US CONCRETE INC
Form DEF 14A
March 29, 2019
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

U.S. CONCRETE, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

Notice of Annual Meeting

of Stockholders and

2019 Proxy Statement

The Annual Meeting of Stockholders

of U.S. Concrete, Inc. will be held:

Thursday, **May 16, 2019** at 8:00 a.m. local time

Newark Liberty International Airport Marriott

1 Hotel Road

Newark, New Jersey 07114

Table of Contents

March 29, 2019

Dear Stockholders,

On behalf of the Board of Directors of U.S. Concrete, Inc., which we refer to as our Company, we invite you to attend the 2019 Annual Meeting of Stockholders of our Company, which we refer to as our Annual Meeting. We will hold our Annual Meeting at the Newark Liberty International Airport Marriott, 1 Hotel Road, Newark, New Jersey 07114 at 8:00 a.m. local time, on Thursday, May 16, 2019.

We again are taking advantage of the rules of the Securities and Exchange Commission that allow issuers to provide electronic access to proxy materials over the Internet instead of mailing printed copies of those materials to each stockholder. We believe that furnishing these materials electronically allows us to more efficiently provide our stockholders with our proxy materials while reducing costs and reducing the impact of the Annual Meeting on the environment. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials referenced below. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials electronically, unless you elect otherwise.

On or about April 1, 2019, we will commence the mailing to our stockholders (other than those who previously requested electronic or paper delivery) of a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy materials, the Notice of Annual Meeting of Stockholders, the proxy statement providing information concerning the matters to be acted on at the Annual Meeting, and our Annual Report to Stockholders describing our operations during the year ended December 31, 2018. If you requested printed versions of these materials, a proxy card for the Annual Meeting is also included.

We hope you will be able to attend our Annual Meeting in person. Whether or not you plan to attend, please take the time to vote. You may vote your shares via the Internet or by telephone, by following the instructions included in this proxy statement or, if you elected to receive printed versions of the materials, by signing, dating and returning the enclosed paper proxy card in the enclosed postage-paid envelope. If you attend the Annual Meeting and wish to vote your shares in person, you may revoke your proxy.

Thank you for your interest in our Company.

Sincerely,

William J. Sandbrook
Chairman, President and Chief Executive Officer

331 N. Main Street, Euless, Texas 76039

For further information about the 2019 Annual Meeting,

please call 1-817-835-4105

Table of Contents

NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of U.S. Concrete, Inc.:

The 2019 Annual Meeting of Stockholders, which we refer to as the Annual Meeting, of U.S. Concrete, Inc., which we refer to as the Company, will be held on Thursday, May 16, 2019, at 8:00 a.m., local time, at the Newark Liberty International Airport Marriott, 1 Hotel Road, Newark, New Jersey 07114. At the Annual Meeting, we will ask you to consider and take action on the following:

(1) to elect seven directors to serve on the Board of Directors of the Company, which we refer to as our Board, until the 2020 Annual Meeting of Stockholders of the Company (Proposal No. 1);

(2) to ratify the appointment of Ernst & Young LLP, as the independent registered public accounting firm of the Company for the year ending December 31, 2019 (Proposal No. 2);

(3) to cast a non-binding, advisory vote on the compensation of the Company s named executive officers as disclosed in these materials (Proposal No. 3);

(4) to cast a non-binding advisory vote on the frequency with which say-on-pay votes should be held in the future (Proposal No. 4);

(5) to approve the Amendment to the U.S. Concrete, Inc. Long Term Incentive Plan (Proposal No. 5); and

(6) to transact any other business that may properly come before the Annual Meeting or any adjournment or postponement thereof.

Our Board of Directors set the close of business on March 21, 2019 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. Each stockholder is entitled to one vote for each share of common stock of the Company held by such stockholder at that time. A list of all stockholders entitled to vote is available for inspection during normal business hours at our principal executive offices at 331 N. Main Street, Euless, Texas 76039. This list also will be available at the Annual Meeting.

By Order of the Board of Directors,

Paul M. Jolas

Senior Vice President, General Counsel and Corporate Secretary

Euless, Texas

March 29, 2019

MEETING INFORMATION

DATE:	Thursday, May 16, 2019
TIME:	8:00 a.m., Local Time
PLACE:	Newark Liberty International Airport Marriott 1 Hotel Road Newark, New Jersey 07114

HOW TO VOTE

Your vote is very important. Whether or not you plan to attend the Annual Meeting, we encourage you to read this proxy statement and submit your proxy so that your shares can be voted at the Annual Meeting and to help us ensure a quorum at the Annual Meeting. You may nonetheless vote in person if you attend the Annual Meeting.

IN PERSON

You may come to the Annual Meeting and cast your vote in person

BY PHONE

1-877-680-5400

BY INTERNET

www.proxypush.com/USCR

BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope

Important Notice Regarding the Availability of

Proxy Materials for the Stockholders

Meeting to be held on May 16, 2019:

The Notice of Annual Meeting of Stockholders,

Proxy Statement and the Annual Report to

Stockholders are available at:

www.proxydocs.com/USCR

Table of Contents

TABLE OF CONTENTS

Table of Contents

PROXY SUMMARY

This summary highlights information contained elsewhere in the proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement before voting. For more complete information regarding the Company s 2018 performance, please review the Company s Annual Report on Form 10-K for the year ended December 31, 2018 (the 2018 Annual Report).

VOTING MATTERS AND BOARD RECOMMENDATIONS

	PROPOSAL	BOARD VOTING RECOMMENDATION	PAGE REFERENCE
1.	Election of directors	FOR EACH NOMINEE	4
2.	Ratification of appointment of independent registered public accounting firm	FOR	52
3.	Advisory vote on executive compensation	FOR	55
4.	Advisory vote on the frequency of the advisory vote on executive compensation	ONE YEAR	56
5.	Approval of the Amendment to the U.S. Concrete, Inc. Long Term Incentive Plan (the LTIP)	FOR	57

2018 PERFORMANCE HIGHLIGHTS

CONSOLIDATED REVENUE	INCOME FROM CONTINUING OPERATIONS	TOTAL ADJUSTED EBITDA[1]	NET CASH PROVIDED BY OPERATING ACTIVITIES
$1.5 BILLION	$31.3 MILLION	$193.5 MILLION	$122.8 MILLION
12.8% increase year-over-year	Compared to income from continuing operations of $26.2 million in 2017	Compared to Total Adjusted EBITDA of $192.2 in 2017	Adjusted Free Cash Flow[1]

$103.4

MILLION

1. Total Adjusted EBITDA and Adjusted Free Cash Flow are non-GAAP financial measures. Please refer to Appendix A for reconciliations and other information.

CORPORATE GOVERNANCE HIGHLIGHTS

We are committed to good corporate governance, which promotes the long-term interests of stockholders, strengthens Board and management accountability and helps build public trust in the Company. The section entitled Information Concerning the Board of Directors and Committees beginning on page 9 describes our corporate governance framework, which includes the following highlights:

+ Annual election of directors
+ 6 of our 7 director nominees are independent
+ Comprehensive Code of Ethics and Business Conduct and Corporate Governance Guidelines
+ Frequent executive sessions of the Board without management
+ Separate Chairman and Lead Independent Director Positions
+ Compensation Committee participation in executive succession planning
+ Directors elected by majority vote
+ Regular Board, Committee and Director Evaluations
+ Board and Committee review of strategic, operational and compliance risks
+ Ethics and corporate compliance hotline
+ Ethics and corporate compliance program
+ Stock ownership guidelines for Directors and Officers

Table of Contents

Proxy Summary

DIRECTOR NOMINEES

Information about each director nominee s experience, qualifications, attributes and skills can be found beginning on page 5.

NOMINEE	AGE	DIRECTOR SINCE	POSITION(S) HELD	INDE- PENDENT	AC	CC	NCG
William J. Sandbrook	61	2011	Chairman of the Board, President and Chief Executive Officer				
Susan M. Ball	55	2018	Director	X	X		
Kurt M. Cellar	49	2010	Director	X			C
Michael D. Lundin	59	2010	Lead Director	X	C		X
Robert M. Rayner	72	2010	Director	X		X	X
Colin M. Sutherland	63	2010	Director	X	X	X	

Theodore P. Rossi	68	2011	Director	X		C
			Number of Meetings in 2018	**6**	**3**	**5**

AC Audit Committee CC Compensation Committee NCG Nominating and Corporate Governance Committee C Chairperson

EXECUTIVE COMPENSATION HIGHLIGHTS

Set forth below is the 2018 compensation for each Named Executive Officer as determined under Securities and Exchange Commission (SEC) rules. See the 2018, 2017 and 2016 Summary Compensation Table and the accompanying notes to the table beginning on page 38 for more information.

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
William J. Sandbrook							
Chairman, President and Chief Executive Officer	2018	$ 887,500	$ 270,000	$ 2,078,340	$	$43,345	$ 3,279,185
John E. Kunz							
Senior Vice President and Chief Financial Officer	2018	436,250	284,000[(1)]	601,788		191,710	1,513,748
Ronnie Pruitt							

Senior Vice President and Chief Operating Officer	2018	495,000	85,000	651,420	19,268	1,250,688
Paul M. Jolas						
Senior Vice President, General Counsel and Corporate Secretary	2018	390,000	59,000	471,504	13,750	934,254
Niel L. Poulsen						
Executive Vice President Southeast Division	2018	347,500	45,000	310,200	115,765	818,465

(1) In connection with the hiring of Mr. Kunz in October 2017, Mr. Kunz received a bonus of $200,000 on March 31, 2018, subject to repayment by Mr. Kunz if he voluntarily left the Company prior to October 2, 2018.

QUESTIONS AND ANSWERS AND OTHER INFORMATION

Please see Questions and Answers about the Meeting and Voting beginning on page 67 and Other Information beginning on page 65 for important information about the proxy materials, voting, the annual meeting, Company documents, communications and the deadlines to submit stockholder proposals and director nominees for the 2020 Annual Meeting of Stockholders. Additional questions may be directed by phone by calling (817) 835-4105.

LEARN MORE ABOUT OUR COMPANY

You can learn more about our Company, view our governance materials and much more by visiting our website at www.us-concrete.com under Investor Relations.

Please also visit www.proxydocs.com/USCR to access the Company s Notice of Annual Meeting of Stockholders, Proxy Statement and 2018 Annual Report.

Table of Contents

PROPOSAL NO. 1: ELECTION OF DIRECTORS

Our Board of Directors, which we refer to as our Board, consists of seven members. To be elected as a director, each director nominee must receive a majority of the votes cast at the Annual Meeting. A majority of the votes cast means that the number of shares voted for a director must exceed the number of votes cast against that director. Votes cast shall exclude abstentions with respect to that director s election. A description of our policy regarding nominees who receive a majority against vote in an uncontested election is set forth in response to the question What vote is required to approve of each of the proposals being considered at the Annual Meeting? If you properly complete the voting instructions via mail, the Internet or telephone, the persons named as proxies will vote your shares FOR the election of the nominees listed below unless you vote against one or more nominees.

Should any director nominee become unable or unwilling to accept nomination or election, the proxy holders may vote the proxies for the election, in his stead, of any other person the Board may nominate or designate. Each director nominee has expressed his/her intention to serve the entire term.

Set forth below is information regarding the age, business experience and Board committee memberships concerning each nominee for election as a director of the Company, including a discussion of such nominee s particular experience, qualifications, attributes or skills that lead our Nominating and Corporate Governance Committee to conclude that the nominee should serve as a director of our Company. The ages and positions listed below are as of March 15, 2019.

DIRECTOR NOMINEES

NOMINEE	AGE	DIRECTOR SINCE	POSITION(S) HELD	INDE-PENDENT	AC	CC	NCG
William J. Sandbrook	61	2011	Chairman, President and Chief Executive Officer				
Susan M. Ball	55	2018	Director	X	X		
Kurt M. Cellar	49	2010	Director	X			C

Michael D. Lundin	59	2010	Lead Director	X	C		X
Robert M. Rayner	72	2010	Director	X		X	X
Colin M. Sutherland	63	2010	Director	X	X	X	
Theodore P. Rossi	68	2011	Director	X		C	
			Number of Meetings in 2018		**6**	**3**	**5**

AC Audit Committee

CC Compensation Committee

NCG Nominating and Corporate Governance Committee

C Chairperson

There is no family relationship among any of the nominees, directors and/or any of the executive officers of the Company.

