landfill airspace is included in property, plant and equipment at cost and is amortized based on the portion of the airspace used during the period compared to the gross estimated value of available airspace, which is updated periodically as circumstances dictate. Management reassesses the landfill airspace capacity with any changes in value recorded in cost of

revenue. Capitalized landfill costs include expenditures for the acquisition of land and related airspace, engineering and permitting costs, cell construction costs and direct site improvement costs.

Upon disposal of an asset, the cost and related accumulated depreciation are removed from the Company's accounts and any gain or loss is included in general and administrative expenses.

The Company reviews the carrying value of property, plant and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. Such indicators may include, among others, deterioration in general economic conditions, adverse changes in the markets in which an entity operates, increases in input costs that have a negative effect on earnings and cash flows or a trend of negative or declining cash flows over multiple periods.

Property, plant and equipment is tested for impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. As a result, the property, plant and equipment impairment test is at a significantly lower level than the level at which goodwill is tested for impairment. In markets where the Company does not produce downstream products, such as ready-mix concrete, asphalt paving mix and paving and related services, the lowest level of largely independent identifiable cash flows is at the individual aggregates operation or a group of aggregates operations collectively serving a local market or the cement operations. Conversely, in vertically-integrated markets, the cash flows of the downstream and upstream businesses are not largely independently identifiable and the vertically-integrated operations are considered the lowest level of largely independent identifiable cash flows.

Aggregates mineral bearing land and interests are included in property, plant and equipment. When leased mineral interests are acquired during a business combination, they are valued using an excess earnings approach for the life of the proven and probable reserves. Depletion expense is recorded using a units of production methodology.

Accrued Mining and Landfill Reclamation—The mining reclamation reserve and financial commitments for landfill closure and post-closure activities are based on management's estimate of future cost requirements to reclaim property at both currently operating and closed sites. Estimates of these obligations have been developed based on management's interpretation of current requirements and proposed regulatory changes and are intended to approximate fair value. Costs are estimated in current dollars, inflated until the expected time of payment, and then discounted back to present value using a credit-adjusted risk-free rate on obligations of similar maturity, adjusted to reflect the Company's credit rating. Changes in the credit-adjusted risk-free rate do not change recorded liabilities. However, subsequent increases in the recognized obligations are measured using a current credit-adjusted risk-free rate. Decreases in the recognized obligations are measured at the initial credit-adjusted risk-free rate.

Significant changes in inflation rates, or the amount or, timing of future cost estimates typically result in both (1) a current adjustment to the recorded liability (and corresponding adjustment to the asset) and (2) a change in accretion of the liability and depreciation of the asset to be recorded prospectively over the remaining capacity of the unmined quarry or landfill.

Goodwill—Goodwill represents the purchase price paid in excess of the fair value of net tangible and intangible assets acquired. Goodwill recorded in connection with the Company's acquisitions is primarily attributable to the expected profitability, assembled workforces of the acquired businesses and the synergies expected to arise after the Company's acquisition of those businesses. Goodwill is not amortized, but is tested annually for impairment as of the first day of the fourth quarter and at any time that events or circumstances indicate that goodwill may be impaired. A qualitative approach may first be applied to determine whether it is more likely than not that the estimated fair value of a reporting unit is less than its carrying amount. If, as a result of the qualitative assessment, it is determined that an impairment is more likely than not, the two-step quantitative impairment test is then performed, otherwise further analysis is not required. The two-step impairment test first identifies potential goodwill impairment for each reporting unit and then, if necessary, measures the amount of the impairment loss.

Income Taxes—Summit Inc. is a corporation subject to income taxes in the United States. Certain subsidiaries, including Summit Holdings, or subsidiary groups of the Company are taxable separate from Summit Inc. The provision for income taxes, or Summit Inc.'s proportional share of the provision, are included in the Company's consolidated financial statements.

The Company's deferred income tax assets and liabilities are computed for differences between the tax basis and financial statement amounts that will result in taxable or deductible amounts in the future. The computed deferred balances are based on enacted tax laws and applicable rates for the periods in which the differences are expected to affect taxable income. A

valuation allowance is recognized for deferred tax assets if it is more likely than not that some portion or all of the net deferred tax assets will not be realized. In making such a determination, all available positive and negative evidence is considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines it would be able to realize its deferred tax assets for which a valuation allowance had been recorded then an adjustment would be made to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company evaluates the tax positions taken on income tax returns that remain open and positions expected to be taken on the current year tax returns to identify uncertain tax positions. Unrecognized tax benefits on uncertain tax positions are recorded on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the largest amount of tax benefit that is more than 50 percent likely to be realized is recognized. Interest and penalties related to unrecognized tax benefits are recorded in income tax expense (benefit).

Tax Receivable Agreement— When Class A limited partnership units of Summit Holdings ("LP Units") are exchanged for shares of Class A common stock of Summit Inc. or Summit Inc. purchases LP Units for cash, this results in increases in Summit Inc.'s share of the tax basis of the tangible and intangible assets, which increases the tax depreciation and amortization deductions that otherwise would not have been available to Summit Inc. These increases in tax basis and tax depreciation and amortization deductions are expected to reduce the amount of cash taxes that we would otherwise be required to pay in the future. Prior to our IPO, we entered into a TRA with the pre-IPO owners that requires us to pay the pre-IPO owners or their permitted assignees 85% of the amount of cash savings, if any, in U.S. federal, state, and local income tax that we actually realize as a result of these exchanges. These benefits include (1) increases in the tax basis of tangible and intangible assets of Summit Holdings and certain other tax benefits related to entering into the TRA, (2) tax benefits attributable to payments under the TRA, or (3) under certain circumstances such as an early termination of the TRA, we are deemed to realize, as a result of the increases in tax basis in connection with exchanges by the pre-IPO owners described above and certain other tax benefits attributable to payments under the TRA.

As noted above, we periodically evaluate the realizability of the deferred tax assets resulting from the exchange of LP Units for Class A common stock. If the deferred tax assets are determined to be realizable, we then assess whether payment of amounts under the TRA have become probable. If so, we record a TRA liability equal to 85% of such deferred tax assets. In subsequent periods, we assess the realizability of all of our deferred tax assets subject to the TRA. Should we determine a deferred tax asset with a valuation allowance is realizable in a subsequent period, the related valuation allowance will be released and consideration of a corresponding TRA liability will be assessed. The realizability of deferred tax assets, including those subject to the TRA, is dependent upon the generation of future taxable income during the periods in which those deferred tax assets become deductible and consideration of prudent and feasible tax-planning strategies.

The measurement of the TRA liability is accounted for as a contingent liability. Therefore, once we determine that a payment to a pre-IPO owner has become probable and can be estimated, the estimate of payment will be accrued.

Earnings per Share—The Company computes basic earnings per share attributable to stockholders by dividing income attributable to Summit Inc. by the weighted-average shares of Class A common stock outstanding. Diluted earnings per share reflects the potential dilution beyond shares for basic earnings per share that could occur if securities or other contracts to issue common stock were exercised, converted into common stock, or resulted in the issuance of common stock that would have shared in the Company's earnings. Since the Class B common stock has no economic value, those shares are not included in the weighted-average common share amount for basic or diluted earnings per share. In addition, as the shares of Class A common stock are issued by Summit Inc., the earnings and equity interests of noncontrolling interests are not included in basic earnings per share.

Prior Year Reclassifications — We have reclassified transaction costs of $2.2 million and $4.2 million for the years ended 2019 and 2018, respectively, from a separate line item included in operating income to general and administrative expenses to conform to the current year presentation. In addition, we reclassified $10.7 million and $12.6 million for the years ended 2019 and 2018, respectively, of gain on sale of property, plant and equipment from general and administrative expenses to its own line item included within operating income, also to conform to the current year presentation.

New Accounting Standards — In February 2016, the Financial Accounting Standards Board FASB ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), which requires lessees to recognize most leases on the balance sheet. Lessees are required to disclose more quantitative and qualitative information about the leases than current U.S. GAAP requires. The ASU and subsequent amendments issued in 2018 are effective for public entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. We adopted the standard effective December 30,

2018 using the modified retrospective approach. The modified retrospective approach provides a method for recording existing leases at adoption. In addition, we elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed us to carry forward the historical lease classification. In addition, we elected the hindsight practical expedient to determine the lease term for existing leases. The most significant impact upon adoption was the recognition of $36.8 million of operating lease right-of-use assets and $36.8 million operating lease liabilities. The standard had no material impact on our statements of operations and cash flows.

In August 2017, the FASB issued ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities, allowing more financial and nonfinancial hedging strategies to be eligible for hedge accounting. The ASU is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. The adoption of this new ASU did not have a material impact on our consolidated financial results.

In June 2018, the FASB issued ASU No. 2018-07, Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting, increasing the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. The ASU is effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. The adoption of this new ASU did not have a material impact on our consolidated financial results.

In August 2018, the FASB issued ASU No. 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which reduces the accounting complexity of implementing a cloud computing service arrangement. The ASU aligns the capitalization of implementation costs among hosting arrangements and costs incurred to develop internal-use software. We adopted this ASU in the first quarter of 2020 and the adoption of this ASU did not have a material impact on the consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework Changes to The Disclosure Requirements for Defined Benefits Plans, which modifies the disclosure requirements of employer-sponsored defined benefit and other postretirement benefits plans. The ASU is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. The adoption of this new ASU did not have a material impact on our consolidated financial results.

(2) Acquisitions

The Company has completed numerous acquisitions since its formation, which have been financed through a combination of debt and equity funding. The operations of each acquisition have been included in the Company's consolidated results of operations since the respective closing dates of the acquisitions. The Company measures all assets acquired and liabilities assumed at their acquisition-date fair value. The purchase price allocation for the 2020 acquisitions has not yet been finalized due to the recent timing of the acquisitions. The following table summarizes the Company's acquisitions by region and year:

	2020	2019	2018
West	2	2	5
East (1)	1	—	7

(1) In addition, the Company acquired certain assets of a small ready-mix concrete operation in the second quarter of 2018.

The table below summarizes aggregated information regarding the fair values of the assets acquired and liabilities assumed as of the respective acquisition dates.

	2020	2019
Financial assets	$ 8,696	$ —
Inventories	2,856	52
Property, plant and equipment	130,042	3,542
Other assets	2,790	—
Financial liabilities	(4,469)	(36)
Other long-term liabilities	(16,069)	—
Net assets acquired	123,846	3,558
Goodwill	—	1,834
Purchase price	123,846	5,392
Other	(369)	—
Net cash paid for acquisitions	$ 123,477	$ 5,392

Acquisition-Related Liabilities—A number of acquisition-related liabilities have been recorded subject to terms in the relevant purchase agreements, including deferred consideration and noncompete payments. Noncompete payments have been accrued where certain former owners of newly acquired companies have entered into standard noncompete arrangements. Subject to terms and conditions stated in these noncompete agreements, payments are generally made over a five-year period. Deferred consideration is purchase price consideration paid in the future as agreed to in the purchase agreement and is not contingent on future events. Deferred consideration is generally scheduled to be paid in years ranging from 5 to 20 years in annual installments. The remaining payments due under these noncompete and deferred consideration agreements are as follows:

2021	$ 9,705
2022	3,411
2023	2,657
2024	2,620
2025	2,567
Thereafter	4,454
Total scheduled payments	25,414
Present value adjustments	(4,766)
Total noncompete obligations and deferred consideration	$ 20,648

Accretion on the deferred consideration and noncompete obligations is recorded in interest expense.

(3) Goodwill

As of January 2, 2021, the Company had 11 reporting units with goodwill for which the annual goodwill impairment test was completed. We perform the annual impairment test on the first day of the fourth quarter each year. We initially perform a qualitative analysis. As a result of this analysis, it was determined that it is more likely than not that the fair value of seven reporting units were greater than its carrying value. For the remaining reporting units we perform a two-step quantitative analysis. Step 1 of that analysis compares the estimated the fair value of the reporting units using an income approach (i.e., a discounted cash flow technique) and a market approach to the carrying value of the reporting unit. If the estimated fair value exceeds its carrying value, the goodwill of the reporting unit is not considered impaired. If the carrying value of the reporting unit exceeds its fair value, we proceed to the second step to measure the amount of potential impairment loss. Based on this analysis, it was determined that the reporting units' fair values were greater than their carrying values and no impairment charges were recognized in 2020. The accumulated impairment charges recognized in periods prior to 2018 totaled $68.2 million.

These estimates of a reporting unit's fair value involve significant management estimates and assumptions, including but not limited to sales prices of similar assets, assumptions related to future profitability, cash flows, and discount rates. These estimates are based upon historical trends, management's knowledge and experience and overall economic factors, including projections of future earnings potential. Developing discounted future cash flow estimates in applying the income approach required management to evaluate its intermediate to longer-term strategies, including, but not limited to, estimates about revenue growth, operating margins, capital requirements, inflation and working capital management. The development of

appropriate rates to discount the estimated future cash flows required the selection of risk premiums, which can materially affect the present value of estimated future cash flows.

