

# SUMMIT MATERIALS, INC.

## CORPORATE GOVERNANCE GUIDELINES

### INTRODUCTION

The Board of Directors (the “Board”) of Summit Materials, Inc. (the “Company”) has adopted these corporate governance guidelines, which describe the principles and practices that the Board is expected to follow in carrying out its responsibilities. It is expected that these guidelines will be reviewed by the Nominating and Corporate Governance Committee from time to time to ensure that they comply with all applicable laws, regulations and stock exchange requirements.

These guidelines should be interpreted in the context of all applicable laws and the Company’s charter, bylaws and other corporate governance documents (each as amended, restated and in effect). These guidelines are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Board may modify these guidelines from time to time.

#### **A. Role and Responsibility of the Board**

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 the Company’s stockholders. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Company.

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 Compensation Committee oversees risks relating to the Company’s compensation policies and practices. Each committee charged with risk oversight reports to the Board on those matters.

#### **B. Board Composition, Structure and Policies**

1. ***Independence of Directors.*** The Company defines an “independent” director in accordance with Section 303A.02 of the Listed Company Manual of the New York Stock Exchange (“NYSE”). For so long as the Company qualifies as a “controlled company” within the meaning of the NYSE corporate governance standards, it may elect not to comply with certain corporate governance standards, including the requirement that a majority of the board of directors consist of independent directors. Subject to an election by the Company to rely on the exemption available to controlled companies and the applicable transition periods under the applicable rules of the New York Stock Exchange, the Board shall make an affirmative determination at least annually as to the independence of each director. The NYSE

independence definition includes a series of objective tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible for determining affirmatively, as to each independent director, that no material relationships exist that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director's business and personal activities as they may relate to the Company and the Company's management. As the concern is independence from management, the Board does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding.

2. ***Selection of Chairperson of the Board and Chief Executive Officer.*** The Board shall select its chairperson ("Chairperson") and the Company's Chief Executive Officer ("CEO") in any way it considers in the best interests of the Company. Therefore, the Board does not have a policy on whether the role of Chairperson and CEO should be separate or combined and, if it is to be separate, whether the Chairperson should be selected from the independent directors.

3. ***Director Qualification Standards.*** The Nominating and Corporate Governance Committee is responsible for reviewing the qualifications of potential director candidates and recommending to the Board those candidates to be nominated for election to the Board. The Nominating and Corporate Governance Committee may consider (a) 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 with the other members of the Board and (b) all other factors it 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, various and 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. The Board should monitor the mix of specific experience, qualifications and skills of its directors in order to assure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of the Company's business and structure. Stockholders may also nominate directors for election at the Company's annual stockholders meeting by following the provisions set forth in the Company's bylaws, whose qualifications the Nominating and Corporate Governance Committee will consider.

4. ***Change in Primary Employment.*** If a director significantly changes his or her primary employment or responsibilities during his or her tenure, that director must notify the chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee will evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board as to any action to be taken with respect to such circumstances.

5. ***Director Orientation and Continuing Education.*** Management, working with the Board, will provide an orientation process for new directors and coordinate director

continuing education programs. The orientation programs are designed to familiarize new directors with the Company's businesses, strategies and challenges and to assist new directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. As appropriate, management shall prepare additional educational sessions for directors on matters relevant to the Company and its business. Directors are also encouraged to participate in educational programs relevant to their responsibilities, including programs conducted by universities and other educational institutions.

6. **Lead Director.** Whenever the Chairperson of the Board is also the Chief Executive Officer or is a director who does not otherwise qualify as an "independent director", the independent directors may elect from among themselves a Lead Director of the Board. Following nomination by the Nominating and Corporate Governance Committee, each independent director will be given the opportunity, by secret ballot, to vote in favor of a Lead Director nominee or to write in a candidate of his or her own. The Lead Director will be elected by a plurality vote and will serve until the Board meeting immediately following the next annual meeting of stockholders, unless otherwise determined by the Board. Service as Lead Director, however, generally should not exceed five consecutive years but is subject to the Board's discretion to set other guidelines in specific instances. A description of the position of Lead Director is set forth in Annex A to these guidelines

7. **Term Limits.** The Board does not have a policy to impose term limits for directors because such a policy may deprive the Board of the service of directors who have developed, through valuable experience over time, an increasing insight into the Company and its operations.