Table of Contents

SKILLS AND QUALIFICATIONS OF THE NOMINEES FOR BOARD OF DIRECTORS

Current or Prior CEO or COO Experience
Senior Executive Leadership
Industry Experience
Financial Literacy
Global Experience
Finance and Capital Markets Transactions
Mergers and Acquisitions

Technology

Risk Management

Corporate Governance

William J. Sandbrook

Age: 61

Director Since: 2011

Business Experience: Mr. Sandbrook has served as Chairman of the Board since May 2018 and as our President and Chief Executive Officer and director since August 2011. From September 2017 until May 2018, Mr. Sandbrook served as Vice Chairman of the Board. From June 2008 until August 2011, Mr. Sandbrook was Chief Executive Officer of Oldcastle Inc. s Products and Distribution Group. From 2006 to June 2008, Mr. Sandbrook was Chief Executive Officer of Oldcastle Architectural Product s Group responsible for Oldcastle s U.S. and Canadian Operations, as well as CRH plc s business in South America. From 2003 to 2006, Mr. Sandbrook served as President of Oldcastle Materials West Division. Mr. Sandbrook joined Tilcon New York as Vice President in 1992 and became President and Chief Executive Officer three years later. In 1996, Tilcon was acquired by Oldcastle Materials. In recognition of his efforts at Ground Zero after the September 11th bombing of the World Trade Center, Mr. Sandbrook was named the Rockland County, New York 2002 Business Leader of the Year, the Dominican College 2002 Man of the Year and the American Red Cross 2003 Man of the Year for Southern New York. Additionally, Mr. Sandbrook was awarded the Lifetime Achievement Award by the New Jersey Concrete and Aggregate Association in 2017. In 2018, Mr. Sandbrook received the William B. Allen Award from the National Ready Mixed Concrete Association in recognition of his lifetime commitment and outstanding leadership to improve the financial health, performance and sustainability of the ready mixed concrete industry. In March 2018, Mr. Sandbrook was inducted into the Pit & Quarry Magazine s Hall of Fame. In May 2018, he joined the Board of Comfort Systems USA, Inc. (NYSE: FIX) and currently sits on both its Audit and Compensation Committees. Since March 2019, he has served as the Chairman of the National Ready-Mix Concrete Association.

Education: Mr. Sandbrook is a 1979 graduate of the U.S. Military Academy at West Point. After receiving his Bachelor of Science, he spent thirteen years in the U.S. Army. Mr. Sandbrook s service included a four-year tour in Germany in cavalry and engineering units, three years as an Associate Professor in the Department of Mathematics at the U.S. Military Academy at West Point and two years as the Army Program representative to

Raytheon. While teaching at West Point, Mr. Sandbrook earned his Professional Engineer s License (PE) in Industrial Engineering. Mr. Sandbrook earned four Master s Degrees while in the service. He received an MBA from Wharton, a Master of Science in Systems Engineering from the University of Pennsylvania, a Master in Public Policy from the Naval War College and a Master of Arts in International Relations from Salve Regina University.

Qualifications: Our Board of Directors concluded that Mr. Sandbrook is well-qualified to serve as one of our directors based on his significant experience in the building materials industry.

Proposal No. 1: Election of Directors

Susan M. Ball **Age: 55** **Director Since:** 2018	**Business Experience:** Ms. Ball was appointed Executive Vice President and Chief Financial Officer of Team, Inc. (NYSE: TISI) in December of 2018. Previously, she served as Executive Vice President, Chief Financial Officer and Treasurer of CVR Energy, Inc. (NYSE: CVI), the general partner of CVR Refining, and the general partner of CVR Partners, until May 2018. She previously served as Chief Financial Officer and Treasurer of CVR Energy, Inc. and CVR Partners general partner from August 2012 to December 2017. She also previously served as Vice-President, Chief Accounting Officer and Assistant Treasurer of CVR Energy, Inc. and the general partner of CVR Partners since October 2007 and as Vice President, Chief Accounting Officer and Assistant Treasurer for Coffeyville Resources, LLC since May 2006. In addition, Ms. Ball also served as the Chief Financial Officer and Treasurer of CVR Refining s general partner from September 2012 to December 2017. Ms. Ball has more than 30 years of experience in the accounting industry, with more than 12 years serving clients in the public accounting industry. Prior to joining CVR Energy, Inc., she served as a Tax Managing Director with KPMG LLP, where she was responsible for all aspects of federal and state income tax compliance and tax consulting, which included a significant amount of mergers and acquisition work on behalf of her clients. Also, Ms. Ball holds a Certified Public Accountant certificate. **Education**: Ms. Ball received a Bachelor of Science in Business Administration from Missouri Western State University. **Qualifications:** Our Board of Directors concluded that Ms. Ball s executive experience and strong finance, accounting and tax background qualified her to serve as one of the Company s directors.
Kurt M. Cellar **Age: 49**	**Business Experience:** Since January 2008, Mr. Cellar has been a consultant and board member to companies in a variety of industries as well as a private investor. From 1999 to 2008, Mr. Cellar worked for the hedge fund Bay Harbour Management, L.C., where he was partner and portfolio manager until his departure.

Director Since: 2010

Education: Mr. Cellar has a B.A. in Economics/Business from the University of California, Los Angeles and a Master of Business Administration from the Wharton School of Business. Mr. Cellar is a former Chartered Financial Analyst.

Current and Past Company Directorships: Mr. Cellar is currently the Lead Independent Director of American Banknote Corporation where he is also Chairman of its Strategic Committee as well as Chairman of its Audit Committee. Mr. Cellar also currently serves as a director of Six Flags Entertainment (NYSE: SIX) as well as Chairman of its Audit Committee and as a member of its Nominating and Governance Committee. During the past five years Mr. Cellar served as a director of Angiotech Pharmaceuticals, Inc., Home Buyers Warranty Corporation, Hawaiian Telecom, Inc. and Horizon Lines, Inc.

Qualifications: Our Board of Directors concluded that Mr. Cellar is well-qualified to serve as one of our directors based on his financial expertise and considerable board experience.

Michael D. Lundin

Age: 59

Director Since: 2010

Business Experience: In March 2019, Mr. Lundin was named Chairman of the Board of Directors of Tidewater Transportation & Terminals, a multi-commodity transportation and terminal company serving the Pacific Northwest. Since January 2019, Mr. Lundin has served as an operating advisor to Upper Bay Infrastructure Partners, a private investment firm focused on North American infrastructure investments. From June 2008 to July 2018, Mr. Lundin served as the Chairman of North Coast Minerals, a platform for mineral and logistics-related portfolio companies of Resilience Capital Partners, a private equity firm where Mr. Lundin was an Operating Executive and Partner. Previously, Mr. Lundin was the President and Chief Executive Officer of Oglebay Norton Company from December 2003 to 2008, where he also served as the Chief Operations Officer and the President of the Great Lakes Mineral Division. Prior to joining Oglebay Norton, he was the President and Partner of Michigan Limestone Operations for more than 10 years. During the past five years, Mr. Lundin served as a director of Great Lakes Calcium, Rand Logistics and multiple portfolio companies of Resilience Capital Partners.

Education: Mr. Lundin has a BS from the University of Wisconsin-Stout and a Masters in Business Administration from Loyola Marymount University.

Current and Past Company Directorships: Mr. Lundin also serves as the non-executive Chairman of Omni Max International, Inc. and iGPS Logistics, Inc. Mr. Lundin has also served as the non-executive Chairman of Rand Logistics, Inc.

Qualifications: Our Board of Directors concluded that Mr. Lundin s experience as an executive officer in the minerals, logistics, and aggregates sector along with his board service with other public companies and financial expertise makes him well-qualified to serve as one of our directors and as Lead Director of the Board.

Robert M. Rayner

Business Experience: Mr. Rayner is President of RM Industries, LLC, an advisory firm providing services relating to management, turnarounds and acquisitions primarily to

Age: 72

Director Since: 2010

privately-held and private equity owned firms. Mr. Rayner also serves as a director of Elgin Fastener Group LLC, an Audax Group portfolio company. Previously Mr. Rayner has served as a director of Rocla International Holdings, Inc., an Altus Capital Partners portfolio company; a director of Distribution International Holdings LLC, an Audax portfolio company, as the Chairman of the Board of TestEquity LLC, an Evercore Partners, Inc. portfolio company; as President and Chief Executive Officer and as a director of Specialty Products & Insulation Co., a leading national distributor of insulation and architectural products and an Evercore portfolio company; and as a director of Industrial Insulation Group LLC. From 1994 to early 2002, Mr. Rayner was the President and Chief Operating Officer of Essroc Corp. or Essroc, the U.S. operations of a global cement company. He had previously served as the Chief Financial Officer and President of the Construction Materials Division of Essroc. Prior to joining Essroc, for 12 years, Mr. Rayner held various domestic and international positions in corporate finance, treasury and international business at PepsiCo., Inc., and before that he was a consulting civil engineer in the United Kingdom, or U.K., for six years. In 2001, Mr. Rayner was elected as the Chairman of the Board of Directors of the Portland Cement Association, the non-profit organization for the cement producers in the United States and Canada.

Education: Mr. Rayner holds a civil engineering degree from Bristol University, England and is a professional member of the U.K. Institution of Civil Engineers. He has a Masters in Business Administration in finance from the London Business School and a Diploma in International Management from the London Business School, New York University and Hautes Etudes Commerciales, France.

Qualifications: Our Board of Directors concluded that Mr. Rayner is well-qualified to serve as one of our directors based on his executive experience in the cement industry, financial expertise and prior board experience.

Table of Contents

Proposal No. 1: Election of Directors

Theodore P. Rossi **Age: 68** **Director Since:** 2011	**Business Experience:** Mr. Rossi has over 45 years of experience in the manufacturing and marketing of hardwood products both domestically and internationally. From 2009 to the present, Mr. Rossi has served as Chairman and Chief Executive Officer of Rossi Group, LLC, a leading manufacturer and exporter of hardwood lumber. From 2006 to 2009, Mr. Rossi served as Chairman and Chief Executive Officer of American Hardwood Industries. Prior to that, he was Chairman and Chief Executive Officer of Rossi American Hardwoods from 1976 to 2005. Mr. Rossi served as President and is currently on the Board of Directors of the National Hardwood Lumber Association. He is the former Chairman of the American Hardwood Export Council and has been a member of its Board of Directors since 1988. Mr. Rossi previously served as the President and Chairman of the Hardwood Federation and currently serves as a member of its Executive Committee. Additionally, Mr. Rossi serves on the board of C.F. Furniture Group. Mr. Rossi is the past Chairman of the Mt. St. John Foundation and a former member of the Board of Trustees of the University of Connecticut. **Qualifications:** Based on Mr. Rossi s extensive experience in the building material products sector and extensive international experience, our Board of Directors concluded that he is well-qualified to serve as one of our directors.
Colin M. Sutherland **Age: 63** **Director Since:** 2010	**Business Experience:** Mr. Sutherland is currently President of SC Market Analytics LLC, a firm offering market forecasting, decision support and strategic consulting services to clients in the North American concrete, aggregates and cement sector. From May 2012 to October 2013, he was Vice President Commercial Strategy for Votorantim Cement North America, a leading producer of cement, aggregates and ready-mixed concrete in the Great Lakes region and also served on the Board of Directors and Audit Committee of Pond Technologies Inc. From April 2011 to May 2012, he was Vice President Corporate Development of The Waterford Group, a privately-held company based in Ontario that operates in the aggregates, ready-mixed concrete and industrial services sectors. From July 2010 to March 2011, he served as Special Corporate Development Advisor to the Chief Executive Officer of Armtec Infrastructure Inc., one of North America s largest producers of pre-cast and pre-stressed concrete components and structures. Previously Mr. Sutherland served as the Executive Vice President of Catawba Resources Inc. from March 2007 to April 2010, and as the Vice President of Business Development, Integration & Strategy at

Holcim (US) Inc. from August 2003 to February 2007. From October 2001 to July 2003, he served as the Paris-based Vice President, Cementitious Materials with Lafarge S.A. following a period as Group Integration Director for Blue Circle Industries PLC. Prior to that, he held the position of Director of Corporate Development for Blue Circle North America from September 1995 to January 2001.

Education: Mr. Sutherland holds a Bachelor of Commerce degree from Queen s University. He has also pursued graduate studies at the Wharton School of Business and lectured in Finance at Concordia University, Montreal in 1986-87.

Qualifications: Based on Mr. Sutherland s over 31 years of experience devising and implementing growth strategies for leading global players in the concrete, aggregates and cement sector, combined with his deep knowledge of business valuation, postmerger integration and the Company s geographic markets, our Board of Directors concluded that he is well-qualified to serve as one of the Company s directors.

The Board of Directors recommends that you vote FOR the election of each of the director nominees.

INFORMATION CONCERNING THE BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS

Our Board currently consists of seven directors. A majority of our Board constitutes a quorum for meetings of the Board of Directors. The convening of a special meeting is subject to advance written notice to all directors.