The following table presents goodwill by reportable segments and in total:

	West	East	Cement	Total
Balance—December 29, 2018	$ 580,567	$ 406,805	$ 204,656	$ 1,192,028
Acquisitions	1,657	3,621	—	5,278
Foreign currency translation adjustments	2,393	—	—	2,393
Balance—December 28, 2019	$ 584,617	$ 410,426	$ 204,656	$ 1,199,699
Acquisitions (1)	19	—	—	19
Foreign currency translation adjustments	1,573	—	—	1,573
Balance—January 2, 2021	$ 586,209	$ 410,426	$ 204,656	$ 1,201,291

(1) Reflects goodwill from 2020 acquisitions and working capital adjustments from prior year acquisitions.

(4) Revenue Recognition

We derive our revenue predominantly by selling construction materials, products and providing paving and related services. Construction materials consist of aggregates and cement. Products consist of related downstream products, including ready-mix concrete, asphalt paving mix and concrete products. Paving and related service revenue is generated primarily from the asphalt paving services that we provide, and is recognized based on the proportion of costs incurred to date relative to the total estimated costs at completion. The majority of our construction service contracts, and therefore revenue, are opened and completed within one year, with the most activity during the spring, summer and fall.

Revenue by product for the years ended January 2, 2021, December 28, 2019 and December 29, 2018 consisted of the following:

	2020	2019	2018
Revenue by product*:			
Aggregates	$ 498,007	$ 469,670	$ 373,824
Cement	257,629	266,235	258,876
Ready-mix concrete	668,060	607,622	584,114
Asphalt	349,350	330,750	301,247
Paving and related services	381,430	360,234	379,540
Other	177,975	187,629	203,401
Total revenue	$ 2,332,451	$ 2,222,140	$ 2,101,002

* Revenue from the liquid asphalt terminals is included in asphalt revenue.

The following table outlines the significant changes in contract assets and contract liability balances from December 28, 2019 to January 2, 2021. Also included in the table is the net change in the estimate as a percentage of aggregate revenue for such contracts:

	Costs and estimated earnings in excess of billings	Billings in excess of costs and estimated earnings
Balance—December 28, 2019	$ 13,088	$ 13,864
Changes in revenue billed, contract price or cost estimates	(4,535)	2,616
Other	113	19
Balance—January 2, 2021	$ 8,666	$ 16,499

Accounts receivable, net consisted of the following as of January 2, 2021 and December 28, 2019:

	2020	2019
Trade accounts receivable	$ 191,871	$ 191,672
Construction contract receivables	47,179	47,966
Retention receivables	18,824	17,808
Receivables from related parties	1,339	1,596
Accounts receivable	259,213	259,042
Less: Allowance for doubtful accounts	(4,517)	(5,786)
Accounts receivable, net	$ 254,696	$ 253,256

Retention receivables are amounts earned by the Company but held by customers until paving and related service contracts and projects are near completion or fully completed. Amounts are generally billed and collected within one year.

(5) Inventories

Inventories consisted of the following as of January 2, 2021 and December 28, 2019:

	2020	2019
Aggregate stockpiles	$ 137,938	$ 140,461
Finished goods	32,993	33,023
Work in process	9,281	7,664
Raw materials	20,096	23,639
Total	$ 200,308	$ 204,787

(6) Property, Plant and Equipment, net and Intangibles, net

Property, plant and equipment, net consisted of the following as of January 2, 2021 and December 28, 2019:

	2020	2019
Mineral bearing land and leased interests	$ 468,966	$ 333,024
Land (non-mineral bearing)	197,432	182,065
Buildings and improvements	181,198	178,088
Plants, machinery and equipment	1,397,410	1,318,512
Mobile equipment and barges	543,133	501,809
Truck and auto fleet	56,163	54,838
Landfill airspace and improvements	52,202	49,766
Office equipment	45,942	43,155
Construction in progress	40,648	42,007
Property, plant and equipment	2,983,094	2,703,264
Less accumulated depreciation, depletion and amortization	(1,132,925)	(955,815)
Property, plant and equipment, net	$ 1,850,169	$ 1,747,449

Depreciation on property, plant and equipment, including assets subject to capital leases, is generally computed on a straight-line basis. Depletion of mineral reserves and leased mineral interests are computed based on the portion of the reserves used during the period compared to the gross estimated value of proven and probable reserves, which is updated periodically as circumstances dictate. Leasehold improvements are amortized on a straight-line basis over the lesser of the asset's useful life or the remaining lease term. The estimated useful lives are generally as follows:

Buildings and improvements	10 - 30 years
Plant, machinery and equipment	7 - 20 years
Office equipment	3 - 7 years
Truck and auto fleet	5 - 8 years
Mobile equipment and barges	6 - 8 years
Landfill airspace and improvements	10 - 30 years
Other	4 - 20 years

Depreciation, depletion and amortization expense of property, plant and equipment was $195.3 million, $196.8 million and $199.6 million in the years ended January 2, 2021, December 28, 2019 and December 29, 2018, respectively.

Property, plant and equipment at January 2, 2021 and December 28, 2019 included $92.7 million and $82.7 million, respectively, of finance leases for certain equipment and a building with accumulated amortization of $32.8 million and $24.9 million, respectively. The equipment leases generally have terms of less than five years and the building lease had an original term of 30 years. Approximately $24.6 million and $16.0 million of the future obligations associated with the finance leases are included in accrued expenses as of January 2, 2021 and December 28, 2019, respectively, and the present value of the remaining finance lease payments, $31.7 million and $40.4 million, respectively, is included in other noncurrent liabilities on the consolidated balance sheets. Future minimum rental commitments under long-term capital leases are $26.7 million, $18.6 million, $7.1 million, $3.2 million, and $2.6 million for the years ended 2021, 2022, 2023, 2024 and 2025, respectively.

Assets are assessed for impairment charges when identified for disposition. The net gain from asset dispositions recognized in general and administrative expenses in fiscal years 2020, 2019 and 2018 was $7.6 million, $10.7 million and $12.6 million, respectively. No material impairment charges have been recognized on assets held for use in fiscal 2020, 2019 or 2018.

Intangible Assets—The Company's intangible assets subject to amortization are primarily composed of operating permits, mineral lease agreements and reserve rights. Operating permits relate to permitting and zoning rights acquired outside of a business combination. The assets related to mineral lease agreements reflect the submarket royalty rates paid under agreements, primarily for extracting aggregates. The values were determined as of the respective acquisition dates by a comparison of market-royalty rates. The reserve rights relate to aggregate reserves to which the Company has the rights of ownership, but does not own the reserves. The intangible assets are amortized on a straight-line basis over the lives of the leases or permits, or computed based on the portion of the reserves used during the period compared to the gross estimated value of proven and probable reserves. The following table shows intangible assets by type and in total:

	January 2, 2021			December 28, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Operating permits	$ 33,671	$ (1,207)	$ 32,464	$ 6,609	$ (290)	$ 6,319
Mineral leases	19,225	(7,571)	11,654	19,064	(6,408)	12,656
Reserve rights	6,234	(2,504)	3,730	6,234	(2,248)	3,986
Trade names	—	—	—	1,000	(958)	42
Other	586	(582)	4	957	(462)	495
Total intangible assets	$ 59,716	$ (11,864)	$ 47,852	$ 33,864	$ (10,366)	$ 23,498

Amortization expense in fiscal 2020, 2019 and 2018 was $2.7 million, $2.1 million and $1.5 million, respectively. The estimated amortization expense for intangible assets for each of the next five years and thereafter is as follows:

2021	$ 3,129
2022	3,136
2023	3,003
2024	2,908
2025	2,863
Thereafter	32,813
Total	$ 47,852

(7) Accrued Expenses

Accrued expenses consisted of the following as of January 2, 2021 and December 28, 2019:

	2020	2019
Interest	$ 21,860	$ 26,892
Payroll and benefits	46,026	29,356
Finance lease obligations	24,601	16,007
Insurance	18,355	14,968
Non-income taxes	15,669	7,666
Deferred asset purchase payments	9,749	3,525
Professional fees	828	902
Other (1)	23,482	20,689
Total	$ 160,570	$ 120,005

(1) Consists primarily of current portion of asset retirement obligations and miscellaneous accruals.

(8) Debt

Debt consisted of the following as of January 2, 2021 and December 28, 2019:

	2020	2019
Term Loan, due 2024:		
$616.3 million and $624.3 million, net of $0.9 million and $1.1 million discount at January 2, 2021 and December 28, 2019, respectively	$ 615,425	$ 623,140
6 1⁄8% Senior Notes, due 2023:		
$650.0 million, net of $0.9 million discount at December 28, 2019	—	649,133
5 1⁄8% Senior Notes, due 2025	300,000	300,000
6 1⁄2% Senior Notes, due 2027	300,000	300,000
5 1⁄4% Senior Notes, due 2029	700,000	—
Total	1,915,425	1,872,273
Current portion of long-term debt	6,354	7,942
Long-term debt	$ 1,909,071	$ 1,864,331

The contractual payments of long-term debt, including current maturities, for the five years subsequent to January 2, 2021, are as follows:

2021	$ 6,354
2022	6,354
2023	6,354
2024	597,252
2025	300,000
Thereafter	1,000,000
Total	1,916,314
Less: Original issue net discount	(889)
Less: Capitalized loan costs	(16,724)
Total debt	$ 1,898,701

Senior Notes—On August 11, 2020, Summit LLC and Summit Finance (together, the "Issuers") issued $700.0 million in aggregate principal amount of 5.250% senior notes due January 15, 2029 (the "2029 Notes"). The 2029 Notes were issued at 100.0% of their par value with proceeds of $690.4 million, net of related fees and expenses. The 2029 Notes were issued under an indenture dated August 11, 2020 (the "2020 Indenture"). The 2020 Indenture contains covenants limiting, among other things, Summit LLC and its restricted subsidiaries' ability to incur additional indebtedness or issue certain preferred shares, pay dividends, redeem stock or make other distributions, make certain investments, sell or transfer certain assets, create liens, consolidate, merge, sell or otherwise dispose of all or substantially all of its assets, enter into certain transactions with affiliates, and designate subsidiaries as unrestricted subsidiaries. The 2020 Indenture also contains customary events of default. Interest on the 2029 Notes is payable semi-annually on January 15 and July 15 of each year commencing on January 15, 2021.

In August 2020, using the proceeds from the 2029 Notes, all of the outstanding $650.0 million 6.125% senior notes due 2023 (the "2023 Notes") were redeemed at a price equal to par and the indenture under which the 2023 Notes were issued was satisfied and discharged. As a result of the extinguishment, charges of $4.1 million were recognized in the quarter ended September 26, 2020, which included charges of $0.8 million for the write-off of original issue discount and $3.3 million for the write-off of deferred financing fees.

On March 15, 2019, the Issuers issued $300.0 million in aggregate principal amount of 6.500% senior notes due March 15, 2027 (the "2027 Notes"). The 2027 Notes were issued at 100.0% of their par value with proceeds of $296.3 million, net of related fees and expenses. The 2027 Notes were issued under an indenture dated March 25, 2019, the terms of which are generally consistent with the 2020 Indenture. Interest on the 2027 Notes is payable semi-annually on March 15 and September 15 of each year commencing on September 15, 2019.

In March 2019, using the proceeds from the 2027 Notes, all of the outstanding $250.0 million 8.500% senior notes due 2022 (the "2022 Notes") were redeemed at a price equal to par plus an applicable premium and the indenture under which the 2022 Notes were issued was satisfied and discharged. As a result of the extinguishment, charges of $14.6 million were recognized in the quarter ended March 30, 2019, which included charges of $11.7 million for the applicable redemption premium and $2.9 million for the write-off of deferred financing fees.

In 2017, the Issuers issued $300.0 million of 5.125% senior notes due June 1, 2025 (the "2025 Notes"). The 2025 Notes were issued at 100.0% of their par value with proceeds of $295.4 million, net of related fees and expenses. The 2025 Notes were issued under an indenture dated June 1, 2017, the terms of which are generally consistent with the 2020 Indenture. Interest on the 2025 Notes is payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2017.

In 2015, the Issuers issued $650.0 million of 6.125% senior notes due July 2023 (the "2023 Notes" and collectively with the 2022 Notes and the 2027 Notes, the "Senior Notes"). Of the aggregate $650.0 million of 2023 Notes, $350.0 million were issued at par and $300.0 million were issued at 99.375% of par. The 2023 Notes were issued under an indenture dated July 8, 2015, the terms of which are generally consistent with the 2020 Indenture. The 2023 Notes were paid in full in August 2020 as noted above.