### C. Board Meetings

1. **Frequency of Meetings.** The Board currently plans to hold at least four meetings each year, with further meetings to occur (or action to be taken by unanimous consent) at the discretion of the Board. During those meetings, Board committees may meet, as well as the full Board.

2. **Selection of Board Agenda Items.** The Chairperson of the Board, with approval from the Lead Director (if one has been elected), shall, in consultation with management, set the agenda for Board meetings with the understanding that the other members of the Board may provide suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Any member of the Board may request that an item be included on the agenda.

3. **Access to Management and Independent Advisors.** Board members shall have free access to all members of management and employees of the Company. Generally, any meeting or contact that a director wishes to initiate with an employee should be arranged through the Company's Chief Executive Officer or Chief Legal Officer. In addition, Board members may consult with independent legal, financial, accounting and other advisors, at the Company's expense, as necessary and appropriate and in accordance with the Board committee charters, to assist in their duties to the Company and its stockholders.

4. ***Executive Sessions.*** To ensure free and open discussion and communication among non-management directors of the Board, the non-management directors will meet in executive session with no members of management present from time to time and, if the non-management directors include directors who have not been determined to be independent, the independent directors shall separately meet in a private session at least once a year that excludes management and directors who have not been determined to be independent. The Lead Director, if any, or a director designated by the non-management or independent directors, as applicable, will preside at the executive sessions.

#### **D. Committees of the Board**

It is expected that Board will have at least three standing committees: the Audit Committee; the Compensation Committee and the Nominating and Corporate Governance Committee. Each such committee shall have a written charter and shall report regularly to the Board summarizing the committee's actions and any significant issues considered by the committee.

Each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall be composed of no fewer than the number of members set forth in the relevant committee charter. In addition, each committee member must satisfy the membership requirements set forth in the relevant committee charter. A director may serve on more than one committee.

The Nominating and Corporate Governance Committee shall be responsible for identifying Board members qualified to fill vacancies on any committee and recommending that the Board appoint the identified member or members to the applicable committee. The Board, taking into account the views of the Chairperson and the Nominating and Corporate Governance Committee, shall designate one member of each committee as chairperson of such committee. Committee chairpersons shall be responsible for setting the agendas for their respective committee meetings.

#### **E. Expectations of Directors**

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with applicable laws, rules, regulations and listing standards. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business, including, but not limited to, the following items:

1. ***Commitment and Attendance.*** All directors are expected to make every effort to attend all meetings of the Board, meetings of the committees of which they are members and any meeting of stockholders. Directors are encouraged to attend Board meetings and meetings of committees of which they are members in person but may also attend such meetings by telephone or video conference.

2. ***Participation in Meetings.*** Each director should be sufficiently familiar with the

business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

3. ***Loyalty and Ethics.*** In their roles as directors, all directors owe a duty of loyalty to the Company. The Company has adopted a Code of Business Conduct and Ethics (the "Code"), and directors are expected to adhere to the Code.

4. ***Other Directorships and Significant Activities.*** Serving on the Board requires significant time and attention. Directors are expected to spend the time needed and meet as often as necessary to discharge their responsibilities properly. It is expected that, without specific approval from the Board, no director will serve on more than five public company boards (including the Company's Board) and no member of the Audit Committee will serve on more than three public company audit committees (including the Company's Audit Committee) unless the Board (i) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Company's Audit Committee and (ii) discloses such determination either on or through the Company's website or in its annual proxy statement. In addition, directors who also serve as CEOs or in equivalent positions at other companies should not serve on more than two additional public company boards, other than the board of the company of which they serve as CEO. Directors should advise the chairperson of the Nominating and Corporate Governance Committee and the CEO before accepting membership on other boards of directors or other significant commitments involving affiliation with other businesses, non-profit entities or governmental units.

5. ***Contact with Management.*** All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management and to the Company's employees. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

6. ***Confidentiality.*** The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

## **F. Management Succession Planning**

The Board may periodically review a succession plan relating to the CEO and other executive officers that is developed by management. The Board may also delegate oversight of the succession plan developed by management to a committee of the Board. The succession plan should include, among other things, an assessment of the experience, performance and skills for possible successors to the CEO.