Tenure	Independent

Director Independence

Our Board has determined that six of our current directors, Ms. Ball, and Messrs. Cellar, Lundin, Rayner, Sutherland and Rossi are independent directors in accordance with the applicable rules of the SEC and applicable corporate governance standards of the Nasdaq stock market and that none has a material relationship with the Company that would impair his or her independence from management or otherwise compromise his or her ability to act as an independent director. There were no transactions, relationships or arrangements that were considered by our Board in determining the independence of such directors. Accordingly, the majority of the Board is currently and, if all the director nominees are elected, will be comprised of independent directors.

Board Committee and Meetings

Our Board met 9 times during 2018. Our Board currently has standing audit, compensation and nominating and corporate governance committees. Committee designations are generally made by our Board following the election of directors at each annual meeting of stockholders, upon the formation of a new committee or upon the addition or resignation of directors between annual meetings, if needed.

During 2018, each of our directors attended at least 75% of the meetings of the Board and any committee of the Board on which such director served. Members of the Board of Directors are expected to use all reasonable efforts to attend each meeting of the Board and to attend the Company s annual meeting of stockholders. A director who is unable to attend a meeting is expected to notify the Chairman of the Board or the chairperson of the appropriate Board committee in advance of such meeting. The Chairman of the Board or his designee may also request that members of management or other advisors attend all or any portion(s) of the meetings of the Board of Directors. Each of our directors other than Eugene I. Davis, who did not stand for reelection, and Ms. Ball, who was not a member of the Board at the time, attended our 2018 Annual Meeting of Stockholders (the 2018 Annual Meeting).

Table of Contents

Information Concerning the Board of Directors and Committees

	Board of Directors	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
William J. Sandbrook	C			
Susan M. Ball				
Kurt M. Cellar				C
Michael D. Lundin		C		
Robert M. Rayner				
Colin M. Sutherland				

Theodore P. Rossi			C	
Number of 2018 Meetings	9	6	3	5

C Chairperson

Audit Committee

The Audit Committee met 6 times during 2018. From January 1, 2018 to May 17, 2018, the Audit Committee consisted of Messrs. Lundin (Chairman) and Sutherland. From May 17, 2018 to September 18, 2018, the Audit Committee consisted of Messrs. Lundin (Chairman), Cellar and Sutherland. From September 18, 2018 to December 31, 2018, the Audit Committee consisted of Messrs. Lundin (Chairman) and Sutherland and Ms. Ball. The Audit Committee is governed by a charter adopted by our Board, a copy of which is available on our website at www.us-concrete.com under Investor Relations Corporate Governance. The Board has determined that each member of the Audit Committee is an independent director in accordance with the applicable rules of the SEC and applicable corporate governance standards of the Nasdaq stock market. The Board has also determined that Mr. Lundin is an audit committee financial expert, as defined in the applicable rules of the SEC.

The Audit Committee assists our Board in fulfilling its oversight responsibility relating to:

- the integrity of our financial statements, accounting, auditing and financial reporting processes and internal control systems;
- the qualifications, independence and performance of our independent registered public accounting firm;
- the performance of our internal audit function;
- our compliance with legal and regulatory requirements;
- certain aspects of our compliance and ethics program relating to financial matters, books and records and accounting as required by applicable statutes, rules and regulations; and
- the assessment of the major financial risks facing us.

The Audit Committee s purpose is to oversee our accounting and financial reporting processes, the audits of our financial statements, the qualifications of our independent registered public accounting firm and the performance of our internal auditors and outside firms providing internal audit services.

Our management is responsible for preparing our financial statements and for our internal controls, and our independent registered public accounting firm is responsible for auditing those financial statements and the related audit of internal control over financial reporting. The Audit Committee is not providing any expert or special assurance as to our financial statements or any professional certification as to the independent registered public accounting firm s work. The following functions are among the key duties and responsibilities of the Audit Committee:

- reviewing and discussing with management and our independent registered public accounting firm our annual audited and interim unaudited financial statements and related disclosures included in our quarterly earnings releases and periodic reports filed with the SEC;

- recommending to the Board whether our audited financial statements should be included in our Annual Report on Form 10-K for that year;

reviewing and discussing the scope and results of the independent registered public accounting firm s annual audit and quarterly reviews of our financial statements, and any other matters required to be communicated to the Audit Committee by the independent registered public accounting firm;

reviewing and discussing with management, our senior internal audit executive, outside firms providing internal audit services and our independent registered public accounting firm the adequacy and effectiveness of our disclosure controls and procedures, our internal controls and procedures for financial reporting and our risk assessment and risk management policies (including those related to significant business risk exposures such as data privacy and network security);

the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm, including overseeing their independence;

reviewing and pre-approving all audit, review or attest services and permitted non-audit services that may be performed by our independent registered public accounting firm;

establishing and maintaining guidelines relating to our hiring of employees and former employees of our independent registered public accounting firm, which guidelines shall meet the requirements of applicable law and listing standards;

reviewing and assessing, on an annual basis, the adequacy of the Audit Committee s charter, and recommending revisions to the Board;

reviewing the appointment of our senior internal audit executive, and reviewing and discussing with that individual, and any outside firms providing internal audit services, the scope and staffing of our internal audits, including any difficulties encountered by the internal audit function and any restrictions on scope of its work or access to required information, and reviewing all significant internal audit reports and management s responses;

confirming the regular rotation of the audit partners with our independent auditor, as required by applicable law, and considering whether there should be regular rotation of our auditors;

preparing an annual Audit Committee report for inclusion in our proxy statement;

reviewing legal and regulatory matters that may have a material impact on our financial statements and

- reviewing our compliance policies and procedures, including meeting annually with the General Counsel regarding the implementation and effectiveness of our compliance programs;

- reviewing the Company s significant financing transactions and related documentation that may have a material impact on the Company s ability to borrow to ensure the Company is able to finance its ongoing as well as future operations, and evaluating whether to recommend to the Board to approve or ratify any such financing transaction;

- considering all of the relevant facts and circumstances available for related party transactions submitted to the Audit Committee in accordance with our policy regarding related party transactions;

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

- reviewing and discussing all critical accounting policies and practices to be used, all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, and other material written communications between the independent auditor and management;

- reviewing and recommending to the Board director and officer indemnification and insurance policies and procedures;

- evaluating its performance on an annual basis and periodically reviewing the criteria for such evaluation; and

- performing such other functions the Audit Committee or the Board deems necessary or appropriate under applicable law, including those set forth in our Corporate Governance Guidelines.

The Audit Committee meets separately with our internal auditors and the independent registered public accounting firm to provide an open avenue of communication.

For additional information regarding the Audit Committee see Risk Oversight and Report of the Audit Committee.

Information Concerning the Board of Directors and Committees

Compensation Committee

The Compensation Committee met three times during 2018. From January 1, 2018 to September 18, 2018, the Compensation Committee consisted of Messrs. Cellar (Chairman), Rayner, Sutherland and Rossi. From September 18, 2018 to December 31, 2018, the Compensation Committee consisted of Messrs. Rossi (Chairman), Rayner and Sutherland. Each member of the Compensation Committee is an independent director in accordance with the applicable rules of the SEC and applicable corporate governance standards of the Nasdaq stock market. The Compensation Committee is governed by a charter adopted by our Board, a copy of which is available on our website at www.us-concrete.com under Investor Relations Corporate Governance.

There are three primary responsibilities of our Compensation Committee: (1) to discharge the Board s responsibilities relating to compensation of our executives and directors; (2) to oversee the adoption of policies that govern our compensation programs, including stock and incentive plans; and (3) to produce the Compensation Discussion and Analysis for our annual meeting proxy statement. The Compensation Committee operates under a written charter adopted by our Board. Pursuant to the charter, the Compensation Committee has the resources necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultants as it deems necessary. The following are the key functions of the Compensation Committee, any of which may be delegated to one or more subcommittees, as the Compensation Committee may deem necessary or appropriate:

- review and approve annually the corporate goals and objectives relevant to the compensation of our executive officers, evaluate the performance of our executive officers in light of those goals and set the compensation levels of our executive officers based on the Compensation Committee s evaluation;

- review the competitiveness of our compensation programs for executive officers to (1) attract and retain executive officers, (2) motivate our executive officers to achieve our business objectives, and (3) align the interests of our executive officers and key employees with the long-term interests of our stockholders;

- review trends in management compensation, oversee the development of new compensation plans and, when necessary, revise existing plans;

- periodically review the compensation paid to non-employee directors through annual retainers and any other cash or equity components of compensation and perquisites, and make recommendations to the Board for any adjustments;

review and approve the employment agreements, salaries, bonuses, equity or equity-based awards and severance, termination, indemnification and change in control agreements for all our executive officers;

review and approve compensation packages for new executive officers and termination packages for executive officers as may be suggested by management or the Board;

review and approve our policies and procedures with respect to expense accounts and perquisites for our executive officers;

review and discuss with the Board and our executive officers plans for executive officer development and corporate succession plans for the Chief Executive Officer and other executive officers;

review and make recommendations concerning long-term incentive compensation plans, including the use of stock options and other equity-based plans;

oversee our employee benefit plans;

review periodic reports from management on matters relating to personnel appointments and practices;

review and discuss with management our Compensation Discussion and Analysis for our annual meeting proxy statement in compliance with applicable SEC rules and regulations;

review and assess the Company s policies and practices for compensating its employees, including its executive officers, as they relate to risk management practices, risk-taking incentives and identified major risk exposures to the Company;

make recommendations concerning policies to mitigate risks arising from compensation policies and practices, including policies providing for the recovery of incentive or equity-based compensation and limiting hedging activities related to Company stock;

review and make recommendations regarding the Company s submissions to stockholders on executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, incentive and other compensation plans, and engagement with proxy advisory firms;

retain and terminate any advisors to assist it in performing its duties, including the authority to approve fees and the other terms and conditions of the advisors retention; and

annually evaluate the Compensation Committee s performance and charter.

For additional information regarding the Compensation Committee, see Risk Oversight, Compensation Committee Interlocks and Insider Participation and Compensation Discussion and Analysis.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee met five times in 2018. From January 1, 2018 to September 18, 2018, the Nominating and Corporate Governance Committee consisted of Messrs. Cellar, Rayner, Rossi, Sutherland and Lundin. From September 18, 2018 to December 31, 2018, the Nominating and Corporate Governance Committee consisted of Messrs. Cellar (Chairman), Lundin and Rayner. Each member of the Nominating and Corporate Governance Committee is an independent director in accordance with the applicable rules of the SEC and applicable corporate governance standards of the Nasdaq stock market. The Nominating and Corporate Governance Committee is governed by a charter adopted by our Board, a copy of which is available on our website at www.us-concrete.com under Investor Relations Corporate Governance.

The Nominating and Corporate Governance Committee is responsible for the duties and functions related to corporate governance matters including ensuring that we operate in accordance with our Corporate Governance Guidelines, leading the Board in its annual assessment of the performance of the Board, its committees and each of the directors and reviewing, evaluating and recommending changes to our Corporate Governance Guidelines.

The following functions are among the key duties and responsibilities of the Nominating and Corporate Governance Committee:

- review and make recommendations regarding the size, composition and organization of the Board;
- develop and recommend to the Board specific criteria for the selection of directors;
- with respect to director nominees, (i) identify individuals qualified to become members of the Board (consistent with criteria approved by the Board), (ii) review the qualifications of any such person submitted to be considered as a member of the Board by any stockholder or otherwise, and (iii) select the director nominees for the next annual meeting of stockholders or to fill vacancies on the Board;
- develop and periodically reassess policies and procedures with respect to the consideration of any director candidate recommended by stockholders or otherwise;
- review and make recommendations to the Board with respect to the size, composition and organization of the committees of the Board (other than the Nominating and Corporate Governance Committee);
- recommend procedures for the efficient functioning of the Board;

assist the Board in determining whether individual directors have material relationships with the Company that may interfere with their independence, as provided under applicable requirements and listing standards;

oversee the Board s annual self-evaluation process and report annually to the Board with an assessment of the Board s performance;

develop and maintain the orientation program for new directors and continuing education programs for directors;

review and discuss as appropriate with management the Company s public disclosures and its disclosures to stock exchanges relating to independence, governance and director nomination matters, including in the Company s proxy statement;

review and assess the adequacy of its charter annually and recommend to the Board any changes deemed appropriate; and

review its own performance annually.