As of January 2, 2021 and December 28, 2019, the Company was in compliance with all financial covenants under the applicable indentures.

Senior Secured Credit Facilities— Summit LLC has credit facilities that provide for term loans in an aggregate amount of $650.0 million and revolving credit commitments in an aggregate amount of $345.0 million (the "Senior Secured Credit Facilities"). Under the Senior Secured Credit Facilities, required principal repayments of 0.25% of the refinanced

aggregate amount of term debt are due on the last business day of each March, June, September and December, commencing with the March 2018 payment. The unpaid principal balance is due in full on the maturity date, which is November 21, 2024.

On February 25, 2019, Summit LLC entered into Incremental Amendment No. 4 to the credit agreement governing the Senior Secured Credit Facilities (the "Credit Agreement") which, among other things, increased the total amount available under the revolving credit facility to $345.0 million and extended the maturity date of the Credit Agreement with respect to the revolving credit commitments to February 25, 2024.

The revolving credit facility bears interest per annum equal to, at Summit LLC's option, either (i) a base rate determined by reference to the highest of (a) the federal funds rate plus 0.50%, (b) the prime rate of Bank of America, N.A. and (c) LIBOR plus 1.00%, plus an applicable margin of 2.00% for base rate loans or (ii) a LIBOR rate determined by reference to Reuters prior to the interest period relevant to such borrowing adjusted for certain additional costs plus an applicable margin of 3.00% for LIBOR rate loans.

There were no outstanding borrowings under the revolving credit facility as of January 2, 2021 or December 28, 2019. As of January 2, 2021, we had remaining borrowing capacity of $329.1 million under the revolving credit facility, which is net of $15.9 million of outstanding letters of credit. The outstanding letters of credit are renewed annually and support required bonding on construction projects and the Company's insurance liabilities.

Summit LLC's Consolidated First Lien Net Leverage Ratio, as such term is defined in the Credit Agreement, should be no greater than 4.75:1.0 as of each quarter-end. As of January 2, 2021 and December 28, 2019, Summit LLC was in compliance with all financial covenants under the Credit Agreement.

Summit LLC's wholly-owned domestic subsidiary companies, subject to certain exclusions and exceptions, are named as subsidiary guarantors of the Senior Notes and the Senior Secured Credit Facilities. In addition, Summit LLC has pledged substantially all of its assets as collateral, subject to certain exclusions and exceptions, for the Senior Secured Credit Facilities.

The following table presents the activity for the deferred financing fees for the years ended January 2, 2021 and December 28, 2019:

	Deferred financing fees
Balance—December 29, 2018	$ 15,475
Loan origination fees	6,312
Amortization	(3,501)
Write off of deferred financing fees	(2,850)
Balance—December 28, 2019	$ 15,436
Loan origination fees	9,605
Amortization	(3,336)
Write off of deferred financing fees	(3,338)
Balance—January 2, 2021	$ 18,367

Other—On January 15, 2015, the Company's wholly-owned subsidiary in British Columbia, Canada entered into an agreement with HSBC for a (i) $6.0 million Canadian dollar ("CAD") revolving credit commitment to be used for operating activities that bears interest per annum equal to the bank's prime rate plus 0.20%, (ii) $0.5 million CAD revolving credit commitment to be used for capital equipment that bears interest per annum at the bank's prime rate plus 0.90% and (iii) $0.4 million CAD revolving credit commitment to provide guarantees on behalf of that subsidiary. There were no amounts outstanding under this agreement as of January 2, 2021 or December 28, 2019.

(9) Income Taxes

Summit Inc.'s tax provision includes its proportional share of Summit Holdings' tax attributes. Summit Holdings' subsidiaries are primarily limited liability companies, but do include certain entities organized as C corporations and a Canadian subsidiary. The tax attributes related to the limited liability companies are passed on to Summit Holdings and then to its partners, including Summit Inc. The tax attributes associated with the C corporation and Canadian subsidiaries are fully reflected in the Company's consolidated financial statements. For the years ended January 2, 2021, December 28, 2019 and December 29, 2018, income taxes consisted of the following:

	2020	2019	2018
Provision for income taxes:			
Current	$ 3,827	$ 69	$ 463
Deferred	(16,012)	17,032	59,284
Income tax expense (benefit)	$ (12,185)	$ 17,101	$ 59,747

The effective tax rate on pre-tax income differs from the U.S. statutory rate of 21% for 2020, 2019 and 2018, respectively, due to the following:

	2020	2019	2018
Income tax expense (benefit) at federal statutory tax rate	$ 27,100	$ 16,427	$ 20,177
Less: Income tax benefit at federal statutory tax rate for LLC entities	(593)	(658)	(561)
State and local income taxes	5,067	3,792	4,894
Permanent differences	(3,345)	(6,272)	(5,537)
Effective tax rate change	4,257	(2,006)	4,034
Unrecognized tax benefits	(41,548)	18,885	22,663
Tax receivable agreement (benefit) expense	(6)	2,436	(8,282)
Change in valuation allowance	—	(17,691)	17,592
Other	(3,117)	2,188	4,767
Income tax expense (benefit)	$ (12,185)	$ 17,101	$ 59,747

The following table summarizes the components of the net deferred income tax asset (liability) as January 2, 2021 and December 28, 2019:

	2020	2019
Deferred tax assets (liabilities):		
Net intangible assets	$ 199,497	$ 240,790
Accelerated depreciation	(209,644)	(201,126)
Net operating loss	227,560	164,335
Investment in limited partnership	(33,139)	(31,987)
Mining reclamation reserve	3,306	2,018
Working capital (e.g., accrued compensation, prepaid assets)	45,972	37,287
Interest expense limitation carryforward	—	2,691
Less valuation allowance	(1,675)	(1,675)
Deferred tax assets	231,877	212,333
Less foreign deferred tax liability (included in other noncurrent liabilities)	(18,393)	(8,267)
Net deferred tax asset	$ 213,484	$ 204,066

As of January 2, 2021, $378.5 million of our deferred tax assets subject to our TRA are included in the net intangible assets and the net operating loss line items above.

Our income tax expense (benefit) was $(12.2) million, $17.1 million and $59.7 million in the fiscal years ended 2020, 2019 and 2018, respectively. Our effective income tax rate in 2020 and 2019 was impacted by the IRS interpretative guidance of TCJA, a change in state tax rates and a change in the amount of our TRA liability.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible, as well as consideration of tax-planning strategies we may seek to utilize net operating loss carryforwards that begin to expire in 2030. The Company updates the analysis, and adjusted the valuation allowance for interest expense carryforwards limited under the TCJA based on updated forecast models each year.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 ("TCJA") was enacted. Among other things, the TCJA, beginning January 1, 2018, reduced the federal statutory rate from 35% to 21% and extended bonus depreciation provisions. In

addition, the TCJA prescribes the application of net operating loss carryforwards generated in 2018 and beyond will be limited, 100% asset expensing will be allowed through 2022 and begin to phase out in 2023, and the amount of interest expense we are able to deduct may also be limited in future years. We completed our analysis of the TCJA in 2018 consistent with the guidance of Staff Accounting Bulletin 118 and any adjustments during the measurement period were included in net earnings from continuing operations as an adjustment to income tax expense. As such, in the fourth quarter of 2018, we recorded additional tax expense of $17.6 million resulting from the IRS interpretative guidance of TCJA.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Unrecognized Tax Benefits
Balance—December 29, 2018	$ 22,663
Additions based on tax position in 2018	18,885
Balance—December 28, 2019	$ 41,548
Reductions based on new regulations	(41,548)
Balance—January 2, 2021	$ —

At January 2, 2021, December 28, 2019 and December 29, 2018 there was $0.0 million, $41.5 million and $22.7 million, respectively, of unrecognized tax benefits that if recognized would affect the annual effective tax rate. We did not recognize interest or penalties related to this amount as it is offset by other attributes.

Our net operating loss carryforward deferred tax assets begin to expire in 2030 and are expected to reverse before expiration. Therefore, we have not given consideration to any potential tax planning strategies as a source of future taxable income to monetize those net operating loss carryforwards. The Company will continue to monitor facts and circumstances, including our analysis of other sources of taxable income, in the reassessment of the likelihood that the tax benefit of our deferred tax assets will be realized.

As of January 2, 2021, Summit Inc. had federal net operating loss carryforwards of $917 million, a portion of which expire between 2030 and 2038. As of January 2, 2021, $497 million of our federal net operating losses were under the terms of our TRA. As of January 2, 2021 and December 28, 2019, Summit Inc. had a valuation allowance on net deferred tax assets of $1.7 million and $1.7 million, respectively, where realization of our net operating losses are not more likely than not.

	2020	2019
Valuation Allowance:		
Beginning balance	$ (1,675)	$ (19,366)
Current year decreases (increases) from operations	—	17,691
Ending balance	$ (1,675)	$ (1,675)

Tax Receivable Agreement— During 2015, the Company entered into a TRA with the holders of LP Units and certain other pre-initial public offering owners ("Investor Entities") that provides for the payment by Summit Inc. to exchanging holders of LP Units of 85% of the benefits, if any, that Summit Inc. actually realizes (or, under certain circumstances such as an early termination of the TRA, is deemed to realize) as a result of increases in the tax basis of tangible and intangible assets of Summit Holdings and certain other tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA.

When LP Units are exchanged for an equal number of newly-issued shares of Summit Inc.'s Class A common stock, these exchanges result in new deferred tax assets. Using tax rates in effect as of each year end, $2.4 million and $1.1 million of deferred tax assets were created during the years ended January 2, 2021 and December 28, 2019, respectively, when LP Units were exchanged for shares of Class A common stock.

Each year, we update our estimate as to when TRA payments will be made. As noted above, when payments are made under the TRA, a portion of the payment made will be characterized as imputed interest under IRS regulations. The TCJA enacted in late 2017 contained provisions whereby interest expense deductions may be limited, and the IRS issued proposed regulations in late 2018 around the deductibility of interest expense. Under our forecast prepared at the end of 2018, we expected the amount of imputed interest based on future TRA payments would result in interest expense deductions being limited, and therefore we would not benefit from that deduction. However, based on the updated forecast model at the end of 2019, which updated our forecast of the timing of TRA payments, we believe that our interest expense deductions will not be

limited under the proposed regulations. We also updated our estimate of the state income tax rate that will be in effect at the date the TRA payments are made. As a result of our updated state income tax rate, and the imputed interest limitation noted above, we have decreased our TRA liability $7.6 million and increased by $16.2 million as of January 2, 2021 and December 28, 2019, respectively.

Our TRA liability as of January 2, 2021 and December 28, 2019 was $321.7 million and $327.0 million, respectively.

Tax Distributions – The holders of Summit Holdings' LP Units, including Summit Inc., incur U.S. federal, state and local income taxes on their share of any taxable income of Summit Holdings. The limited partnership agreement of Summit Holdings provides for pro rata cash distributions ("tax distributions") to the holders of the LP Units in an amount generally calculated to provide each holder of LP Units with sufficient cash to cover its tax liability in respect of the LP Units. In general, these tax distributions are computed based on Summit Holdings' estimated taxable income allocated to Summit Inc. multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate applicable to a corporate resident in New York, New York.

For the years ended January 2, 2021 and December 28, 2019, Summit Holdings did not pay any tax distributions and paid tax distributions totaling $0.1 million, respectively, to holders of its LP Units, other than Summit Inc.

C Corporation Subsidiaries — The effective income tax rate for the C corporations differ from the statutory federal rate primarily due to (1) tax depletion expense (benefit) in excess of the expense recorded under U.S. GAAP, (2) state income taxes and the effect of graduated tax rates, (3) various other items such as limitations on meals and entertainment and other costs and (4) unrecognized tax benefits. The effective income tax rate for the Canadian subsidiary is not significantly different from its historical effective tax rate.

No material interest or penalties were recognized in income tax expense during the years ended January 2, 2021, December 28, 2019 or December 29, 2018. Tax years from 2014 to 2018 remain open and subject to audit by federal, Canadian, and state tax authorities.

(10) Earnings Per Share

Basic earnings per share is computed by dividing net earnings by the weighted average common shares outstanding and diluted net earnings is computed by dividing net earnings, adjusted for changes in the earnings allocated to Summit Inc. as a result of the assumed conversion of LP Units, by the weighted-average common shares outstanding assuming dilution.