The Board, acting through the Nominating and Corporate Governance Committee,

evaluates the performance of management, including our CEO. In addition, the Board, acting through the Compensation Committee, evaluates the performance of the CEO in light of corporate goals and objectives, and determines and approves certain compensation matters relating to the CEO.

### **G. Evaluation of Board Performance**

The Board, acting through the Nominating and Corporate Governance Committee, should conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee should periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

Each committee of the Board should conduct a self-evaluation at least annually and report the results to the Board, acting through the Nominating and Corporate Governance Committee. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter. Notwithstanding anything to the contrary in this Section G, the Company may choose to forgo an annual evaluation of the Nominating and Corporate Governance Committee and the Compensation Committee pursuant to the exemption provided to "controlled companies" under the rules of the NYSE for so long as the Company remains a controlled company.

### **H. Board Compensation**

The Compensation Committee will review the form and amount of director compensation at least on an annual basis and recommend any changes to the Board, as it deems appropriate. The form and amount of director compensation will be determined by the Board. Non-employee directors are expected to receive a portion of their annual retainer in the form of equity. Directors who are employed by the Company are not paid additional compensation for their services as directors or committee members.

### **I. Communications with Interested Parties**

The CEO is responsible for establishing effective communications with all interested parties, including stockholders of the Company. It is the policy of the Company that management speaks for the Company. This policy does not preclude outside directors, including the Lead Director, if any, from communicating with stockholders or other interested parties, but it is expected that, in most circumstances, any such communications will be coordinated with management. In all cases, any communications by directors or employees of the Company are subject to the Company's disclosure policies.

### **J. Communications with Non-Management or Independent Directors**

Anyone who would like to communicate with, or otherwise make his or her concerns known directly to any then-serving Lead Director, the chairperson of any of the Audit, Nominating and Corporate Governance and Compensation Committees, or to the non-management or independent directors as a group, may do so by addressing such communications

or concerns to the Chief Legal Officer of the Company, 1550 Wynkoop St., 3rd Floor, Denver, Colorado, 80202, who will forward such communications to the appropriate party.

Effective Date: November 14, 2017

**ANNEX A**  
**DESCRIPTION OF LEAD DIRECTOR RESPONSIBILITIES**

When the Chairperson of the Board is also the Chief Executive Officer (“CEO”) or is a director who does not otherwise qualify as an “independent director” under the Company’s Governance Guidelines, a “Lead Director” may be elected annually by plurality vote of the independent directors, pursuant to a secret ballot, following nomination by the Nominating and Corporate Governance Committee. The Lead Director should generally serve for a minimum of one year. Service as Lead Director, however, generally should not exceed five consecutive years but is subject to the Board’s discretion to set other guidelines in specific instances.

The Lead Director shall help coordinate the efforts of the independent and non-management directors in the interest of ensuring that objective judgment is brought to bear on sensitive issues involving the management of the Company and, in particular, the performance of senior management, and shall have the following authority:

- Preside over all meetings of the Board at which the Chairperson is not present, including any executive sessions of the independent directors or the non-management directors;
- Assist in scheduling Board meetings and approve meeting schedules to ensure that there is sufficient time for discussion of all agenda items;
- Request the inclusion of certain materials for Board meetings;
- Approve of all information sent to the Board;
- Communicate to the CEO, together with the chairperson of the Compensation Committee, the results of the Board’s evaluation of CEO performance;
- Collaborate with the CEO on Board meeting agendas and approve such agendas;
- Collaborate with the CEO in determining the need for special meetings of the Board;
- Provide leadership and serve as temporary Chairperson of the Board or CEO in the event of the inability of the Chairperson of the Board or CEO to fulfill his/her role due to crisis or other event or circumstance which would make leadership by existing management inappropriate or ineffective, in which case the Lead Director shall have the authority to convene meetings of the full Board or management;
- Be available for consultation and direct communication if requested by major shareholders;
- Act as the liaison between the independent or non-management directors and the Chairperson of the Board, as appropriate;
- Call meetings of the independent or non-management directors when necessary and appropriate; and

- Recommend to the Board, in concert with the chairpersons of the respective Board committees, the retention of consultants and advisors who directly report to the Board, including such independent legal, financial or other advisors as he or she deems appropriate, without consulting or obtaining the advance authorization of any officer of the Company.