In carrying out its function to evaluate nominees for election to the Board, the Nominating and Corporate Governance Committee considers a candidate s mix of skills, experience, character, commitment and diversity of background, all in the context of the requirements of the Board at that time. Each candidate should be prepared to participate fully in Board activities, including attendance at, and active participation in, meetings of the Board, and not have other personal or professional commitments that would, in the Nominating and Corporate Governance Committee s judgment, interfere with or limit such candidate s ability to do so. Additionally, in determining whether to nominate a director for re-election, the Nominating and Corporate Governance Committee also considers the director s past attendance at Board and committee meetings and participation in and contributions to the activities of the Board. The Nominating and Corporate Governance Committee has no stated specific minimum qualifications that must be met by a candidate for a position on our Board. The Nominating and Corporate Governance Committee does, however, believe it appropriate for at least one member of the Board to meet the criteria for an audit committee financial expert as defined by SEC rules, and for a majority of the members of the Board to meet the definition of independent director within the meaning of the applicable Nasdaq listing standards. Although the Board does not have a formal policy on diversity, the Nominating and Corporate Governance Committee gives due consideration to diversity in business experience, professional expertise, gender and nationality among the Board members because different points of view based on a variety of experiences contributes to effective decision making. In considering candidates, the Nominating and Corporate Governance Committee considers the entirety of each candidate s credentials in the context of these standards.

The Nominating and Corporate Governance Committee s methods for identifying candidates for election to the Board (other than those proposed by the Company s stockholders, as discussed below) include the solicitation of ideas for possible candidates from a number of sources, including members of the Board, our executives, individuals personally known to the members of the Board, our stockholders, and other research. The Nominating and Corporate Governance Committee also may select and compensate a third-party search firm to help identify potential candidates, if it deems it advisable to do so.

The Nominating and Corporate Governance Committee will consider nominees recommended by stockholders.

Stockholders may submit nominations to the Nominating and Corporate Governance Committee in care of Corporate Secretary, U.S. Concrete, Inc., 331 N. Main Street, Euless, Texas 76039. Any stockholder wishing to nominate a person for election to the Board must comply with the advance notice deadline and submission process for stockholder proposals contained in our bylaws.

The Nominating and Corporate Governance Committee will consider all candidates identified through the processes described above, whether identified by the Board or by a stockholder, and will evaluate each of them on the same basis.

As a part of its ongoing efforts, the Nominating and Governance Committee intends to continue to seek potential director nominees from a candidate pool that includes women and individuals from minority groups.

Compensation Committee Interlocks and Insider Participation

During 2018, the Compensation Committee was comprised of Messrs. Rossi, Rayner, Sutherland (since September 2018), and Cellar (through September 2018). No member of the Compensation Committee has been an officer or employee of U.S. Concrete or any of its subsidiaries. During 2018, no member of the Compensation Committee had any material interest in a transaction involving the Company (except for the director compensation arrangements described below) or a material business relationship with, or any indebtedness to, the Company. None of the Company s executive officers served as a director or a member of a compensation committee (or other committee serving an equivalent function) of any other entity, the executive officers of which served as a director of the Company or member of the Compensation Committee during 2018.

Communication with Board of Directors

Stockholders and other interested persons may communicate with our Board by sending their communication to U.S. Concrete, Inc. Board of Directors, c/o Corporate Secretary, 331 N. Main Street, Euless, Texas 76039. All such communications received by our Corporate Secretary will be delivered to the Chairman of the Board.

Company Leadership Structure

The Board of Directors is currently led by our Chairman, William J. Sandbrook, who is our President and Chief Executive Officer. Michael D. Lundin is our Lead Independent Director. In the absence of the Chairman, the Lead Independent Director serves as chairman of the meeting. Non-management directors meet frequently in executive session without management before or following Board meetings. All members of the Board are elected annually.

Under our Board s current leadership structure, we have an executive Chairman and a Lead Independent Director. Our Lead Independent Director is empowered with robust, well-defined duties. Our Board is composed of experienced and committed independent directors (with all non-management nominees being independent), and our Board committees have objective, experienced chairs and members. Our Board believes that these factors, taken together, provide for objective, independent Board leadership, and effective engagement with and oversight of management.

Our Board is committed to objective, independent leadership for our Board and each of its committees. Our Board views the objective, independent oversight of management as central to effective Board governance, to serving the best interests of our Company and our stockholders, and to executing our strategic objectives and creating long-term value. This commitment is reflected in our Company s governing documents, our Bylaws, our Corporate Governance Guidelines, and the governing documents of each of the Board s committees.

Our Board believes that its optimal leadership structure may change over time to reflect our Company s evolving needs, strategy and operating environment; changes in our Board s composition and leadership needs; and other factors, including the perspectives of stockholders and other stakeholders. Our Board has the flexibility to determine the Board leadership structure best suited to the needs and circumstances of our Company and our Board.

At least annually, our Board, in coordination with our Nominating and Corporate Governance Committee, deliberates on and discusses the appropriate Board leadership structure, including the considerations described above. Based on that assessment and on input from stockholders, for 2018 our Board believed that our current structure, with Mr. Sandbrook as executive Chairman and Mr. Lundin as Lead Independent Director, was the optimal leadership framework. We and our stockholders benefit from an executive Chairman with deep experience in and knowledge of our industry, our Company, and its businesses, and a strong Lead Independent Director with robust, well-defined duties. Our Lead Independent Director, together with the other independent directors, instills objective independent Board leadership, and effectively engages and oversees management.

The Board believes in having a Lead Independent Director who is empowered with robust, well-defined duties. The Lead Independent Director is joined by experienced, independent Board members and a Chairman who, as CEO, serves as the primary voice to articulate our strategy of long-term responsible growth. The independent directors provide objective oversight of management, help to establish the long-term strategy and regularly assess its effectiveness, and serve the best interests of our Company and our stockholders by creating long-term value.

Risk Oversight

The Board of Directors provides oversight with respect to the Company s risk assessment and risk management activities, which are designed to identify, prioritize, assess, monitor and mitigate material risks to the Company, including strategic, operational, compliance, data security, financial and compensatory risks. The Board administers this oversight function at the Board level, and through the Audit Committee and the Compensation Committee. The entire Board oversees the strategic, operational and compliance risks. The Audit Committee focuses on financial risks, including reviewing with management, the Company s internal auditors and the Company s independent auditors, the Company s major financial risk exposures, the adequacy and effectiveness of accounting and financial controls, and the steps management has taken to monitor and control financial risk exposures. The Audit Committee also oversees the Company s data privacy and network security risks and strategy. The Compensation Committee considers risks presented by the Company s compensation policies and practices, as well as those related to succession and management development. The Audit Committee and Compensation Committee each report directly to our Board.

Code of Ethics

Pursuant to our Code of Ethics and Business Conduct, all employees (including our Named Executive Officers) who have, or whose immediate family members have, any direct or indirect financial or other participation in any business that competes with, supplies goods or services to, or is a customer of the Company, are required to disclose such matters to our Chief Executive Officer or General Counsel prior to transacting such business. Our employees are expected to make reasoned and impartial decisions in the workplace. Our Board members are also responsible for complying with our Code of Ethics and Business Conduct, which is in writing and is available on our website at www.us-concrete.com under Investor Relations Corporate Governance. You may also obtain a written copy by making a request to our Corporate Secretary by mail at U.S. Concrete, Inc., 331 N. Main Street, Euless, Texas 76039 or by phone by calling (817) 835-4105. In the event that we amend or waive any of the provisions of the Code of Ethics and Business Conduct applicable to our principal executive, financial and accounting officers, we intend to disclose that action on our website, as required by applicable law.

Table of Contents

Report of the Audit Committee

REPORT OF THE AUDIT COMMITTEE

The following report shall not be deemed to be soliciting material or to be filed with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference in such filing.

Oversight Function

The role of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities related to the integrity of the Company s financial statements, the Company s internal control over financial reporting, the Company s compliance with legal and regulatory requirements, the qualifications and independence of the Company s independent registered public accounting firm, audit of the Company s financial statements, and performance of the Company s internal audit function and the Company s independent registered public accounting firm. The Audit Committee has the sole authority and responsibility to select, evaluate and, when appropriate, replace the Company s independent registered public accounting firm.

Management of the Company has the responsibility for the presentation and integrity of the Company s consolidated financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for the establishment and maintenance of systems of disclosure controls and procedures and internal control over financial reporting. The Company s independent registered public accounting firm, Ernst & Young LLP, is responsible for auditing the Company s consolidated financial statements and expressing an opinion on the fair presentation of those financial statements in conformity with accounting principles generally accepted in the United States, performing reviews of the unaudited quarterly financial statements and auditing and expressing an opinion on the effectiveness of the Company s internal control over financial reporting. In performing its functions, the Audit Committee acts only in an oversight capacity and necessarily relies on the work and assurances of the Company s management, internal audit group and independent registered public accounting firm.

As discussed above, the Audit Committee is responsible for monitoring and reviewing the Company s financial reporting process. It is not the duty or responsibility of the Audit Committee to conduct auditing or accounting reviews or procedures. Members of the Audit Committee are not employees of the Company. Therefore, the Audit Committee has relied, without independent verification, on management s representation that the consolidated financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States and on the representations of the independent auditors included in their report on the Company s consolidated financial statements. The Audit Committee s review does not provide its members with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations.

Approval of 2018 Financial Statements

During the first quarter of 2019, the Audit Committee reviewed and discussed with management U.S. Concrete s audited financial statements as of and for the year ended December 31, 2018. In addition, the Audit Committee discussed with Ernst & Young LLP the matters required to be discussed by Auditing Standards No. 16, *Communications with Audit Committees*, as amended, adopted by the Public Company Accounting Oversight Board. The Audit Committee received and reviewed the written disclosures and the letter from Ernst & Young LLP required by the applicable requirements of the Public Company Accounting Oversight Board, and discussed with that firm its independence from U.S. Concrete. In addition, the Audit Committee concluded that Ernst & Young LLP s provision of services that are not related to the audit of U.S. Concrete s financial statements was compatible with that firm s independence from U.S. Concrete.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors of U.S. Concrete that the audited financial statements referred to above be included in U.S. Concrete s Annual Report on Form 10-K for the year ended December 31, 2018 for filing with the Securities and Exchange Commission.

The Audit Committee:

Michael D. Lundin, Chairman

Susan M. Ball

Colin M. Sutherland

DIRECTOR COMPENSATION

Director Retainers and Meeting Fees

During 2018, we paid our non-employee directors the following annual retainers quarterly in advance. Non-employee directors do not receive per meeting fees.

- an annual retainer of $25,000 to the Lead Director of the Board;
- an annual retainer of $100,000 to each non-employee member of the Board;
- an annual retainer of $15,000 for the Chairman of the Audit Committee;
- an annual retainer of $15,000 for the Chairman of the Compensation Committee;
- an annual retainer of $15,000 for the Chairman of the Nominating and Corporate Governance Committee; and
- an annual retainer of $5,000 for each member (non-chair) of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

Eugene I. Davis served as our non-executive Chairman of the Board until our 2018 annual meeting of stockholders, where he did not stand for re-election to the Board. In connection with a consulting agreement with the Company entered into on September 14, 2017 (the Consulting Agreement), Mr. Davis agreed to forfeit his compensation as a member of the Board and its committees as of such date and receive the cash and equity-based compensation as provided in the Consulting Agreement. See Certain Relationships and Related Transactions.

Director Equity Compensation

We generally grant annual equity awards to non-employee directors in October as part of their remuneration for services to us. In 2018, each non-employee director (other than the Chairman of the Board) received a grant of restricted stock units (RSUs) with a grant date fair value of approximately $125,000. As a result, on October 1, 2018, we granted 2,729 RSUs to each of Messrs. Rayner, Cellar, Lundin, Sutherland, and Rossi and Ms. Ball. The number of shares granted was based on the closing price of our common stock on the Nasdaq stock market on October 1,

2018. The awards vest in four installments of 25% each on January 1, 2019, April 1, 2019, July 1, 2019, and October 1, 2019, provided the award recipient remains a member of the Board through the applicable vesting dates.

Director Stock Ownership Guidelines

In 2016, our Board of Directors adopted stock ownership guidelines that apply to our non-employee directors. Subject to transition periods and other provisions, the guidelines generally require that each non-employee director beneficially hold shares of our stock with a value at least equal to three times the annual cash retainer paid to non-employee directors. All non-employee directors were in compliance with the guidelines as of March 21, 2019, subject to transition periods. We also have stock ownership guidelines for our executive officers under Section 16, including each of our NEOs, as further described in Compensation Discussion and Analysis Stock Ownership Guidelines.

Other Director Compensation

We do not pay any additional compensation to our employees for serving as directors. We reimburse all directors for out-of-pocket expenses they incur in connection with attending Board and committee meetings or otherwise in their capacity as directors.