The following table shows the calculation of basic income per share:

	2020	2019	2018
Net income attributable to Summit Inc.	$ 137,967	$ 59,066	$ 33,906
Weighted average shares of Class A stock outstanding			
Add: Nonvested restricted stock awards of retirement eligible shares	212,443	—	—
Add: Weighted average shares of Class A stock outstanding	114,014,749	112,204,067	111,380,175
Weighted average basic shares outstanding	114,227,192	112,204,067	111,380,175
Basic earnings per share	$ 1.21	$ 0.53	$ 0.30
Diluted net income attributable to Summit Inc.	$ 137,967	$ 59,066	$ 33,906
Weighted average shares of Class A stock outstanding	114,014,749	112,204,067	111,380,175
Add: stock options	3,390	87,290	282,329
Add: warrants	—	4,206	25,049
Add: restricted stock units	520,871	342,620	459,280
Add: performance stock units	92,758	46,535	169,813
Weighted average dilutive shares outstanding	114,631,768	112,684,718	112,316,646
Diluted earnings per share	$ 1.20	$ 0.52	$ 0.30

Excluded from the above calculations were the shares noted below as they were antidilutive:

	2020	2019	2018
Antidilutive shares:			
LP Units	3,060,248	3,372,706	3,512,669
Warrants	100,037	—	—

(11) Stockholders' Equity

Our capital stock consists of 1.0 billion shares of $0.01 par value Class A common stock authorized, of which 114,390,595 shares were issued and outstanding as of January 2, 2021. We also have authorized 250 million shares of $0.01 par value Class B common stock, of which 99 shares were issued and outstanding as of January 2, 2021. The Class B common stock entitles holders thereof, who are also holders of LP Units, with a number of votes that is equal to the number of LP Units they hold. The Class B common stock does not participate in dividends and does not have any liquidation rights.

From time to time, limited partners of Summit Holdings exchange their LP Units for shares of Class A common stock of Summit Inc. The following table summarizes the changes in our ownership of Summit Holdings:

	Summit Inc. Shares (Class A)	LP Units	Total	Summit Inc. Ownership Percentage
Balance — December 29, 2018	111,658,927	3,435,518	115,094,445	97.0 %
Exchanges during period	185,861	(185,861)	—	
Stock option exercises	1,065,446	—	1,065,446	
Other equity transactions	399,151	—	399,151	
Balance — December 28, 2019	113,309,385	3,249,657	116,559,042	97.2 %
Exchanges during period	376,487	(376,487)	—	
Stock option exercises	54,517	—	54,517	
Other equity transactions	650,206	—	650,206	
Balance — January 2, 2021	114,390,595	2,873,170	117,263,765	97.5 %

Accumulated other comprehensive income (loss) - The changes in each component of accumulated other comprehensive income (loss) consisted of the following:

	Change in retirement plans	Foreign currency translation adjustments	Cash flow hedge adjustments	Accumulated other comprehensive income (loss)
Balance — December 29, 2018	$ 3,573	$ (2,147)	$ 1,255	$ 2,681
Postretirement liability adjustment, net of tax	(1,402)	—	—	(1,402)
Foreign currency translation adjustment, net of tax	—	3,424	—	3,424
Income on cash flow hedges, net of tax	—	—	(1,255)	(1,255)
Balance — December 28, 2019	$ 2,171	$ 1,277	$ —	$ 3,448
Postretirement liability adjustment, net of tax	(1,638)	—	—	(1,638)
Foreign currency translation adjustment, net of tax	—	3,393	—	3,393
Balance — January 2, 2021	$ 533	$ 4,670	$ —	$ 5,203

(12) Supplemental Cash Flow Information

Supplemental cash flow information for the years ended January 2, 2021, December 28, 2019 and December 29, 2018 was as follows:

	2020	2019	2018
Cash payments:			
Interest	$ 99,551	$ 104,614	$ 103,250
Payments (refunds) for income taxes, net	1,754	(919)	3,340
Operating cash payments on operating leases	10,452	10,618	N/A
Operating cash payments on finance leases	3,132	3,051	N/A
Finance cash payments on finance leases	14,408	13,164	N/A
Non cash financing activities:			
Right of use assets obtained in exchange for operating lease obligations	$ 4,849	$ 5,842	N/A
Right of use assets obtained in exchange for finance leases obligations	18,016	23,965	N/A
Exchange of LP Units to shares of Class A common stock	8,227	3,847	7,499

(13) Stock-Based Compensation

Prior to the IPO and related Reorganization, the capital structure of Summit Holdings consisted of six different classes of limited partnership units, each of which was subject to unique distribution rights. In connection with the IPO and the related Reorganization, the limited partnership agreement of Summit Holdings was amended and restated to, among other things, modify its capital structure by creating LP Units. Holders of the LP Units periodically exchange their LP Units for shares of Class A common Stock of Summit Inc.

In the first quarter of 2018, the Board of Directors vested the time-vesting units outstanding and we recognized the remaining $1.0 million of stock based compensation related to these LP units.

Omnibus Incentive Plan

In 2015, our Board of Directors and stockholders adopted the Summit Materials, Inc. 2015 Omnibus Incentive Plan (the "Plan"), which allows for grants of equity-based awards in the form of stock options, stock appreciation rights, restricted stock and restricted stock units, performance units, and other stock-based awards. The Plan authorizes the issuance of up to 13,500,000 shares of Class A common stock in the form of restricted stock units and stock options, of which 4.3 million shares were available for future grants as of January 2, 2021.

Restricted Stock

Restricted Stock with Service-Based Vesting—Under the Plan, the Compensation Committee of the Board of Directors (the “Compensation Committee”) has granted restricted stock to members of the Board of Directors, executive officers and other key employees. These awards contain service conditions associated with continued employment or service. The terms of the restricted stock provide voting and regular dividend rights to holders of the awards. Upon vesting, the restrictions on the restricted stock lapse and the shares are considered issued and outstanding for accounting purposes.

In each of 2020, 2019 and 2018, the Compensation Committee granted restricted stock to executives and key employees under the Plan as part of our annual equity award program, which vest over a two or three year period, subject to continued employment or service. From time to time, the Compensation Committee grants restricted stock to newly hired or promoted employees or other employees who have achieved extraordinary personal performance objectives.

Further, in each of 2020, 2019 and 2018, the Compensation Committee granted 42,736, 65,144 and 38,232 shares, respectively, to non-employee members of the Board of Directors for their annual service as directors. These restricted stock grants vest over a one year period.

In measuring compensation expense associated with the grant of restricted stock, we use the fair value of the award, determined as the closing stock price for our Class A common stock on the date of grant. Compensation expense is recorded monthly over the vesting period of the award.

Restricted stock with Service- and Market-Condition-Based Vesting—In 2020, 2019 and 2018, the Compensation Committee granted restricted stock to certain members of our executive team as part of their annual compensation package. The restricted stock vests at the end of a three year performance period, based on our total stock return (“TSR”) ranking relative to companies in the S&P Building & Construction Select Industry Index, subject to continued employment.

Compensation expense is recorded monthly over the vesting period of the awards. The following table summarizes information for the equity awards granted in 2020:

	Options		Restricted Stock Units		Performance Stock Units		Warrants	
	Number of options	Weighted average grant-date fair value per unit	Number of restricted stock units	Weighted average grant-date fair value per unit	Number of performance stock units	Weighted average grant-date fair value per unit	Number of warrants	Weighted average grant-date fair value per unit
Beginning balance—December 28, 2019	2,128,107	$ 9.08	1,556,636	$ 20.29	390,645	$ 31.08	100,037	$ 18.00
Granted	—	—	1,379,943	18.10	199,946	23.43	—	—
Forfeited/ Canceled	(35,117)	12.30	(154,283)	19.12	(112,416)	26.54	—	—
Exercised	(54,517)	10.10	—	—	—	—	—	—
Vested	—	—	(647,345)	21.28	(49,300)	32	—	—
Balance—January 2, 2021	2,038,473	$ 9.16	2,134,951	$ 18.64	428,875	$ 28.64	100,037	$ 18.00

The fair value of the time-vesting options granted was estimated as of the grant date using the Black-Scholes-Merton model, which requires the input of subjective assumptions, including the expected volatility and the expected term. The fair value of the performance stock units granted was estimated as of the grant date using Monte Carlo simulations, which requires the input of subjective assumptions, including the expected volatility and the expected term. No options to purchase common stock were granted in 2020, 2019 and 2018.

The risk-free rate is based on the yield at the date of grant of a U.S. Treasury security with a maturity period approximating the expected term. As Summit Holdings has not historically and does not plan to issue regular dividends, a dividend yield of zero was used. The volatility assumption is based on reported data of a peer group of publicly traded companies for which historical information was available adjusted for the Company’s capital structure. The expected term is based on expectations about future exercises and represents the period of time that the units granted are expected to be outstanding.

Compensation expense for time-vesting interests granted is based on the grant date fair value. The Company recognizes compensation costs on a straight-line basis over the service period, which is generally the vesting period of the award. Forfeitures are recognized as they occur. Share-based compensation expense, which is recognized in general and administrative expenses, totaled $28.9 million, $20.4 million and $25.4 million in the years ended January 2, 2021, December 28, 2019 and December 29, 2018, respectively. As of January 2, 2021, unrecognized compensation cost totaled $22.0 million. The weighted average remaining contractual term over which the unrecognized compensation cost is to be recognized is 1.7 years as of year-end 2020.

As of January 2, 2021, the intrinsic value of outstanding options, restricted stock units and performance stock units was $3.8 million, $42.9 million and $8.6 million, respectively, and the remaining contractual term was 3.3 years, 1.0 year and 1.3 years, respectively. The weighted average strike price of stock options outstanding as of January 2, 2021 was $18.75 per share. The intrinsic value of 2.0 million exercisable stock options as of January 2, 2021 was $3.8 million with a weighted average strike price of $18.75 and a weighted average remaining contractual period of 3.3 years.

(14) Employee Benefit Plans

Defined Contribution Plan—The Company sponsors employee 401(k) savings plans for its employees, including certain union employees. The plans provide for various required and discretionary Company matches of employees’ eligible compensation contributed to the plans. The expense for the defined contribution plans was $12.1 million, $11.7 million and $11.2 million for the years ended January 2, 2021, December 28, 2019 and December 29, 2018, respectively.

Defined Benefit and Other Postretirement Benefits Plans—The Company’s subsidiary, Continental Cement, sponsors two noncontributory defined benefit pension plans for hourly and salaried employees. The plans are closed to new participants and benefits are frozen. As a result of the collective bargaining unit negotiations in 2017, the hourly defined benefit pension

plan was amended to stop future benefit accruals for the Davenport employees effective December 31, 2017. Pension benefits for eligible hourly employees are based on a monthly pension factor for each year of credited service. Pension benefits for eligible salaried employees are generally based on years of service and average eligible compensation.

Continental Cement also sponsors two unfunded healthcare and life insurance benefits plans for certain eligible retired employees. Effective January 1, 2014, the plan covering employees of the Hannibal, Missouri location was amended to eliminate all future retiree health and life coverage for current employees. During 2015, Continental Cement adopted one new unfunded healthcare plan to provide benefits prior to Medicare eligibility for certain hourly employees of the Davenport, Iowa location. As a result of the collective bargaining unit negotiations in 2017, hourly Davenport employees hired on or after January 1, 2018 are no longer eligible for retiree medical benefits.

The funded status of the pension and other postretirement benefit plans is recognized in the consolidated balance sheets as the difference between the fair value of plan assets and the benefit obligations. For defined benefit pension plans, the benefit obligation is the projected benefit obligation (“PBO”) and for the healthcare and life insurance benefits plans, the benefit obligation is the accumulated postretirement benefit obligation (“APBO”). The PBO represents the actuarial present value of benefits expected to be paid upon retirement based on estimated future compensation levels. However, since the plans’ participants are not subject to future compensation increases, the plans’ PBO equals the accumulated benefit obligation (“ABO”). The APBO represents the actuarial present value of postretirement benefits attributed to employee services already rendered. The fair value of plan assets represents the current market value of assets held by an irrevocable trust fund for the sole benefit of participants. The measurement of the benefit obligations is based on the Company’s estimates and actuarial valuations. These valuations reflect the terms of the plan and use participant-specific information, such as compensation, age and years of service, as well as certain assumptions that require significant judgment, including estimates of discount rates, expected return on plan assets, rate of compensation increases, interest-crediting rates and mortality rates.

The Company uses December 31 as the measurement date for its defined benefit pension and other postretirement benefit plans.