Table of Contents

The table below summarizes the compensation we paid to our non-employee directors during the year ended December 31, 2018.

2018 DIRECTOR COMPENSATION TABLE

Name[1]	Fees Earned or Paid in Cash ($)	RSU Awards ($)[2][3]	RSU Awards Grant Date	All Other Compensation ($)	Total ($)
Eugene I. Davis[4]				125,000(5)	125,000
Susan M. Ball	42,550	124,988	10/1/2018		167,675
Kurt M. Cellar	116,250	124,988	10/1/2018		241,238
Michael D. Lundin	141,250	124,988	10/1/2018		266,238
Robert M. Rayner	106,250	124,988	10/1/2018		231,238
Theodore P. Rossi	107,500	124,988	10/1/2018		232,488
Colin M. Sutherland	110,000	124,988	10/1/2018		234,988

1. Mr. Sandbrook was a director and Named Executive Officer during 2018. Mr. Sandbrook did not receive any additional compensation for service as a director. Information about his compensation is listed in the Summary Compensation Table below.
2.

The amounts represent the aggregate grant date fair value of RSUs computed in accordance with Accounting Standards Codification 718, *Compensation Stock Compensation* (ASC 718). The aggregate grant date fair value of RSUs was equal to the number of RSUs granted multiplied by the closing price of our common stock on the Nasdaq stock market on October 1, 2018, which was $45.80 per share.

Table of Contents

Director Compensation

3. The chart below shows the aggregate number of outstanding RSU awards held by each non-employee director as of December 31, 2018.

Director	Number of Shares of Common Stock Subject to Outstanding RSU Awards
Ball	2,729
Cellar	2,729
Lundin	2,729
Rayner	2,729
Rossi	2,729
Sutherland	2,729

4. Mr. Davis did not seek re-election at our 2018 annual meeting of stockholders.
5. The amount represents the cash paid pursuant to Mr. Davis Consulting Agreement. See Certain Relationships and Related Transactions.

EXECUTIVE OFFICERS

The following table provides information about our executive officers as of March 15, 2019. Mr. Sandbrook also serves as a member of our Board of Directors, and his biography is set forth above under the heading Proposal No. 1 Election of Directors.

NAME	AGE	POSITION(S) HELD
William J. Sandbrook	61	Chairman, President and Chief Executive Officer
Herb Burton	43	Regional Vice President and General Manager U.S. Concrete West
Gibson T. Dawson	53	Vice President, Corporate Controller and Chief Accounting Officer
Scott Dryden	43	Regional Vice President and General Manager Polaris Materials
Matthew Emmert	44	Regional Vice President and General Manager U.S. Concrete East
Paul M. Jolas	54	Senior Vice President, General Counsel and Corporate Secretary
Kevin R. Kohutek	46	Vice President Finance and Treasurer
John E. Kunz	54	Senior Vice President and Chief Financial Officer
Mark B. Peabody	61	Vice President Human Resources
Niel L. Poulsen	65	Executive Vice President Southeast Division
Ronnie Pruitt	48	Senior Vice President and Chief Operating Officer
Jeffrey W. Roberts	52	Regional Vice President and General Manager U.S. Concrete Central

Herb Burton has served as the Vice President and General Manager for U.S. Concrete s West Region, responsible for four business units: Central Concrete Supply Co., Inc., Right Away Redy Mix, Rock Transport and Westside Concrete Materials since March 2017. From 2015 March 2017, Mr. Burton served as Vice President of Operations and Sustainability for Central Concrete and Right Away Redy Mix, responsible for the management of 16 ready-mix plants, fleet and plant maintenance, safety, environmental management, customer service, inside sales and purchasing. Prior to that, from 2011 2015, he served as Director of Project Management for Central Concrete. From 1999 2011, Mr. Burton held various positions for Central Concrete, including Project Manager, Sales Manager and Plant Manager. He started his career working in various operational positions including mixer driver, batch operator and dispatcher. Mr. Burton is a member of the NRMCA Operations, Environment and Safety (OES) Committee and participated in the NRMCA Developing Industry Leaders Program. In June 2011, Mr. Burton filed a petition for personal bankruptcy under Chapter 7 of the federal bankruptcy laws, which was subsequently discharged in September 2011.

Gibson T. Dawson has served as Vice President, Corporate Controller and Chief Accounting Officer since February 2019. Mr. Dawson joined the Company in August 2017 as Corporate Controller. From May 2007 to August 2017, Mr. Dawson served as Vice President, Corporate Controller for PFSweb, Inc., a global commerce services company. Prior to assuming such role, Mr. Dawson served as Director, Corporate Controller for PFSweb from 1999 to 2007. From 1996 to 1998, Mr. Dawson was Controller for Independent National Distributors, Inc. Prior to that, Mr. Dawson spent nine years with the international public accounting firm of KPMG where he rose to the position of senior manager in the assurance practice. Mr. Dawson received his B.B.A. in Accounting from Baylor University and is a Certified Public Accountant.

Scott Dryden joined Polaris in August 2014 as Vice President of Business Development and was appointed Vice President, Operations in October 2015. In February of 2018, following our acquisition of Polaris, he was appointed Regional Vice President & General Manager, assuming overall oversight leadership responsibility for Polaris and its subsidiaries. Mr. Dryden has held various management positions in logistics, customer service and business development in the marine and bulk materials handling industries. He was Director, Marketing and Customer Service; and later Managing Director, Eastern and Offshore Division for Northern Transportation Company Ltd., a substantial First Nations-controlled maritime transportation company serving Oil & Gas and Mining Industries in the Canadian Arctic and Eastern Coast. Prior to this, he was the Manager of Customer Service and West Coast

Table of Contents

Executive Officers

Operations for CSL International Inc., Polaris exclusive shipping contractor. Mr. Dryden attended the University of Victoria and holds an M.B.A. (with a specialization in Leadership) from Royal Roads University.

Matthew Emmert has served as Regional Vice President & General Manager of the Company s Eastern Ready-Mixed Concrete Region since February 2019. From May 2016 to February 2019, Mr. Emmert served as Vice President & General Manager of New Jersey and Pennsylvania operations. Prior to joining the Company, Mr. Emmert held the position of General Manager with Ralph Clayton & Sons. From 1997 to 2004, Mr. Emmert held many positions with Millington Quarry, Inc.

Paul M. Jolas has served as Senior Vice President, General Counsel and Corporate Secretary of U.S. Concrete, Inc. since February 2016. From August 2013 until February 2016, Mr. Jolas served as our Vice President, General Counsel and Corporate Secretary. Prior to joining U.S. Concrete, Inc., Mr. Jolas served as Executive Vice President, Chief Legal Officer and Corporate Secretary for Regency Energy Partners LP (NYSE: RGP) commencing in September 2009. Mr. Jolas has more than 29 years of legal experience, including extensive experience with corporate, securities, corporate governance, mergers and acquisitions, finance and transactional matters. Prior to joining Regency, he served in various legal roles at Dallas-based Trinity Industries, Inc. (NYSE: TRN) from June 2006 through September 2009, most recently as Vice President, Deputy General Counsel and Corporate Secretary. Prior to his work at Trinity, he served as Senior Regional Counsel for the Texas division of KB Home (NYSE: KBH) from 2004 to 2006; from 1996 to 2004, he served as General Counsel, Executive Vice President and Corporate Secretary for Radiologix, Inc. (AMEX: RGX); and from 1989 to 1996, as a member of the corporate securities group for Haynes and Boone, LLP. Mr. Jolas received his Bachelor of Arts degree in Economics from Northwestern University and a Juris Doctor degree from Duke University School of Law.

Kevin R. Kohutek has served as our Vice President, Finance and Treasurer since March 2018. Mr. Kohutek joined the Company in 2012 and previously served as our Vice President and Chief Accounting Officer from June 2012 to March 2015 and from April 2017 to March 2018. From April 2015 to April 2017, Mr. Kohutek served as Regional Vice President and General Manager in the Atlantic Region. Before joining the Company, Mr. Kohutek was Vice President of Finance with ClubCorp Financial Management Company and previously held various senior level accounting & finance positions at Trinity Industries, US Insurance Agency and KPMG. Mr. Kohutek holds a Bachelor of Business Administration Degree in Accounting and Finance from Texas A&M University, and is a Certified Public Accountant.

John E. Kunz has served as our Senior Vice President and Chief Financial Officer since October of 2017. From March 2015 to September 2017, Mr. Kunz served as Vice President-Controller & Principal Accounting Officer for Tenneco Inc. (Tenneco), an automotive parts company listed on the New York Stock Exchange. Prior to assuming such role, Mr. Kunz served as Vice President-Treasurer and Tax/President-Finance Subsidiaries for Tenneco, from 2006 to 2015, and Vice President and Treasurer for Tenneco, from 2004 to 2006. From 1999 to 2004, Mr. Kunz worked at Great Lakes Chemical Corporation (Great Lakes), where he rose through positions of increasing responsibility to become Vice President and Treasurer. Prior to joining Great Lakes in 1999, Mr. Kunz was director of corporate development at Weirton Steel Corporation, where he also held prior positions in capital planning, business development and financial analysis. Prior to that, Mr. Kunz spent four years with the international public accounting firm of KPMG. Since March 2011, Mr. Kunz has served as a director of Wabash National Corporation. Mr. Kunz received his B.B.A. from the University of Notre Dame and a Master of Management from the J.L. Kellogg Graduate School of Management at Northwestern University.

Mark B. Peabody has served as our Vice President Human Resources since May 2012. Prior to joining the Company in 2012, Mr. Peabody served as Vice President of Human Resources and Risk Management for Mario Sinacola & Sons Excavating, Inc. since 2008. From 2006 through 2008, Mr. Peabody served as Senior Vice President, Corporate Human Resources for Hanson Building Materials North America, and from 2001 through

2006, he served as Chief Counsel, Labor & Employment for Hanson. From 1994 through 2001, Mr. Peabody served as Associate General Counsel and Senior Labor Attorney for PECO Energy Company. From 1992 through 1994, he served as an attorney for Reed Smith LLP. From 1987 through 1991, Mr. Peabody served in the United States Air Force Judge Advocate General s Corp. He recently retired from the Air Force Reserve as a Lt. Colonel after serving for 25 years. Mr. Peabody received his Bachelor of Arts degree in Business from Rollins College and a Juris Doctor degree from The University of Pittsburgh School of Law. Mr. Peabody later earned his Master of Laws (LL.M.) degree in Labor Law from the Georgetown University Law Center.

Niel L. Poulsen has served as our Executive Vice President of the Southeast Division since October 2015. From January 2012 until October 2015, Mr. Poulsen served as our Regional Vice President and General Manager of Redi-Mix, LLC. From 2004 to 2010, he was Vice President and General Manager for Aggregate Industries (Holcim) Aggregate and Ready-Mix divisions in Colorado. From 2003 to 2004, he served with Cemex, 1995 to 2002 with the Edw. C. Levy Co., and prior to 2002, served in various international assignments, ranging in Australasia and the Middle East. Mr. Poulsen has over 25 years of domestic and international general management experience in ready-mixed concrete, aggregates and other construction materials.

Ronnie Pruitt has served as our Senior Vice President and Chief Operating Officer since October 2015. From July 2014 to October 2015, Mr. Pruitt served as the Vice President of Cement Sales of Martin Marietta Materials, Inc. (Martin Marietta), and from January 1995 to July 2014 was with Texas Industries, Inc. (TXI) in various positions, most recently as Vice President of Cement Operations of TXI, which was acquired by Martin Marietta in 2014. Mr. Pruitt has served as President of the Board of Directors of Cement Council of Texas and Chairman of the Paving Committee for the Portland Cement Association. Mr. Pruitt is a 1993 Graduate of the University of Texas-Arlington.

Jeffrey W. Roberts has served as our Vice President and General Manager Central Region since February 2019. From 2006 to February 2019, Mr. Roberts served as the Vice President and General Manager -Ingram Concrete, LLC, or Ingram. Mr. Roberts is a 1989 graduate of Oklahoma State University receiving a Bachelor of Business Administration Degree in Management/ Marketing and minor field of study in Statistics. From 1994 through 2006, Mr. Roberts held various positions for Ingram, including Vice President of Sales and Operations from 2003 through 2006, Sales and Operations Manager from 1997 through 2003, and Quality Control Manager from 1994 through 1997. From 1993 to 1994, he served as the Quality Control Manager for Campbell Concrete. From 1990 to 1993, Mr. Roberts served as Technical Sales Representative for Cormix Construction Chemicals (formerly Gifford Hill Chemical), with sales responsibility in southeast Texas. From 1989 to 1990, he served as Sales Representative and Quality Control Assistant for Gifford-Hill Concrete in Ft. Worth, Texas.

COMPENSATION DISCUSSION AND ANALYSIS

The following Compensation Discussion and Analysis describes the material elements of compensation for our executive officers identified in the Summary Compensation Table (the Named Executive Officers or NEOs). For 2018, the following individuals constituted our Named Executive Officers . The titles shown below were their titles as of December 31, 2018:

William J. Sandbrook	Chairman, President and Chief Executive Officer
John E. Kunz	Senior Vice President and Chief Financial Officer
Ronnie Pruitt	Senior Vice President and Chief Operating Officer
Paul M. Jolas	Senior Vice President, General Counsel and Corporate Secretary
Niel L. Poulsen	Executive Vice President Southeast Division

OUR 2018 PERFORMANCE

In 2018, our financial performance was adversely impacted by weather-related disruptions, which were outside of our control. Notwithstanding the weather-related disruptions in 2018, we still increased consolidated revenue 12.8% year-over-year to $1.5 billion and generated income from continuing operations of $31.1 million as compared to $26.2 million in 2017. In 2018, we recorded Total Adjusted EBITDA of $193.5 million, an increase of 0.7% as compared to 2017. Our 2018 diluted earnings from continuing operations per share of $1.82 increased 15.9% as compared to $1.57 in 2017.

SUMMARY OF COMPENSATION PROGRAM AND ELEMENTS

OUR COMPENSATION-SETTING PROCESS

Reports on officers and key employees compensation

Financial reports on year-to-date performance versus budget and prior year performance

Calculations and reports on levels of achievement of individual and corporate annual performance objectives

Information regarding compensation levels at peer groups of companies

Management s proposals for salary, bonus and long-term incentive compensation

OUR EXECUTIVE COMPENSATION PHILOSOPHY AND POLICIES

Competitiveness

Support Business Objectives, Strategy and Values

Pay-for-Performance

Emphasize Stock Ownership

Individual Performance

Integrated Approach

THE ELEMENTS OF OUR EXECUTIVE COMPENSATION PROGRAM

Annual Base Salaries

Annual Cash Bonuses

Long-Term Equity Incentives

Non-Qualified Deferred Compensation Plan

Matching Contributions under our 401(k) Plan

Health and Welfare Benefits

Severance Benefits

Table of Contents

POST-EMPLOYMENT ARRANGEMENTS FOR OUR NAMED EXECUTIVE OFFICERS

Certain executive officers, including each of our NEOs, entered into executive severance agreements with the Company. Each executive severance agreement provides for severance payments and other benefits following termination of the applicable executive s employment under various scenarios.

The Compensation-Setting Process

Overview

Our executive compensation program is administered by our Compensation Committee (Compensation Committee or Committee). The role of the Committee is to provide oversight and direction to ensure the establishment of executive compensation programs that are competitive in nature, enable us to attract top talent, and align the interests of our executive officers and our stockholders. The Committee is supported by our Vice President Human Resources in the design, review and administration of our executive compensation programs and receives the input of our Chief Executive Officer regarding the compensation of our executive officers, other than himself. The Committee has engaged a third party compensation consulting firm, Willis Towers Watson, a nationally recognized executive compensation consulting firm (Willis Towers Watson), to evaluate executive officer compensation, evaluate Company practices in relation to other companies, and provide associated recommendations.

The Compensation Committee meets as often as it determines is necessary to perform its duties and responsibilities related to (i) compensation of the Company s executives and other key employees, (ii) the fees and retainers paid to non-management directors of the Company, and (iii) the Company s employee benefit plans and practices. The Committee typically meets three to four times a year with our Chief Executive Officer, Vice President Human Resources, and General Counsel, and when appropriate and as needed, outside compensation consultants. The Committee also meets as needed in executive sessions without management, including at least annually, to evaluate the performance of our Chief Executive Officer, to determine his bonus for the prior calendar year, to set his base salary for the then-current calendar year, and to consider and approve any grants to him of equity incentive compensation.

The Committee works with management to establish the agenda for each meeting and typically receives and reviews materials in advance of each meeting. These materials include information that our management believes will be helpful to the Committee, as well as materials that the Committee has specifically requested. Depending on the agenda for the particular meeting, this information may include:

- reports on officers and key employees compensation;

- financial reports on year-to-date performance versus budget and prior year performance;

- calculations and reports on levels of achievement of individual and corporate annual performance objectives;
- information regarding compensation levels at peer groups of companies; and
- management s proposals for salary, bonus and long-term incentive compensation.

Management s Role in the Compensation-Setting Process

Our management, especially our Chief Executive Officer and Vice President Human Resources, plays a key role in the compensation-setting process for the executive officers, except with respect to the compensation of the Chief Executive Officer. The most significant aspects of management s role are:

- recommending salary adjustments and equity compensation awards;
- recommending strategic objectives and business performance targets for approval by the Compensation Committee in connection with the annual incentive compensation plan; and
- evaluating employee performance.

Table of Contents

Compensation Discussion and Analysis

At the Committee s request, our Chief Executive Officer participates in Committee meetings to provide:

information regarding our strategic objectives;

his evaluations of the performance of all executive officers; and

compensation recommendations as to all executive officers (excluding himself).

The Chief Executive Officer considers all relevant information and provides recommendations to the Committee regarding compensation for review, discussion and approval for all executive officers with the exception of himself. While the Committee considers the recommendation of our Chief Executive Officer, the Committee has the ultimate authority in making compensation decisions for the executive officers. The Committee reviews the performance and establishes appropriate compensation for the Chief Executive Officer in executive session without the Chief Executive Officer present.

The Compensation Committee has designated our Chief Executive Officer, Chief Financial Officer and Vice President Human Resources, collectively, as the Administrator of our short-term incentive plan, which is our annual cash bonus plan. The Compensation Committee chose those individuals because of their access to financial information and individual performance criteria necessary to administer the plan. The Administrator has the authority to interpret the plan, to exercise discretion in interpolating performance levels and award payouts outside of or between the designated benchmarks, as well as to take all steps and make all determinations in connection with the short-term incentive plan and bonus payouts as it deems necessary. All incentive award payouts must ultimately be approved by the Committee.

Executive Compensation Philosophy and Policies

We are focused on building and maintaining a sustainable business model that consistently delivers superior returns to our stockholders. To be successful, we must attract, motivate, retain and reward key talent to provide the needed leadership capabilities to develop and execute our business strategy. Our compensation philosophy and approach is designed to support these objectives.

Our compensation philosophy is to provide competitive market compensation opportunities with an emphasis on performance-based variable pay. This pay-for-performance approach is reflected in the compensation package of all executive officers.

Our primary external market reference point for our market analysis is the 50th percentile. Our Compensation Committee uses the 50th percentile because it believes that is the appropriate level to attract and retain executive talent. Coupled with the opportunity to earn higher amounts commensurate with performance, the Committee believes high performing executives are given appropriate incentives and rewards for performance that results in improved stockholder value.

It is important to note that the external competitive market data serves as just one point of reference for the Committee. The total compensation packages for executives may vary materially from the benchmark data based on several factors, including individual performance, Company and business unit performance, tenure at the Company, retention needs, experience, strategic impact, and internal pay equity. In addition, as the Company s revenue has increased from $598.2 million in 2013 to $1.5 billion in 2018, the NEO s target total cash compensation and total direct compensation levels (other than the CEO and Mr. Poulsen) have not grown as rapidly, resulting in 2018 levels generally between the 25th and 50th percentiles of our peer group. However, the Company intends to target the 50th percentile over time.

All components of compensation for executive officers and key management are reviewed annually to ensure consistency with our compensation philosophy and to verify that the overall level of compensation is competitive. We use the following principles in the design and administration of our executive compensation program:

Competitiveness Our compensation programs are designed to ensure we can attract, motivate and retain the talent needed to lead and grow the business. Targets for total cash compensation (base salary and short-term incentives) have generally been set between the 25^{th} and 50^{th} percentile levels of our peer group. However, the Company intends to target the 50th percentile over time.

Support Business Objectives, Strategy and Values Ultimately our compensation program is designed to drive the achievement of short and long-term business objectives, support the creation of long-term value for our stockholders, and promote and encourage behavior consistent with our core values and guiding principles.

Pay-for-Performance While we generally establish target long-term incentive award levels between the 25th and 50th percentile levels of our peer group for target level performance, our plans provide the opportunity for significantly greater rewards for outstanding performance. At the same time, long-term incentive plan performance that does not meet performance targets is not rewarded. For 2018, we increased the NEO s target long-term incentive award levels in an effort to bring the targets closer to the 50th percentile of our peer group.

Emphasize Stock Ownership Our compensation programs encourage an ownership mentality and align the long-term financial interest of our executives with those of our stockholders. In addition, during 2016, we adopted formal stock ownership guidelines for our NEOs and directors.

Individual Performance In addition to Company-wide and business unit financial measures, our annual incentive program emphasizes individual performance and the achievement of personal objectives.

Integrated Approach We look at compensation in total and strive to achieve an appropriate balance of immediate, annual and long-term compensation components, with the ultimate goal of aligning executive compensation with the creation of long-term stockholder value.

We believe that we offer a work environment in which executive employees are allowed to use their abilities to achieve personal and professional satisfaction. However, we also understand that our executive employees have a choice regarding where they pursue their careers, and the compensation we offer plays a significant role in their decisions to choose to remain with us. We believe that our compensation principles will reward and encourage our management to deliver increasing stockholder value over time and help us to attract and retain top executive talent.

Internal Pay Equity

In implementing our compensation philosophy, the Committee also compares our Chief Executive Officer s total compensation to the total compensation of the other Named Executive Officers. However, the Committee has not established a targeted level of difference between the total compensation of the Chief Executive Officer and the median total compensation level for the next lower tier of management. The Committee also considers internal pay equity among the other Named Executive Officers, and in relation to the next lower tier of management, in order to maintain compensation levels that are consistent with the individual contributions and responsibilities of those officers.

Stockholder Say-on-Pay Votes

At our 2018 Annual Meeting, of those stockholders voting on the matter, 94.4% voted to approve our executive compensation on an advisory basis. The Compensation Committee believes this affirms stockholders support of our approach to executive compensation and, as a result, did not materially change its approach in fiscal 2018. The Compensation Committee will consider the outcome of the Company s future say-on-pay votes when making future compensation decisions for the Named Executive Officers.

Compensation Consultants and Competitive Benchmarking

Compensation Consultants. As in prior years, the Compensation Committee engaged Willis Towers Watson to analyze our current compensation program to ensure that the Company s executive, key employee and director compensation programs were:

Performance-Based. Designed to be performance-based and maximize stockholder value creation.

Aligned with Strategy and Culture. Aligned with the Company s business strategy and corporate culture.

Market Competitive. Competitive with the market in order to attract, engage, reward and retain executive and key talent.

Compensation Discussion and Analysis

In connection therewith, Willis Towers Watson:

- had multiple conversations with the Chairman of our Compensation Committee, Chief Executive Officer and our Vice President Human Resources regarding 2018 compensation;

- advised the Compensation Committee with respect to the review and selection of our 2018 peer group; and

- advised the Compensation Committee regarding the design, implementation and valuation of our long-term equity incentive awards and respective performance metrics for 2018.

The Compensation Committee assessed the independence of Willis Towers Watson pursuant to applicable SEC and Nasdaq rules and concluded that Willis Towers Watson s work for the Compensation Committee does not raise any conflict of interest.

For 2018, we also subscribed to an on-line compensation service available through the Economic Research Institute (ERI). ERI compiles a robust database on job competencies, cost-of-living increases and executive compensation surveys. These three databases are used to help gauge the competitiveness of our 2018 salaries and executive compensation practices.

Competitive Benchmarking. Our compensation philosophy generally results in the establishment of total direct compensation (base annual salary, target bonus opportunity, long-term incentives) that are between the 25th and 50th percentile of market for executives in similar positions. The Committee does not employ a formulaic approach in setting any aspect of total compensation. The Committee has the flexibility to increase compensation when either hiring new executives who have significant industry experience, or for existing executives who demonstrate outstanding performance.

We compete against companies in many industries for executive talent. Because we believe that our benchmark peer group does not necessarily represent all of the companies that may be direct competitors for executive talent, we also rely upon general industry national survey data of companies which are of similar revenue size. This general industry data is collected and prepared for us by Willis Towers Watson.

In 2018, Willis Towers Watson was asked to benchmark the compensation of the Company s executive officers. In seeking an appropriate peer group, management, the Committee and Willis Towers Watson recognized that there are few publicly-traded companies in the construction materials industry that are close to the Company s size in terms of annual revenue and market capitalization. Most other publicly-traded construction materials companies are larger than the Company and are companies with which the Company rarely competes.