Obligations and Funded Status—The following information is as of January 2, 2021 and December 28, 2019 and for the years ended January 2, 2021, December 28, 2019 and December 29, 2018:

	2020		2019	
	Pension benefits	Healthcare & Life Ins.	Pension benefits	Healthcare & Life Ins.
Change in benefit obligations:				
Beginning of period	$ 26,181	$ 9,090	$ 24,203	$ 9,203
Service cost	71	176	60	166
Interest cost	733	242	928	321
Actuarial (gain) loss	2,425	676	2,571	165
Benefits paid	(1,583)	(955)	(1,581)	(765)
End of period	$ 27,827	$ 9,229	$ 26,181	$ 9,090
Change in fair value of plan assets:				
Beginning of period	$ 18,242	$ —	$ 17,449	$ —
Actual return on plan assets	1,916	—	2,055	—
Employer contributions	483	955	319	765
Benefits paid	(1,583)	(955)	(1,581)	(765)
End of period	$ 19,058	$ —	$ 18,242	$ —
Funded status of plans	$ (8,769)	$ (9,229)	$ (7,939)	$ (9,090)
Current liabilities	$ —	$ (636)	$ —	$ (653)
Noncurrent liabilities	(8,769)	(8,593)	(7,939)	(8,437)
Liability recognized	$ (8,769)	$ (9,229)	$ (7,939)	$ (9,090)
Amounts recognized in accumulated other comprehensive income:				
Net actuarial (gain) loss	$ 10,689	$ 2,707	$ 9,286	$ 2,121
Prior service cost	—	(1,690)	—	(1,931)
Total amount recognized	$ 10,689	$ 1,017	$ 9,286	$ 190

The amount recognized in accumulated other comprehensive income ("AOCI") is the actuarial loss (credit) and prior service cost, which has not yet been recognized in periodic benefit cost.

	2020		2019		2018	
	Pension benefits	Healthcare & Life Ins.	Pension benefits	Healthcare & Life Ins.	Pension benefits	Healthcare & Life Ins.
Amounts recognized in other comprehensive (income) loss:						
Net actuarial loss (gain)	$ 1,728	$ 675	$ 1,760	$ 165	$ (1,300)	$ (172)
Amortization of prior year service cost	—	241	—	241	—	241
Amortization of gain	(326)	(89)	(202)	(39)	(312)	(118)
Total amount recognized	$ 1,402	$ 827	$ 1,558	$ 367	$ (1,612)	$ (49)
Components of net periodic benefit cost:						
Service cost	$ 71	$ 176	$ 60	$ 166	$ 67	$ 170
Interest cost	733	242	928	321	898	317
Amortization of gain	326	89	202	39	312	118
Expected return on plan assets	(1,221)	—	(1,244)	—	(1,284)	—
Amortization of prior service credit	—	(241)	—	(241)	—	(241)
Net periodic (expense) benefit cost	$ (91)	$ 266	$ (54)	$ 285	$ (7)	$ 364

Assumptions—Weighted-average assumptions used to determine the benefit obligations as of year-end 2020 and 2019 are:

	2020		2019	
	Pension benefits	**Healthcare & Life Ins.**	**Pension benefits**	**Healthcare & Life Ins.**
Discount rate	1.84% - 2.14%	1.80% - 1.82%	2.78% - 2.96%	2.73% - 2.79%
Expected long-term rate of return on plan assets	7.00%	N/A	7.00%	N/A

Weighted-average assumptions used to determine net periodic benefit cost for years ended January 2, 2021, December 28, 2019 and December 29, 2018:

	2020		2019		2018	
	Pension benefits	**Healthcare & Life Ins.**	**Pension benefits**	**Healthcare & Life Ins.**	**Pension benefits**	**Healthcare & Life Ins.**
Discount rate	2.78% - 2.96%	2.73% - 2.79%	3.90% - 4.02%	3.87% - 3.91%	3.23% - 3.37%	3.20% - 3.25%
Expected long-term rate of return on plan assets	7.00%	N/A	7.00%	N/A	7.00%	N/A

The expected long-term return on plan assets is based upon the Plans' consideration of historical and forward-looking returns and the Company's estimation of what a portfolio, with the target allocation described below, will earn over a long-term horizon. The discount rate is derived using the FTSE Pension Discount Curve.

Assumed health care cost trend rates were 8.0% as of year-end 2020 and 2019, grading to an ultimate trend rate of 4.5% in 2034 and 2033. Assumed health care cost trend rates have a significant effect on the amounts reported for the Company's healthcare and life insurance benefits plans.

Plan Assets—The defined benefit pension plans' (the "Plans") investment strategy is to minimize investment risk while generating acceptable returns. The Plans currently invest a relatively high proportion of the plan assets in fixed income securities, while the remainder is invested in equity securities, cash reserves and precious metals. The equity securities are diversified into funds with growth and value investment strategies. The target allocation for plan assets is as follows: equity securities—30%; fixed income securities—63%; cash reserves—5%; and precious metals—2%. The Plans' current investment allocations are within the tolerance of the target allocation. The Company had no Level 3 investments as of or for the years ended January 2, 2021 and December 28, 2019.

At year-end 2020 and 2019, the Plans' assets were invested predominantly in fixed-income securities and publicly traded equities, but may invest in other asset classes in the future subject to the parameters of the investment policy. The Plans' investments in fixed-income assets include U.S. Treasury and U.S. agency securities and corporate bonds. The Plans' investments in equity assets include U.S. and international securities and equity funds. The Company estimates the fair value of the Plans' assets using various valuation techniques and, to the extent available, quoted market prices in active markets or observable market inputs. The descriptions and fair value methodologies for the Plans' assets are as follows:

Fixed Income Securities—Corporate and government bonds are classified as Level 2 assets, as they are either valued at quoted market prices from observable pricing sources at the reporting date or valued based upon comparable securities with similar yields and credit ratings.

Equity Securities—Equity securities are valued at the closing market price reported on a U.S. exchange where the security is actively traded and are therefore classified as Level 1 assets.

Cash—The carrying amounts of cash approximate fair value due to the short-term maturity.

Precious Metals—Precious metals are valued at the closing market price reported on a U.S. exchange where the security is actively traded and are therefore classified as Level 1 assets.

The fair value of the Plans' assets by asset class and fair value hierarchy level as of January 2, 2021 and December 28, 2019 are as follows:

	2020		
	Total fair value	Quoted prices in active markets for identical assets (Level 1)	Observable inputs (Level 2)
Fixed income securities:			
Intermediate—government	$ 3,294	$ 3,294	$ —
Intermediate—corporate	3,218	—	3,218
Short-term—government	705	705	—
Short-term—corporate	448	—	448
International	1,086	—	1,086
Equity securities:			
U.S. Large cap value	1,516	1,516	—
U.S. Large cap growth	1,483	1,483	—
U.S. Mid cap value	631	631	—
U.S. Mid cap growth	619	619	—
U.S. Small cap value	663	663	—
U.S. Small cap growth	650	650	—
International	1,227	407	820
Emerging Markets	409	409	—
Commodities Broad Basket	1,002	182	820
Cash	2,107	2,107	—
Total	$ 19,058	$ 12,666	$ 6,392

	2019		
	Total fair value	Quoted prices in active markets for identical assets (Level 1)	Observable inputs (Level 2)
Fixed income securities:			
Intermediate—government	$ 2,482	$ 2,482	$ —
Intermediate—corporate	1,066	—	1,066
Short-term—government	1,387	1,387	—
Short-term—corporate	3,173	—	3,173
International	1,387	—	1,387
Equity securities:			
U.S. Large cap value	1,225	1,225	—
U.S. Large cap growth	1,167	1,167	—
U.S. Mid cap value	581	581	—
U.S. Mid cap growth	578	578	—
U.S. Small cap value	583	583	—
U.S. Small cap growth	593	593	—
Managed Futures	340	—	340
International	1,174	386	788
Emerging Markets	394	394	—
Commodities Broad Basket	1,118	362	756
Cash	994	994	—
Total	$ 18,242	$ 10,732	$ 7,510

Cash Flows—The Company expects to contribute approximately $1.2 million and $0.6 million in 2021 to its pension plans and to its healthcare and life insurance benefits plans, respectively.

The estimated benefit payments for each of the next five years and the five-year period thereafter are as follows:

	Pension benefits	Healthcare and Life Insurance Benefits
2021	$ 1,692	$ 636
2022	1,693	630
2023	1,696	617
2024	1,655	619
2025	1,613	627
2026 - 2030	7,597	3,139

Multiemployer Pension Plans— In 2018, the Company acquired Buildex, LLC and assumed its obligation to contribute to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in multiemployer pension plans are different from single-employer plans. Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer ceases contributing to the plan, the unfunded obligations of the plan are the responsibility of the remaining participating employers.

The Company's participation in these plans for the annual period ended December 31, 2020, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2020 and 2019 is for the plan 's year end at December 31, 2020, and December 31, 2019, respectively. The zone status is based on information the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The "Surcharge Imposed" column indicates whether a surcharge has been imposed on contributions to the plan. The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject. There have been no significant changes that affect the comparability of 2020 and 2019 contributions.

Pension Trust Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions of Company ($ in thousands)		Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
		2020	2019		2020	2019		
Construction Industry Laborers Pension Fund	43-6060737 /001	Green - as of December 31, 2019	Green - as of December 31, 2018	None	$ 100	$ 112	No	3/31/2021
Operating Engineers Local 101 Pension Plan	43-6059213 /001	Green - as of December 31, 2019	Green - as of December 31, 2018	None	20	23	No	3/31/2021
Total Contributions					$ 120	$ 135		

The Company was not listed as providing more than 5% of the total contributions for the Operating Engineers Local 101 Pension Plan or the Construction Industry Laborers Pension Fund for the plan years 2020 and 2019 per the plans' Forms 5500. As of the date of the filing of this annual report on Form 10-K, Forms 5500 were not available for the plan year ending December 31, 2020.

(15) Accrued Mining and Landfill Reclamation

The Company has asset retirement obligations arising from regulatory or contractual requirements to perform certain reclamation activities at the time that certain quarries and landfills are closed, which are primarily included in other noncurrent liabilities on the consolidated balance sheets. The current portion of the liabilities, $10.0 million and $7.9 million as of January 2, 2021 and December 28, 2019, respectively, is included in accrued expenses on the consolidated balance sheets. The total undiscounted anticipated costs for site reclamation as of January 2, 2021 and December 28, 2019 were $112.8 million and $97.4 million, respectively. The liabilities were initially measured at fair value and are subsequently adjusted for accretion

expense, payments and changes in the amount or timing of the estimated cash flows. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset's remaining useful life. The following table presents the activity for the asset retirement obligations for the years ended January 2, 2021 and December 28, 2019:

	2020	2019
Beginning balance	$ 36,676	$ 30,999
Acquired obligations	861	805
Change in cost estimate	6,523	4,468
Settlement of reclamation obligations	(3,095)	(1,812)
Accretion expense	2,638	2,216
Ending balance	$ 43,603	$ 36,676

(16) Commitments and Contingencies

The Company is party to certain legal actions arising from the ordinary course of business activities. Accruals are recorded when the outcome is probable and can be reasonably estimated. While the ultimate results of claims and litigation cannot be predicted with certainty, management expects that the ultimate resolution of all current pending or threatened claims and litigation will not have a material effect on the Company's consolidated financial position, results of operations or liquidity. The Company records legal fees as incurred.

In March 2018, we were notified of an investigation by the Canadian Competition Bureau (the "CCB") into pricing practices by certain asphalt paving contractors in British Columbia, including Winvan Paving, Ltd. ("Winvan"). We believe the investigation is focused on time periods prior to our April 2017 acquisition of Winvan and we are cooperating with the CCB. Although we currently do not believe this matter will have a material adverse effect on our business, financial condition or results of operations, we are not able to predict the ultimate outcome or cost of the investigation at this time.

Environmental Remediation and Site Restoration—The Company's operations are subject to and affected by federal, state, provincial and local laws and regulations relating to the environment, health and safety and other regulatory matters. These operations require environmental operating permits, which are subject to modification, renewal and revocation. The Company regularly monitors and reviews its operations, procedures and policies for compliance with these laws and regulations. Despite these compliance efforts, risk of environmental liability is inherent in the operation of the Company's business, as it is with other companies engaged in similar businesses and there can be no assurance that environmental liabilities or noncompliance will not have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity.

Other—The Company is obligated under various firm purchase commitments for certain raw materials and services that are in the ordinary course of business. Management does not expect any significant changes in the market value of these goods and services during the commitment period that would have a material adverse effect on the financial condition, results of operations and cash flows of the Company. The terms of the purchase commitments generally approximate one year.

(17) Leases

We lease construction and office equipment, distribution facilities and office space. Leases with an initial term of 12 months or less, including month to month leases, are not recorded on the balance sheet. Lease expense for short-term leases is recognized on a straight line basis over the lease term. For lease agreements entered into or reassessed after the adoption of Topic 842, we combine lease and nonlease components. While we also own mineral leases for mining operations, those leases are outside the scope of Topic 842. Assets acquired under finance leases are included in property, plant and equipment.

Many of our leases include options to purchase the leased equipment. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. The components of lease expense were as follows:

	2020	2019
Operating lease cost	$ 10,134	$ 10,451
Variable lease cost	316	423
Short-term lease cost	44,066	38,417
Financing lease cost:		
Amortization of right-of-use assets	12,598	11,062
Interest on lease liabilities	3,068	3,171
Total lease cost	$ 70,182	$ 63,524

	2020	2019
Supplemental balance sheet information related to leases:		
Operating leases:		
Operating lease right-of-use assets	$ 28,543	$ 32,777
Current operating lease liabilities	$ 8,188	$ 8,427
Noncurrent operating lease liabilities	21,500	25,381
Total operating lease liabilities	$ 29,688	$ 33,808
Finance leases:		
Property and equipment, gross	$ 92,679	$ 82,660
Less accumulated depreciation	(32,828)	(24,907)
Property and equipment, net	$ 59,851	$ 57,753
Current finance lease liabilities	$ 24,601	$ 16,007
Long-term finance lease liabilities	31,727	40,410
Total finance lease liabilities	$ 56,328	$ 56,417

	2020	2019
Weighted average remaining lease term (years):		
Operating leases	8.7	8.6
Finance lease	2.4	2.6
Weighted average discount rate:		
Operating leases	5.3 %	5.5 %
Finance lease	5.2 %	5.5 %

Maturities of lease liabilities were as follows:

	Operating Leases	Finance Leases
2021	$ 9,491	$ 26,742
2022	6,088	18,603
2023	4,663	7,053
2024	2,863	3,207
2025	1,781	2,573
Thereafter	12,961	2,831
Total lease payments	37,847	61,009
Less imputed interest	(8,159)	(4,681)
Present value of lease payments	$ 29,688	$ 56,328

The Company has lease agreements associated with quarry facilities under which royalty payments are made. The payments are generally based on tons sold in a particular period; however, certain agreements have minimum annual payments. Royalty expense recorded in cost of revenue during the years ended January 2, 2021, December 28, 2019 and December 29, 2018 was $29.2 million, $24.3 million and $20.1 million, respectively. Minimum contractual commitments for the subsequent five years under royalty agreements are as follows:

	Royalty Agreements
2021	$ 9,916
2022	9,880
2023	9,594
2024	9,295
2025	9,052

(18) Fair Value of Financial Instruments

Fair Value Measurements—Certain acquisitions made by the Company require the payment of contingent amounts of purchase consideration. These payments are contingent on specified operating results being achieved in periods subsequent to the acquisition and will only be made if earn-out thresholds are achieved. Contingent consideration obligations are measured at fair value each reporting period. Any adjustments to fair value are recognized in earnings in the period identified.

The fair value of contingent consideration as of January 2, 2021 and December 28, 2019 was:

	2020	2019
Current portion of acquisition-related liabilities and Accrued expenses:		
Contingent consideration	$ 654	$ 1,967
Acquisition-related liabilities and Other noncurrent liabilities:		
Contingent consideration	$ 1,209	$ 1,302

The fair value accounting guidance establishes the following fair value hierarchy that prioritizes the inputs used to measure fair value:

Level 1 — Quoted prices in active markets for identical assets and liabilities.
Level 2 — Observable inputs, other than quoted prices, for similar assets or liabilities in active markets.
Level 3 — Unobservable inputs, which includes the use of valuation models.

Financial Instruments—The Company's financial instruments include debt and certain acquisition-related liabilities (deferred consideration and noncompete obligations). The carrying value and fair value of these financial instruments as of January 2, 2021 and December 28, 2019 were:

	January 2, 2021		December 28, 2019	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Level 1				
Long-term debt(1)	$ 1,971,087	$ 1,915,425	$ 1,918,720	$ 1,872,273
Level 3				
Current portion of deferred consideration and noncompete obligations(2)	9,611	9,611	30,733	30,733
Long term portion of deferred consideration and noncompete obligations(3)	11,037	11,037	18,499	18,499

(1) $6.4 million and $7.9 million were included in current portion of debt as of January 2, 2021 and December 28, 2019, respectively.
(2) Included in current portion of acquisition-related liabilities on the consolidated balance sheets.
(3) Included in acquisition-related liabilities on the consolidated balance sheets.

Level 1 fair values are used to value investments in publicly-traded entities and assumed obligations for publicly-traded long-term debt.

Level 2 fair values are typically used to value acquired receivables, inventories, machinery and equipment, land, buildings, deferred income tax assets and liabilities, liabilities for asset retirement obligations, environmental remediation and compliance obligations. Additionally, Level 2 fair values are typically used to value assumed contracts at other-than-market rates.

Level 3 fair values are used to value acquired mineral reserves and leased mineral interests and other identifiable intangible assets. The fair values of mineral reserves and leased mineral interests are determined using an excess earnings approach, which requires management to estimate future cash flows. The estimate of future cash flows is based on available historical information and forecasts determined by management, but is inherently uncertain. Key assumptions in estimating future cash flows include sales price, volumes and expected profit margins, net of capital requirements. The present value of the projected net cash flows represents the fair value assigned to mineral reserves and mineral interests. The discount rate is a significant assumption used in the valuation model and is based on the required rate of return that a hypothetical market participant would assume if purchasing the acquired business.

The Level 3 fair values of contingent consideration were based on projected probability-weighted cash payments and a 9.5% discount rate, which reflects a market discount rate. Changes in fair value may occur as a result of a change in actual or projected cash payments, the probability weightings applied by the Company to projected payments or a change in the discount rate. Significant increases or decreases in any of these inputs in isolation could result in a lower, or higher, fair value measurement. There were no material adjustments to the fair value of contingent consideration in 2020 or 2019. The fair values of the deferred consideration and noncompete obligations were determined based on the cash payment terms in the purchase agreements and a discount rate reflecting the Company's credit risk. The discount rate used is generally consistent with that used when the obligations were initially recorded.

Securities with a maturity of three months or less are considered cash equivalents and the fair value of these assets approximates their carrying value.

(19) Segment Information

The Company has three operating segments: West; East; and Cement, which are its reporting segments. These segments are consistent with the Company's management reporting structure. The operating results of each segment are regularly reviewed and evaluated by the Chief Executive Officer, the Company's Chief Operating Decision Maker ("CODM"). The CODM primarily evaluates the performance of its segments and allocates resources to them based on a segment profit metric that we call Adjusted EBITDA, which is computed as earnings from continuing operations before interest, taxes, depreciation, depletion, amortization, accretion, share-based compensation, and transaction costs, as well as various other non-recurring, non-cash amounts.

The West and East segments have several acquired subsidiaries that are engaged in various activities including quarry mining, aggregate production and contracting. The Cement segment is engaged in the production of Portland cement. Assets employed by each segment include assets directly identified with those operations. Corporate assets consist primarily of cash, property, plant and equipment for corporate operations and other assets not directly identifiable with a reportable business segment. The accounting policies applicable to each segment are consistent with those used in the consolidated financial statements.

The following tables display selected financial data for the Company's reportable business segments as of and for the years ended January 2, 2021, December 28, 2019 and December 29, 2018:

	2020	2019	2018
Revenue*:			
West	$ 1,262,196	$ 1,122,338	$ 1,117,066
East	799,633	809,098	703,147
Cement	270,622	290,704	280,789
Total revenue	$ 2,332,451	$ 2,222,140	$ 2,101,002

* Intercompany sales are immaterial and the presentation above only reflects sales to external customers.

	2020	2019	2018
Income from operations before taxes	$ 129,055	$ 78,224	$ 96,077
Interest expense	103,595	116,509	116,548
Depreciation, depletion and amortization	218,682	214,886	203,305
Accretion	2,638	2,216	1,605
Loss on debt financings	4,064	14,565	149
Tax receivable agreement (benefit) expense	(7,559)	16,237	(22,684)
Gain on sale of business	—	—	(12,108)
Transaction costs	2,747	2,222	4,238
Non-cash compensation	28,857	20,403	25,378
Other	2,957	(3,800)	(6,247)
Total Adjusted EBITDA	$ 485,036	$ 461,462	$ 406,261
Total Adjusted EBITDA by Segment:			
West	$ 271,052	$ 204,964	$ 188,999
East	162,275	187,625	138,032
Cement	92,956	103,438	111,394
Corporate and other	(41,247)	(34,565)	(32,164)
Total Adjusted EBITDA	$ 485,036	$ 461,462	$ 406,261

	2020	2019	2018
Purchases of property, plant and equipment			
West	$ 67,500	$ 71,397	$ 120,657
East	92,528	77,894	64,384
Cement	15,071	25,691	28,036
Total reportable segments	175,099	174,982	213,077
Corporate and other	2,150	2,513	7,608
Total purchases of property, plant and equipment	$ 177,249	$ 177,495	$ 220,685

	2020	2019	2018
Depreciation, depletion, amortization and accretion:			
West	$ 93,866	$ 93,256	$ 91,794
East	86,205	81,403	75,433
Cement	37,267	38,447	35,061
Total reportable segments	217,338	213,106	202,288
Corporate and other	3,982	3,996	2,622
Total depreciation, depletion, amortization and accretion	$ 221,320	$ 217,102	$ 204,910

	2020	2019	2018
Total assets:			
West	$ 1,503,382	$ 1,379,684	$ 1,370,501
East	1,303,742	1,288,835	1,253,640
Cement	850,835	868,528	877,586
Total reportable segments	3,657,959	3,537,047	3,501,727
Corporate and other	650,052	530,509	355,914
Total	$ 4,308,011	$ 4,067,556	$ 3,857,641

SUMMIT MATERIALS, LLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements and notes thereto for Summit Materials, LLC and subsidiaries are included as Exhibit 99.1 to this Annual Report on Form 10-K and are incorporated by reference herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

Summit Inc. and Summit LLC maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in Summit Inc.'s reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to Summit Inc.'s and Summit LLC's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Summit Inc.'s and Summit LLC's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of Summit Inc.'s disclosure controls and procedures as of January 2, 2021. Based upon that evaluation, Summit Inc.'s and Summit LLC's Chief Executive Officer and Chief Financial Officer concluded that, as of January 2, 2021, Summit Inc.'s and Summit LLC's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Management’s Report on Internal Control Over Financial Reporting

The Stockholders of Summit Materials, Inc.:

The management of Summit Materials, Inc. and Summit Materials, LLC is responsible for establishing and maintaining adequate internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control system was designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of published financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management evaluated the effectiveness of our internal control over financial reporting as of January 2, 2021. In making this evaluation, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework (2013). Based on our evaluation we believe that, as of January 2, 2021 our internal control over financial reporting is effective based on those criteria.

KPMG LLP has issued an audit report on the effectiveness of Summit Materials, Inc.’s internal control over financial reporting. The KPMG report immediately follows this report. This annual report does not include an attestation report of Summit Materials, LLC’s independent registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by Summit Materials, LLC’s registered public accounting firm pursuant to rules of the Securities and Exchange Commission applicable to “non-accelerated filers.”

/s/ Anne P. Noonan	/s/ Brian J. Harris
Chief Executive Officer	Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Summit Materials, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Summit Materials, Inc. and subsidiaries' (the Company) internal control over financial reporting as of January 2, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 2, 2021, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of January 2, 2021 and December 28, 2019, the related consolidated statements of operations, comprehensive income, changes in stockholders' equity, and cash flows for each of the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 and the related notes (collectively, the consolidated financial statements), and our report dated February 24, 2021 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Denver, Colorado
February 24, 2021

Changes in Internal Control over Financial Reporting

There was no change in Summit Materials, Inc.'s or Summit Materials, LLC's internal control over financial reporting that occurred during their last fiscal quarter that has materially affected, or is reasonably likely to materially affect, their internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference to our definitive proxy statement with respect to the 2021 annual meeting of stockholders to be filed with the SEC within 120 days of the fiscal year ended January 2, 2021 (the "2021 Proxy Statement"), except that certain information regarding our executive officers called for by Item 401(b) and (e) of Regulation S-K has been included in Part 1 of this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth under the heading "Our Pay" in our 2021 Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required to be set forth herein pursuant to Item 403 of Regulation S–K is included in the section entitled "Our Stockholders—Holdings of Major Stockholders" in our 2021 Proxy Statement is incorporated herein by reference. The information regarding certain Company equity compensation plans called for by Item 201(d) of Regulation S–K is set forth below.

Securities Authorized for Issuance Under Equity Compensation Plans

	As of January 2, 2021		
	Number of securities to be issued upon exercise of outstanding options and rights	Weighted-average exercise price of outstanding options and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plan approved by stockholders(1)	13,500,000	$ 18.75	4,322,852

(1) Relates only to the Omnibus Incentive Plan detailed below.