During 2018, the Committee eliminated the following companies from the Company s peer group (i) Headwaters Incorporated due to its acquisition, (ii) IES Holdings, Inc. due to poor alignment with the Company s revenue, market capitalization, EBITDA as well as business and (iii) Builders FirstSource due to misalignment with the Company s revenue. In place of these three companies, the Committee added Gibraltar Industries, Inc., NCI Building Systems, Inc. and Simpson Manufacturing Co., Inc., each of which competes in the building products industry and closely aligns with the Company s financial metrics.

Table of Contents

As a result, management and the Committee agreed on the following peer group for 2018:

Company	Primary Industry	Primary Segment and GICS Code
Vulcan Materials Company	Construction Materials	Stone Materials (15102010)
Martin Marietta Materials Inc.	Construction Materials	Stone Materials (15102010)
MYR Group, Inc.	Construction and Engineering	Heavy Construction (20103010)
Matrix Service Company	Oil and Gas Equipment and Services	Heavy Construction (20103010)
Gibraltar Industries, Inc.	Building Products	Building Products (20102010)
Great Lakes Dredge & Dock Corporation	Construction and Engineering	Heavy Construction (20103010)
Granite Construction, Inc.	Construction and Engineering	Heavy Construction (20103010)
Eagle Materials Inc.	Construction Materials	Concrete (15102010)
NCI Building Systems, Inc.	Construction Materials	Heavy Construction (20103010)
U.S. Silica Holdings, Inc.	Oil and Gas Equipment and Services	Heavy Construction (20103010)

Aegion Corporation	Construction and Engineering	Heavy Construction (20103010)
Summit Materials, Inc.	Construction Materials	Stone Materials (15102010)
American Woodmark Corp.	Building Products	Building Products (20102010)
Simpson Manufacturing Co., Inc.	Construction and Engineering	Heavy Construction (20103010)

The Committee believes this group of companies is an appropriate peer group for compensation setting purposes because their revenues, industry and geographic markets are most similar to the Company and provide a reasonable point of reference for comparing like positions and scope of responsibility for purposes of executive compensation. It is the Committee s view that (i) we compete for executive officers and employees from companies that are represented by this group, and (ii) investors consider the performance of these public companies when deciding to make an investment in the construction materials sector. Among this peer group, the Company ranked near the median in terms of EBITDA.

Given the changing nature of our industry and the construction industry, the Compensation Committee expects that the companies used in the benchmarking process and peer group may vary from year-to-year.

Components of Executive Compensation

The primary components of our executive compensation programs are as follows:

Annual Base Salaries. This fixed component of pay is based on an individual s particular skills, responsibilities, experience and performance. The executive officers, as well as other salaried employees, are eligible for annual increases based on performance, experience and/or changes in job responsibilities.

Annual Cash Bonuses. This variable cash component of pay is based on Company performance, business unit performance, and an individual s achievement of specified goals measured over a performance period of one year.

Long-Term Equity Incentives. This variable equity component of pay is based on an individual s compensation grade level. For 2018, we granted awards of restricted stock to all executives and key employees with 60% of the awards vesting annually over a three-year period (time-based vesting) and the remaining 40% vesting upon attainment of specified performance measures (performance-based vesting).

Non-Qualified Deferred Compensation Plan. All executive officers and certain key employees are eligible to participate in a non-qualified deferred compensation plan under which they may defer up to 75% of their base compensation and 75% of their annual incentive compensation. There is no Company match for contributions to the non-qualified deferred compensation plan.

Compensation Discussion and Analysis

Matching Contributions under our 401(k) Plan. The Company maintains a defined contribution 401(k) plan for employees, including executive officers, meeting various employment requirements. Eligible employees may contribute amounts up to the lesser of 60% of their annual compensation or the maximum amount Internal Revenue Service regulations permit. During 2018, we matched 100% of the first 5% of employee contributions.

Health and Welfare Benefits. All executive officers are eligible to participate in health and welfare benefit programs that are available to substantially all non-union employees which provide for medical, dental, vision, basic life, and disability insurance needs. We do not offer any post-employment retiree health or welfare benefits.

Severance Benefits. We have entered into executive severance agreements with each of our NEOs, which provide the NEOs with varying severance compensation and benefits if their employment is terminated in a qualifying termination.

We use each element of compensation to satisfy one or more of our stated compensation objectives. The Compensation Committee s goal is to achieve the appropriate balance between short-term cash rewards for achievement of annual financial performance targets and long-term incentives to promote the achievement of sustained value over the longer term. In establishing compensation for executives, the Compensation Committee considers a number of factors including:

The executive s job responsibility;

Individual contributions and performance;

Level of experience;

Personal compensation history;

Criticality to the business; and

Peer company data.

Analysis of Our 2018 Executive Compensation Program

Compensation of Mr. Sandbrook

In February 2018, the Compensation Committee reviewed the CEO s compensation based on the factors identified above and with a strong focus on direct industry-specific competitors. In addition, the Compensation Committee considered the areas of achievement for 2017 along with his transition into the role of Chairman of the Board. This resulted in an increase in all elements of compensation to better align his compensation with market pay levels and achieved the desired balance of compensation, which was to place more emphasis on incentive compensation versus fixed compensation.

Base Salary

Our Compensation Committee s general approach is to determine base salaries by evaluating (i) the levels of responsibility, prior experience and breadth of knowledge of the executive, (ii) internal pay equity issues, and (iii) external pay practices. The Committee reviews executive salaries annually based on a variety of factors, including individual scope of responsibility and accountability, individual performance, time with the Company and experience, strategic impact of the position, general levels of market salary increases, retention concerns, peer group data, and our overall financial results. The Committee generally grants salary increases within a pay-for-performance framework. The Committee assesses performance for base salary purposes based on goal accomplishments, with such goals being set by supervisors, or in the case of the Chief Executive Officer, by the Board.

Effective April 1, 2018, salaried employees within the Company received an average of a 3.0% increase in their base salary. Based upon a review of external benchmarking data and assessments of individual performance, Company performance and each NEO s contribution to the Company s performance, the NEOs received base salary increases ranging from 2.9% to 13.3% as shown in the following table. The 2018 base salaries for the NEOs, which became effective April 1, 2018, and the percentage increase from their 2017 base salaries were as follows:

Name	2018 Base Salary ($)	Increase (%)
William J. Sandbrook	900,000	5.9
John E. Kunz	440,000	3.5
Ronnie Pruitt	510,000	13.3
Paul M. Jolas	395,000	5.3
Niel L. Poulsen	350,000	2.9

Annual Cash Bonus 2018 Annual Incentive Plan

Our Compensation Committee typically awards cash bonuses to executive officers on an annual basis. For 2018, the Committee adopted the 2018 Annual Incentive Plan (the 2018 Plan), a short-term cash incentive plan for all our salaried employees, including all our executive officers. The purpose of the 2018 Plan was to attract, retain, motivate and reward team members for successful Company, business unit and individual performance, with rewards that were commensurate with the level of performance attained. The cash bonus award is intended to be a significant part of an executive officer s total compensation package subject to the performance of the executive officer.

Performance Metric Selected. Our Compensation Committee periodically reviews the appropriateness of the performance measures used in our incentive plans (including the 2018 Plan), the degree of difficulty in achieving the targets based on these measures, as well as certain strategic and nonfinancial objective criteria. In 2018, the Compensation Committee again selected Total Adjusted EBITDA as the performance measure used for determining whether bonuses would be paid under the 2018 Plan. The Compensation Committee also reviewed the target level of Total Adjusted EBITDA under the 2018 Plan and adjusted it as appropriate to account for strategic acquisitions throughout 2018.

We define Total Adjusted EBITDA as our income (loss) from continuing operations, excluding the impact of income tax expense (benefit), depreciation, depletion and amortization, net interest expense and certain other non-cash, non-recurring and/or unused, non-operating items including, but not limited to: non-cash stock compensation expense, non-cash change in value of contingent consideration, impairment of goodwill and other assets, hurricane-related losses, net of recoveries, quarry dredge costs for specific event, acquisition-related costs, and officer transition expenses. Acquisition-related costs consist of fees and expenses for accountants, lawyers and other professionals incurred during the negotiation and closing of strategic acquisitions and certain acquired entities management severance costs. Acquisition-related costs do not include fees or expenses associated with post-closing integration of strategic acquisitions.

Total Adjusted EBITDA Thresholds. For 2018, the Compensation Committee set the Total Adjusted EBITDA target for the 2018 Plan based on the Company s 2018 Adjusted EBITDA target of $289.3 million, which represented a 37.7% increase as compared to the Company s 2017 Adjusted EBITDA target under the 2017 Annual Incentive Plan (the 2017 Plan). The Committee determined that achieving 100% of the Total Adjusted EBITDA target warranted a payout of 100% of an employee s individual target bonus award, which was consistent with the 2017 Plan. In 2018, the Committee established challenging Total Adjusted EBITDA target thresholds for an initial payout, target payout and maximum payout at $231.5 million, $289.3 million and $347.2 million, respectively, each representing an increase of 37.7% compared to the 2017 Plan. Total Adjusted EBITDA below $231.5 million would result in no non-discretionary bonuses being paid under the 2018 Plan. Total Adjusted EBITDA performance between these thresholds would result in bonus payments being made on an interpolated basis.

Table of Contents

Compensation Discussion and Analysis

Bonus Target and Maximum Percentages. Each NEO and participant in the 2018 Plan had a target bonus percentage that was (i) based on their grade level, and (ii) expressed as a percentage of their annual base salary, and could potentially earn amounts under the 2018 Plan that range from $0 (if the threshold Total Adjusted EBITDA performance level was not met) to a designated maximum level, based on performance actually achieved. The grade level and target maximum percentage applicable to each of the NEOs for 2018 were as set forth in the chart below:

Named Executive Officer	Grade Level	Target % of Base Salary	Maximum % of Base Salary
William J. Sandbrook	21	150%	200%
John E. Kunz	20	65%	97.5%
Ronnie Pruitt	20	75%	112.5%
Paul M. Jolas	20	55%	82.5%
Niel L. Poulsen	19	55%	82.5%

Bonus Award Weighting and Criteria. After the threshold Total Adjusted EBITDA performance is met, the percentage of a NEO s target bonus available for payout is determined using a formula that includes the following criteria: (i) Total Adjusted EBITDA performance as compared to target and (ii) the individual s performance against established individual performance objectives. In addition, for employees with business unit responsibility, the formula also includes the business unit s Adjusted EBITDA performance as compared to target. The following describes the weighting of the various criteria in the bonus calculation by NEO:

For Mr. Sandbrook, 80% of the bonus award determination is based on the Total Adjusted EBITDA performance and 20% is based on the individual s performance against established individual performance objectives.

For employees in corporate staff positions (including Mr. Kunz, Mr. Pruitt and Mr. Jolas, but excluding Mr. Sandbrook), 75% of the bonus award determination is based on the Total Adjusted EBITDA performance and 25% is based on the individual s performance against established individual performance objectives (the Corporate Staff Weightings).

For employees with operating region and business unit responsibility (including Mr. Poulsen), 25% of the bonus award determination is based on the Total Adjusted EBITDA, 50% is based on the operating region and business unit Adjusted EBITDA, and 25% is based on the individual s performance against established individual performance objectives (the Business Unit Manager Weightings).

The following table summarizes for each NEO their target bonus and weighting and target amount by criteria:

Named Executive Officer	Target Percentage of Base Salary	Individual Target Bonus (Target Percentage x Base Salary)	Company Adjusted EBITDA Bonus Weighting and Target Amount	Operating Region and Business Unit Adjusted EBITDA Weighting and Target Amount	Individual Goal Factor Weighting and Target Amount
William J. Sandbrook	150%	$ 1,350,000	80% ($1,080,000)	0% ($0)	20% ($270,000)
John E. Kunz	65%	$ 286,000	75% ($214,500)	0% ($0)	25% ($71,500)
Ronnie Pruitt	75%	$ 382,500	75% ($286,875)	0% ($0)	25% ($95,625)
Paul M. Jolas	55%	$ 217,250	75% ($162,938)	0% ($0)	25% ($54,313)
Niel L. Poulsen	55%	$ 192,500	25% ($48,125)	50% ($96,250)	25% ($48,125)

2018 Bonus Awards to Named Executive Officers.

Due to weather-related disruptions to our 2018 operating results that were outside of our control, we did not achieve sufficient Total Company Adjusted EBITDA growth year-over-year to exceed the initial payout threshold under the 2018 Plan. Our actual 2018 Total Adjusted EBITDA performance was $193.5 million, which increased 0.7% from the level achieved in 2017, but fell short of the initial payout threshold by $38.0 million. Because our actual 2018 Total Company Adjusted EBITDA did not exceed the initial payout threshold level, no NEOs were eligible to receive bonuses under the 2018 Plan, notwithstanding strong performance in certain operating regions and business units and the accomplishment of individual goals in 2018.