In connection with our IPO, the board of directors and our then sole voting stockholder adopted the Omnibus Incentive Plan under which 13,500,000 shares of common stock were reserved. The Omnibus Incentive Plan provides for the granting of stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based and performance compensation awards to eligible employees, officers, directors, consultants and advisors of the Company. If an award under the Omnibus Incentive Plan terminates, lapses or is settled without the payment of the full number of shares subject to the award, the undelivered shares may be granted again under the Omnibus Incentive Plan. As of January 2, 2021, there were no equity compensation plans not approved by stockholders of Summit Inc.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required to be set forth herein is included in the sections entitled "Certain Relationships and Related Person Transactions" in our 2021 Proxy Statement is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The information provided under the heading "Item 3—Ratification of Appointment of KPMG" included in our 2021 Proxy Statement is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

1. Financial statements:

Financial statements for Summit Inc. and Summit LLC are included under Item 8 of this report, which incorporates Exhibit 99.1 with respect to Summit LLC.

2. Financial statement schedules:

Financial statement schedules are omitted because of the absence of conditions under which they are required or because the required information is provided in the financial statements or notes thereto.

3. Exhibits:

2.1	Asset Purchase Agreement, dated as of April 16, 2015, among Continental Cement Company, L.L.C., Lafarge North America Inc., Summit Materials, LLC and Summit Materials Holdings L.P. (incorporated by reference to Exhibit 2.1 of Summit Materials, LLC's Current Report on Form 8-K filed on April 17, 2015 (File No. 333-187556)).
2.2	Asset Purchase Agreement, dated as of April 16, 2015, among Continental Cement Company, L.L.C., Lafarge North America Inc., Summit Materials, LLC and Summit Materials Holdings L.P. (incorporated by reference to Exhibit 2.2 of Summit Materials, LLC's Current Report on Form 8-K filed on April 17, 2015 (File No. 333-187556)).
3.1	Certificate of Formation of Summit Materials, LLC, as amended (incorporated by reference to Exhibit 3.1 to Summit Materials, LLC's Registration Statement on Form S-4, filed March 27, 2013 (File No. 333-187556)).
3.2	Second Amended and Restated Limited Liability Company Agreement of Summit Materials, LLC (incorporated by reference to Exhibit 3.4 to the Registrants' Quarterly Report on Form 10-Q filed on October 30, 2019 (File No. 001-36783)).
3.3	Amended and Restated Certificate of Incorporation of Summit Materials, Inc. (incorporated by reference to Exhibit 3.1 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
3.4	Amended and Restated By-Laws of Summit Materials, Inc. (incorporated by reference to Exhibit 3.2 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
4.1	Description of Registrant's Securities (incorporated by Reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K filed on February 5, 2020 (File No. 001-36873))
4.2	Indenture, dated as of June 1, 2017, by and among Summit Materials, LLC, Summit Materials Finance Corp., the subsidiary guarantors named on the signature pages thereto and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Registrants' Current Report on Form 8-K, filed June 1, 2017 (File No. 001-36873)).
4.3	Form of 5.125% Senior Note due 2025 (included in Exhibit 4.2).
4.4	Indenture, dated as of March 15, 2019, among Summit Materials, LLC as the Issuer, Summit Materials Finance Corp. as the Co-Issuer, the Guarantors named therein and Wilmington Trust, National Association, as trustee, (incorporated by reference to Exhibit 4.1 to the Registrants' Current Report on Form 8-K, filed March 15, 2019 (File No. 001-36873)).
4.5	Form of 6.500% Senior Note due 2027 (included in Exhibit 4.4).

4.6	Indenture, dated as of August 11, 2020, by and among Summit Materials, LLC, Summit Materials Finance Corp., the subsidiary guarantors on the signature pages thereto and Wilmington Trust, National Association, as trustee, (incorporated by reference to Exhibit 4.1 to the Registrants' Current Report on Form 8-K, filed August 11, 2020 (File No. 001-36873)).
4.7	Form of 5.25% Senior Note due 2029 (included in Exhibit 4.6).
10.1	Fourth Amended and Restated Limited Partnership Agreement of Summit Materials Holdings L.P., dated as of March 11, 2015 (incorporated by reference to Exhibit 10.1 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
10.2	Tax Receivable Agreement, dated as of March 11, 2015, by and among Summit Materials, Inc. and each of the other persons from time to time party thereto (incorporated by reference to Exhibit 10.3 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
10.3	Exchange Agreement, dated as of March 11, 2015, among Summit Materials, Inc., Summit Holdings and the holders of LP Units from time to time party thereto (incorporated by reference to Exhibit 10.2 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
10.4	Amendment No. 1 to Exchange Agreement, dated as of August 4, 2015, among Summit Materials, Inc., Summit Holdings and the other parties identified on the signature pages thereto (incorporated by reference to Exhibit 10.1 to Summit Materials, LLC's Quarterly Report on Form 10-Q filed on November 3, 2015 (File No. 333-187556)).
10.5+	Summit Materials, Inc. 2015 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.7 to Summit Materials, Inc.'s Current Report on Form 8-K filed on March 17, 2015 (File No. 001-36873)).
10.6+	Form of Restricted LP Unit Agreement (incorporated by reference to Exhibit 10.7 to Summit Materials, Inc.'s Amendment No. 1 to the Registration Statement on Form S-1, filed January 9, 2015 (File No. 333-201058)).
10.7+	Form of Stock Option Agreement (Leverage Restoration Options) (incorporated by reference to Exhibit 10.8 to Summit Materials, Inc.'s Amendment No. 1 to the Registration Statement on Form S-1, filed January 9, 2015 (File No. 333-201058)).
10.8+	Form of Restricted Stock Unit Award Notice and Agreement for Directors (incorporated by reference to Exhibit 10.1 to the Registrants' Quarterly Report on Form 10-Q, filed May 4, 2016 (File No. 001-36873)).
10.9+	Form of Restricted Stock Unit Award Notice and Agreement for Executive Officers (incorporated by reference to Exhibit 10.2 to the Registrants' Quarterly Report on Form 10-Q, filed May 4, 2016 (File No. 001-36873)).
10.10+	Form of Nonqualified Stock Option Award Notice and Agreement for Executive Officers (incorporated by reference to Exhibit 10.3 to the Registrants' Quarterly Report on Form 10-Q, filed May 4, 2016 (File No. 001-36873)).
10.11+	Form of Performance Unit Award Notice and Agreement for Executive Officers (incorporated by reference to Exhibit 10.4 to the Registrants' Quarterly Report on Form 10-Q, filed May 4, 2016 (File No. 001-36873)).
10.12+	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.9 to Summit Materials, Inc.'s Amendment No. 1 to the Registration Statement on Form S-1, filed January 9, 2015 (File No. 333-201058)).
10.13	Credit Agreement, dated as of January 30, 2012, by and among Summit Materials, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc., as joint lead arrangers, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., UBS Securities LLC, Barclays Capital, Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc., as joint bookrunners, Bank of America, N.A., as administrative agent, collateral agent and swing line lender, Bank of America, N.A., as letter of credit issuer, and Citigroup Global Markets Inc., as syndication agent (incorporated by reference to Exhibit 10.1 of Amendment No. 1 to Summit Materials, LLC's Registration Statement on Form S-4, filed May 3, 2013 (File No. 333-187556)).
10.14	Amendment No. 1, dated as of February 5, 2013, to the Credit Agreement, dated as of January 30, 2012, by and among Summit Materials, LLC, Bank of America, N.A. as sole lead arranger, and Bank of America, N.A. and Citigroup Global Markets Inc., as joint bookrunners (incorporated by reference to Exhibit 10.2 of Summit Materials, LLC's Registration Statement on Form S-4, filed March 27, 2013 (File No. 333-187556)).
10.15	Amendment No. 2, dated as of January 16, 2014, to the Credit Agreement, dated as of January 30, 2012, by and among Summit Materials, LLC, the guarantors party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to Summit Materials, LLC's Current Report on Form 8-K, filed January 23, 2014 (File No. 333-187556)).
10.16	Amendment No. 3, dated as of March 11, 2015, to the Credit Agreement, dated as of January 30, 2012, by and among Summit Materials, LLC, the guarantors party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 filed Summit Materials, LLC's Current Report on Form 8-K, filed March 17, 2015 (File No. 333-187556)).

10.17	Tranche A Revolving Credit Commitment Conversion Agreement, dated as of February 11, 2013, under the Credit Agreement, dated as of January 30, 2012, among Summit Materials, LLC, the guarantors party thereto, the several banks and other financial institutions or entities from time to time parties to the Credit Agreement, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.3 of Summit Materials, LLC's Registration Statement on Form S-4, filed March 27, 2013 (File No. 333-187556)).
10.18	Security Agreement, dated as of January 30, 2012, by and among the grantors identified therein and Bank of America, N.A., as collateral agent (incorporated by reference to Exhibit 10.4 of Summit Materials, LLC's Registration Statement on Form S-4, filed March 27, 2013 (File No. 333-187556)).
10.19	Restatement Agreement, providing for the Amended and Restated Credit Agreement, dated as of July 17, 2015, among Summit Materials, LLC, Summit Materials Intermediate Holdings, LLC, the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender (incorporated by reference to Exhibit 10.1 to Summit Materials, Inc.'s Current Report on Form 8-K filed on July 20, 2015 (File No. 001-36873)).
10.20	Amendment No. 1, dated as of January 19, 2017, to the Amended and Restated Credit Agreement, dated as of July 17, 2015, among Summit Materials, LLC, as the borrower, the guarantors party thereto, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrants' Current Report on Form 8-K, filed January 19, 2017 (File No. 001-36873)).
10.21	Amendment No. 2, dated as of November 21, 2017, to the Amended and Restated Credit Agreement, dated as of July 17, 2015, among Summit Materials, LLC, as the borrower, the guarantors party thereto, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrants' Current Report on Form 8-K filed on November 21, 2017 (File No. 001-36873)).
10.22	Amendment No. 3, dated as of May 22, 2018, to the Amended and Restated Credit Agreement, dated as of July 17, 2015 (as amended by Amendment No. 1, dated as of January 19, 2017 and Amendment No. 2, dated as of November 21, 2017), among Summit Materials, LLC, as the borrower, the guarantors party thereto, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrants' Current Report on Form 8-K, filed May 22, 2018).
10.23	Incremental Amendment No. 4, dated as of February 25, 2019, to the Amended and Restated Credit Agreement, dated as of July 17, 2015 (as amended by Amendment No. 1, dated as of January 19, 2017, Amendment No. 2, dated as of November 21, 2017, and Amendment No. 3, dated as of May 22, 2018), among Summit Materials, LLC, as the borrower, the guarantors party thereto, the several banks and other financial institutions or entities from time to time party thereto, Bank of America, N.A., as administrative agent, collateral agent, L/C issuer and swing line lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrants' Current Report on Form 8-K, filed February 25, 2019).
10.24+	Form of Management Interest Subscription Agreement for executive officers (incorporated by reference to Exhibit 10.8 to Summit Materials, LLC's Annual Report on Form 10-K, filed March 7, 2014 (File No. 333-187556)).
10.25+	Form of Management Interest Subscription Agreement for directors (incorporated by reference to Exhibit 10.9 to Summit Materials, LLC's Annual Report on Form 10-K, filed March 7, 2014 (File No. 333-187556)).
10.26+	Employment Agreement, dated as of December 3, 2013, between Summit Materials Holdings L.P. and Brian J. Harris (incorporated by reference to Exhibit 10.1 to Summit Materials, LLC's current Quarterly Report on Form 8-K/A, filed December 4, 2013 (File No. 333-187556)).
10.27	Contribution and Purchase Agreement, dated December 18, 2014, between Summit Materials, Inc., Summit Materials Holdings L.P., Summit Materials Holdings GP, Ltd., and Summit Owner Holdco LLC, and Missouri Materials Company, L.L.C., J&J Midwest Group, L.L.C., R. Michael Johnson Family Limited Liability Company, and Thomas A. Beck Family, LLC, and Continental Cement Company, L.L.C (incorporated by reference to Exhibit 10.27 to Summit Materials, Inc.'s Registration Statement on Form S-1/A, filed on January 9, 2015 (File No. 333-201058)).
10.28+	Michael J. Brady offer letter (incorporated by reference to Exhibit 10.19 of Summit Materials, LLC's Annual Report on Form 10-K, filed February 23, 2015 (File No. 333-187556)).
10.29+	Form of Warrant to Purchase Class A Common Stock (incorporated by reference to Exhibit 10.28 to Summit Materials, Inc.'s Amendment No. 3 to the Registration Statement on Form S-1, filed March 2, 2015 (File No. 333-201058)).
10.30+	Summit Materials, Inc. Executive Severance Plan (incorporated by reference to Exhibit 10.2 to Summit Materials, Inc.'s Current Report on Form 8-K filed on December 21, 2017 (File No. 001-36873).
10.31+	Form of Restricted Stock Unit Award Notice and Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, filed October 28, 2020 (File No. 001-36873)).

10.32+	Form of Performance Unit Award Notice and Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q, filed October 28, 2020 (File No. 001-36873)).
10.33+	Form of Special Executive Restricted Stock Unit Award Notice and Agreement (incorporated by reference to Exhibit 10.1 to the Registrants' Current Report on Form 8-K, filed August 3, 2020 (File No. 001-36873)).
10.34+	Offer Letter, dated as of July 20, 2020, by and between Summit Materials, Inc. and Anne P. Noonan ((incorporated by reference to Exhibit 10.1 to the Summit Materials, Inc.'s Current Report on Form 8-K, filed July 21, 2020 (File No. 001-36873)).
10.35+	Transition and Consulting Agreement, dated as of July 20, 2020, by and between Summit Materials, Inc. and Thomas W. Hill ((incorporated by reference to Exhibit 10.2 to the Summit Materials, Inc.'s Current Report on Form 8-K, filed July 21, 2020 (File No. 001-36873)).
21*	Subsidiaries of Summit Materials, LLC and Summit Materials, Inc.
23.1*	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
31.1*	Summit Materials, Inc.'s Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Summit Materials, Inc.'s Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3*	Summit Materials, LLC's Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4*	Summit Materials, LLC's Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Summit Materials, Inc.'s Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Summit Materials, Inc.'s Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3**	Summit Materials, LLC's Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.4**	Summit Materials, LLC's Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
95.1*	Mine Safety Disclosures.
99.1*	Summit Materials, LLC's Consolidated Financial Statements and Notes to Consolidated Financial Statements.
101.1NS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104.1*	Cover Page Interactive Data File (embedded with the Inline XBRL document).

* Filed herewith
** Furnished herewith
\+ Indicates management or compensating plan or arrangement

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

SUMMIT MATERIALS, INC.
SUMMIT MATERIALS, LLC

Date: February 24, 2021

By: /s/ Anne P. Noonan
Anne P. Noonan
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Act of 1934, this report has been signed by the following persons in the capacities indicated on the 24th day of February 2021.

Signature	Title
/s/ Anne P. Noonan Anne P. Noonan	President and Chief Executive Officer; Director of Summit Materials, Inc. (Principal Executive Officer)
/s/ Brian J. Harris Brian J. Harris	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Joseph S. Cantie Joseph S. Cantie	Director of Summit Materials, Inc.
/s/ Anne M. Cooney Anne M. Cooney	Director of Summit Materials, Inc.
/s/ Susan A. Ellerbusch Susan A. Ellerbusch	Director of Summit Materials, Inc.
/s/ Howard L. Lance Howard L. Lance	Director of Summit Materials, Inc.
/s/ John R. Murphy John R. Murphy	Director of Summit Materials, Inc.
/s/ Anne K. Wade Anne K. Wade	Director of Summit Materials, Inc.
/s/ Steven H. Wunning Steven H. Wunning	Director of Summit Materials, Inc.

NON-GAAP FINANCIAL MEASURES

($ in millions)	3 Months Ended		Last 12 Months Ended[1]											
	January 2, 2021	Dec. 28, 2019	January 2, 2021	Sept. 26, 2020	June 27, 2020	March 28, 2020	Dec. 28, 2019	Sept. 28, 2019	June 29, 2019	March 30, 2019	Dec. 29, 2018	Sept. 29, 2018	June 30, 2018	March 31, 2018
Net income (loss)	$36	$36	$141	$141	$107	$86	$61	$6	$22	$21	$36	$99	$110	$125
Interest Expense	26	28	104	106	110	114	117	118	118	118	117	115	115	112
Income tax (benefit) expense	13	(17)	(12)	(42)	23	22	17	78	53	48	60	229	(290)	(299)
Depreciation, depletion, amortization, and accretion expense	58	53	222	216	214	213	217	218	217	214	205	197	192	187
Loss on debt financings	-	-	4	4	-	-	15	15	15	15	-	5	5	5
Gain on sale of business	-	-	-	-	-	-	-	-	(12)	(12)	(12)	(12)	-	-
Tax receivable agreement (benefit) expense	(8)	16	(8)	16	16	16	16	(23)	(23)	(23)	(23)	(232)	269	271
Acquisition transaction expenses	1	1	3	2	3	3	2	2	2	3	4	5	6	8
Non-cash compensation	6	5	29	28	20	19	20	21	22	23	25	27	26	25
Other	(1)	(1)	2	4	(2)	(2)	(4)	(1)	(2)	-	(6)	(6)	(5)	(6)
Adjusted EBITDA	$131	$121	$485	$475	$491	$471	$461	$434	$412	$407	$406	$427	$428	$428
EBITDA for certain completed acquisitions (2)			11	15	-	-	-	-	-	1	2	6	11	22
Further Adjusted EBITDA (3)			$496	$490	$491	$471	$461	$434	$412	$408	$408	$433	$439	$450
Net Revenue	$572	$506	$2,135	$2,069	$2,090	$2,067	$2,031	$1,969	$1,929	$1,925	$1,909	$1,905	$1,854	$1,783
Adjusted EBITDA Margin (4)	22.8%	23.9%	22.7%	23.0%	23.5%	22.8%	22.7%	22.0%	21.4%	21.2%	21.3%	22.4%	23.1%	24.0%
Net Debt			$1,574	$1,732	$1,717	$1,774	$1,667	$1,820	$1,938	$1,940	$1,828	$1,845	$1,866	$1,760
Total Net Leverage (5)			3.2x	3.5x	3.5x	3.8x	3.6x	4.2x	4.7x	4.8x	4.5x	4.3x	4.3x	3.9x

(1) Last twelve month ("LTM") information corresponding to fiscal years (i.e., the periods ended January 2, 2021, December 28, 2019 and December 29, 2018 and reflects our audited historical results for such fiscal years presented in accordance with U.S. GAAP. Information presented for other LTM periods (i.e., September 26, 2020, June 27, 2020, March 28, 2020, September 28, 2019, June 29, 2019, March 30, 2019, September 29, 2018, June 30, 2018, and March 31, 2018) reflect unaudited trailing four quarter financial information calculated by starting with the results from the most recent audited fiscal year included in such LTM period and then (x) adding quarterly information for subsequent fiscal quarters and (y) subtracting quarterly information for the corresponding prior year period. For example, LTM September 26, 2020 has been calculated by starting with the data from the twelve months ended December 28, 2019 and then adding data for the nine months ended September 26, 2020, followed by subtracting data for the nine months ended September 28, 2019. This presentation is not in accordance with U.S. GAAP. However, we believe this information is useful to investors as we use it to evaluate our financial performance for ongoing planning purposes, including a continuous assessment of our financial performance in comparison to budgets and internal projections. We also use such LTM financial data to test compliance with covenants under our senior secured credit facilities. This presentation has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Please see our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q for the relevant periods for the historical amounts used to calculate the LTM information presented.

(2) EBITDA for certain completed acquisitions, net of dispositions, is pro forma for all acquisitions completed as of the date listed.

(3) Further Adjusted EBITDA is calculated using trailing four quarter financial data to test compliance with covenants under our senior secured credit facilities.

(4) Adjusted EBITDA Margin defined as Adjusted EBITDA as a percentage of net revenue.

(5) Net Leverage defined as net debt divided by Further Adjusted EBITDA

NON-GAAP RECONCILIATION OF RETURN ON INVESTED CAPITAL

Return on Invested Capital Calculation ($ in thousands)	5-Quarter Average[1] 2018	2019	2020
Total Liabilities & Shareholders Equity	3,824,429	3,956,706	4,154,245
Less: Cash	(161,138)	(150,982)	(294,156)
Less: TRA Long-Term Liability	(327,871)	(313,241)	(326,503)
Less: Trade AP	(120,250)	(121,905)	(129,465)
Less: Billings in Excess of Costs	(14,103)	(11,914)	(14,233)
Less: Accrued Expenses	(112,440)	(109,794)	(133,020)
Total Investment	3,088,626	3,248,869	3,256,867

	Fiscal Year 2018	2019	2020
Adjusted EBITDA	406,261	461,462	485,036
Less: Depreciation, depletion, and amortization (DD&A)	(203,305)	(214,886)	(218,682)
Less: Accretion	(1,605)	(2,216)	(2,638)
Adj. EBITDA, less DD&A and accretion	201,351	244,360	263,716
Divided by: Investment	3,088,626	3,248,869	3,256,867
ROIC	**6.5%**	**7.5%**	**8.1%**

(1) 5 quarter average reflects reported average of balance sheet items for the 5 quarters ended December 29, 2018, December 29, 2019; and January 2, 2021.

NON-GAAP FINANCIAL MEASURES: Included in this Annual Report are certain non-GAAP financial measures, such as Adjusted EBITDA, designed to complement the financial information presented in accordance with U.S. GAAP because management believes such measures are useful to investors. These non-GAAP financial measures should be considered only as supplemental to, and not superior to, financial measures provided in accordance with GAAP. Please refer to the discussion entitled "Non-GAAP Performance Measures" beginning on page 57 of our Annual Report on Form 10-K for a reconciliation of the historical non-GAAP financial measures included in this Annual Report to the most directly comparable financial measures prepared in accordance with GAAP.

Price Returns
Source: FactSet Prices

Comparative Total Return	2016	2017	2018	2019	2020
Summit Materials, Inc. Class A - Total Return	120.14	161.00	63.50	122.39	102.83
S&P 500 - Total Return	109.54	130.81	122.65	158.07	183.77
S&P 500 / Construction Materials - IND - Total Return	145.37	148.47	115.88	179.42	185.51

STOCK PERFORMANCE

The above graph shows the comparison of cumulative total shareholder return, calculated on a dividend reinvested basis, for (i) our Class A Common Stock (“SUM”), (ii) the Standard & Poor’s Composite—500 Stock Index (the “S&P 500”), and (iii) the Standard & Poor’s Composite—500 Materials Index (the “S&P 500 Materials Index”), an independently prepared index that includes companies in the building materials industry. Pursuant to rules of the Securities and Exchange Commission, the comparison assumes $100 was invested on December 31, 2015 in our Class A Common Stock and in each of the indices. Data points on the graph correspond to our fiscal quarters. Historic stock price performance is not necessarily indicative of future stock price performance.

BOARD OF DIRECTORS

HOWARD L. LANCE
Chairman, Member of the Human Capital and Compensation and the Nominating and Corporate Governance Committees
Former President and Chief Executive Officer of Maxar Technologies, Inc.

ANNE P. NOONAN
President and CEO of Summit Materials, Inc.

JOHN R. MURPHY
Chair of the Audit Committee and Member of the Nominating and Corporate Governance Committee
Former Senior Vice President and Chief Financial Officer of Smurfit-Stone Container Corporation

STEVEN H. WUNNING
Chair of the Human Capital and Compensation Committee and Member of the Nominating and Corporate Governance Committee
Former Group President and Executive Office Member for Caterpillar Inc.

ANNE COONEY
Chair of the Nominating and Corporate Governance Committee and Member of the Human Capital and Compensation Committee
Former President, Process Industries and Drives Division of Siemens Industry, Inc.

ANNE K. WADE
Member of the Audit Committee
Former Senior Vice President and Director of Capital International, a part of the Capital Group Companies

SUSAN A. ELLERBUSCH
Member of the Audit Committee
CEO of Air Liquide North America LLC

JOSEPH S. CANTIE
Member of the Audit Committee
Former Executive Vice President and Chief Financial Officer of ZF TRW, a division of ZF Friedrichshafen AG

FORWARD-LOOKING STATEMENTS: This Annual Report contains certain forward-looking statements that are based largely on our current expectations. Forward-looking statements are subject to certain risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the forward-looking statements. For more information about these forward-looking statements and related risks, please refer to the “Disclosure Regarding Forward-Looking Statements” beginning on page 3 of our Annual Report on Form 10-K included herewith.

INVESTOR RELATIONS

Anyone seeking information about Summit Materials, Inc. is encouraged to visit us online at investors.summit-materials.com. Prospective and current investors may also contact our investor relations department at:

Phone: 303-893-0012

Email: Karli.Anderson@summit-materials.com

STOCK EXCHANGE LISTING

Our common stock is listed on the New York Stock Exchange under the ticker symbol **"SUM."**

TRANSFER AGENT AND REGISTRAR

Stockholders with questions concerning their stock holdings or with address changes should contact:

Broadridge Corporate Issuer Solutions

PO Box 1342

Brentwood, NY 11717

CORPORATE GOVERNANCE

Information concerning our corporate governance practices, including our Code of Business Conduct and Ethics, Committee Charters and Corporate Governance Guidelines, is available at:

investors.summit-materials.com.

ANNUAL MEETING OF STOCKHOLDERS

The 2021 Annual Meeting of Stockholders of Summit Materials, Inc. will be held at **8:00 a.m., Mountain Time, on Wednesday, May 19, 2021** on the Internet through a virtual web conference at:

www.virtualshareholdermeeting.com/SUM2021

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP

1225 17th Street • Suite 800
Denver, CO 80202

SUMMIT
Materials

OUR FAMILY OF COMPANIES

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