2018 Discretionary Cash Bonuses

Although the Compensation Committee has not historically granted discretionary bonuses, the Compensation Committee decided to award limited discretionary bonuses to each of the NEOs for 2018 performance for the following reasons. First, the Company s performance was negatively impacted by adverse weather events that were outside of management s control. Notwithstanding the adverse weather events, the NEOs still increased Total Company Adjusted EBITDA year-over-year. Second, the Compensation Committee believed that increasing the initial payout threshold under the 2018 Plan by 37.7% year-over-year was overly aggressive and a more modest increase should have been used instead. In fact, the Company s actual 2018 Total Adjusted EBITDA performance of $193.5 million represented a 15.1% increase compared to the 2017 Plan initial payout threshold of $168.1 million. Third, the Compensation Committee recognized that, but for the failure to achieve the initial payout threshold, the NEOs would have received bonuses under the 2018 Plan based on operating region and business unit results and/or the achievement of individual goal factors. Fourth, the Compensation Committee believed that not paying any bonuses under these circumstances would have resulted in retention issues.

In light of the foregoing, the Compensation Committee decided to award discretionary bonuses that ranged from 28.7% to 34.1% of the bonuses paid in 2017. The bonuses awarded were: Mr. Sandbrook $270,000; Mr. Kunz $84,000; Mr. Pruitt $85,000; Mr. Jolas $59,000 and Mr. Poulsen $45,000.

Long-Term Incentive Compensation

We believe that long-term incentive awards help to create and maintain a long-term perspective among executive officers and provides a direct link to our long-term growth and profitability. However, we also understand that equity awards create dilution in our earnings per share and therefore believe that a portion of our long-term incentives should be tied directly to performance. The Committee believes that restricted stock awards (including restricted stock units) (RSAs) are the most appropriate forms of equity awards to achieve our stated objectives. RSAs strongly and directly link management and stockholder interests. As a full value award, RSAs are less dilutive to stockholders than stock options since we are able to issue fewer shares in order to attain the desired level of equity compensation for our executive officers and managers.

Under our LTIP, RSAs are granted on an annual basis in amounts that vary by salary grade and role for each executive officer and manager. Generally, the award grants are awarded in the first quarter of the year and are (i) 60% time-based with vesting to occur in equal annual installments over a three-year period beginning on the first anniversary of the date of grant; and (ii) 40% performance-based with performance hurdles that link the equity award to achievement of stockholder value. The Committee believes that restricted shares with a combination of time and performance-based vesting criteria provide a motivating form of incentive compensation, help to align the interests of executives with those of our stockholders, foster employee stock ownership, and contribute to the focus of the management team on increasing value for our stockholders. In addition, the Committee believes the three year time-based vesting period, which is subject to the executive s continued employment with us, encourages executive retention. Our equity awards are designed to enable the Company to be competitive in an industry and market in which there are very few similarly sized companies.

Table of Contents

Compensation Discussion and Analysis

Based on the foregoing analysis and objectives, the Compensation Committee approved the following structure for the 2018 equity awards:

- 60% of the number of shares granted consisted of RSAs with time-based vesting. Vesting will occur in equal annual installments over a three-year period beginning on the first anniversary of the date of grant.

- 40% of the number of shares granted consisted of RSAs with performance-based vesting (the Performance Shares). Half of the Performance Shares would vest if the average of the daily volume-weighted average closing share price (the VWAP) of our common stock over any period of twenty consecutive trading days (the VWAP Hurdle) reaches $91.10 or more, within three years from the date of grant. The other half of the Performance Shares would vest if the VWAP Hurdle reaches $99.10 or more, within three years of the date of grant. The $91.10 VWAP Hurdle and the $99.10 VWAP Hurdle represented an approximately 6% compound average growth rate over three years (3 Year CAGR) and a 9% 3 Year CAGR, respectively, to the 20-day VWAP of the Company s common stock through and including February 28, 2018, which was $76.52 per share.

On March 1, 2018, the Compensation Committee approved equity awards for the NEOs that were granted effective as of March 1, 2018 based on the following award values and the 20-day VWAP of the Company s common stock through and including February 28, 2018. The actual number of shares awarded was rounded up to the nearest 100 shares. The value of the awards shown in the 2018 Grants of Plan Based Awards Table differ from the dollar amounts reported below due to the use of a 20-day VWAP to value the shares and the effects of rounding. The 2018 RSA award amounts represent increases of between 3.8% and 27.3% as compared to the 2017 RSA award amounts as a result of the Compensation Committee s efforts to set the target award levels closer to the 50th percentile of the Company s peer group.

Name	2018 RSA Award ($)	2018 RSA Award (#)
William J. Sandbrook	2,250,000	33,500
John E. Kunz	650,000	9,700
Ronnie Pruitt	700,000	10,500

Paul M. Jolas	510,000	7,600
Niel L. Poulsen	330,000	5,000

Perquisites and Other Benefits

Perquisites did not constitute a material portion of the compensation to the NEOs for 2018. However, we do provide payment for the premiums associated with additional term life insurance and whole life insurance for our Chief Executive Officer.

We provide our executive officers with the opportunity to participate in our other employee benefits programs. The employee benefits programs in which our executive officers participate (which provide benefits such as medical coverage and group term life insurance protection) are generally the same programs offered to all our salaried employees. These programs are intended to promote the health and financial security of our employees. The programs are provided at competitive market levels to attract, retain and reward employees.

Severance Benefits Pursuant to Executive Severance Agreements

Certain executive officers, including each of our NEOs, entered into executive severance agreements with the Company. Each executive severance agreement provides for severance payments and other benefits following termination of the applicable officer s employment under various scenarios, as described below. We believe these severance benefits reflect the fact that it may be difficult for such executives to find comparable employment within a short period of time. Each such agreement also contains a confidentiality covenant, requiring the applicable officer to not disclose our confidential information at any time, as well as noncompetition and non-solicitation covenants, which prevent the executive from competing with us or soliciting our customers or employees during employment and for one year after the officer s employment terminates (subject to extension in the event of a change in control, so that the noncompetition and non-solicitation covenants will extend to cover the number of months post-termination used to determine the severance benefits payable to him). These agreements are described in further detail below under Potential Payments Upon Termination or Change in Control.

Deferred Compensation Plan

All executive officers, including our current NEOs, are eligible to participate in our non-qualified deferred compensation plan, under which they may defer up to 75% of their base compensation and up to 75% of their incentive compensation. There is no Company match for contributions to the non-qualified deferred compensation plan.

Compensation Program and Risk Management

Our Compensation Committee has conducted a comprehensive review of our compensation structure from the perspective of enterprise risk management and the design and operation of our executive and employee compensation arrangements generally and has concluded that the risks arising from our compensation policies and overall actual compensation practices for employees are not reasonably likely to have a material adverse effect on our Company. Our compensation program as a whole does not encourage our executives or other employees to take unnecessary and excessive risks or engage in other activities and behavior that threaten the value of the Company or the investments of our stockholders, as evidenced by the following design features that we believe mitigate risk-taking:

Compensation Mix. To encourage appropriate decision making and facilitate the alignment of the interests of our employees with those of the Company and its stockholders, our compensation program is structured to provide an appropriate balance of fixed and variable or at risk compensation. We believe that the allocation of variable compensation between annual cash incentives and long-term equity incentive compensation along with fixed base salaries meets our objectives and affords us the ability to attract, retain and motivate executives by providing predictable fixed income to meet the current living requirements and significant variable compensation opportunities for long-term wealth accumulation.

Base Salaries. While base salary is the only fixed element of compensation that we provide to our executives and other employees, we believe that the amounts paid are sufficient to meet the essential financial needs of these executives and employees. Consequently, our incentive compensation arrangements are intended to reward their performance if, and only to the extent that, the Company and our stockholders also benefit financially from their stewardship.

Annual Incentives. Our annual short-term incentive plan applies to salaried employees at each of our business units. While our annual short-term incentive plan for salaried employees differs from year-to-year, cash bonuses are generally awarded under the plan based on some combination of Company and business unit financial results, and individual and business unit accomplishment of strategic goals, which may include strategic position in the market, improvement in operational efficiencies, development of new products, implementation and utilization of information technology, employee development, accomplishment of various safety goals, and completion of specific transactions or projects. We do not believe that the pursuit of these objectives will lead to behaviors that focus executives on their individual enrichment rather than our long-term welfare, and we believe that the annual bonus plan does not encourage excessive risk taking as the bonus amounts are based on multiple financial and non-financial goals and objectives.

Long-Term Equity Awards. In addition to the strategic focus of our short-term cash bonus plan, our equity compensation program is specifically intended to create a long-term link between the compensation provided to executive officers and other key management personnel and gains realized by our stockholders. Our Compensation Committee uses restricted shares with a combination of performance-based vesting criteria as long-term incentive compensation because, among other reasons, these awards provide a motivating form of incentive compensation, while contributing to the focus of our management team on increasing value for our stockholders. As these awards vest over multiple years, and the vesting of the awards is based generally on continued service with the Company, we believe the awards do not encourage executives to achieve short-term increases in stock price to the detriment of long-term growth.

Clawback and Hedging Policy

To date, our Board of Directors has not adopted a formal clawback policy to recoup incentive-based compensation upon the occurrence of a financial restatement, misconduct, or other specified events. However, restricted stock agreements covering grants to our NEOs do include language providing that the award may be canceled, and the award recipient may be required to reimburse us for any realized gains to the extent required by applicable law or any clawback policy that we adopt.

Hedging is an investment strategy used by investors to offset or reduce the risk of fluctuations in stock price. This, consequently, insulates the stockholder from the full risks and rewards of stock ownership. Because we believe fully in aligning our directors and officers interests with the interests of our stockholders, we have adopted a policy that prohibits our directors and officers from engaging in any hedging or monetization transactions, including, but not limited to, collars, prepaid variable forward sale contracts, equity swaps, and exchange funds. Our directors and officers may petition our general counsel for individualized exceptions to this policy on a case-by-case basis.

Stock Ownership Guidelines

In 2016, our Board of Directors adopted stock ownership guidelines that apply to our CEO as well as each of our executive officers under Section 16, including each of our NEOs. Subject to transition periods and other provisions, the guidelines generally require that each officer beneficially hold shares of our stock with a value at least equal to the multiples of his base salary identified below:

Position	Base Salary Multiple
CEO	Three Times
Section 16 Officers	Two Times

All NEOs were in compliance with the guidelines as of December 31, 2018, subject to transition periods. We also have stock ownership guidelines for our directors, as further described in Director Compensation.

Conclusion

Based upon its review of our overall executive compensation program, the Compensation Committee believes our executive compensation program, as applied to our executive officers, is appropriate and is necessary to retain the executive officers who are essential to our continued development and success, to compensate those executive officers for their contributions and to enhance stockholder value. The Committee believes that the total compensation opportunities provided to our executive officers create a commonality of interests and alignment of our long-term interests with those of our stockholders.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on the review and discussion with management, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company s proxy statement.

The Compensation Committee:

Theodore P. Rossi, Chairman

Robert M. Rayner

Colin M. Sutherland

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended (the Securities Act), or the Securities Exchange Act of 1934, as amended (the Exchange Act), that incorporate future filings, including this proxy statement, in whole or in part, the foregoing report of the Compensation Committee shall not be deemed to be filed with the SEC or incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference.

Table of Contents

Executive Compensation Tables and Related Disclosure

2018, 2017 AND 2016 SUMMARY COMPENSATION TABLE

The following table sets forth the compensation earned by our Named Executive Officers in 2018, 2017 and 2016. The titles shown below are their titles as of December 31, 2018.

Name and Principal Position	Year	Salary[(1)]	Bonus[(3)]	Stock Awards[(2)]	Non-Equity Incentive Plan Compensation	All Other Compensation[(4)]	Total
William J. Sandbrook							
Chairman, President and	2018	$887,500	$270,000	$2,078,340	$	$43,345	$3,279,185
	2017	850,000		1,943,203	792,880	45,580	3,631,663
Chief Executive Officer	2016	843,750		1,883,772	651,100	41,907	3,420,529
John E. Kunz[(5)]							
Senior Vice President and	2018	436,250	284,000[(6)]	601,788		191,710	1,513,748
Chief Financial Officer	2017	106,250		197,606	247,244	4,289	555,389
Ronnie Pruitt							
Senior Vice President and	2018	495,000	85,000	651,420		19,268	1,250,688
	2017	428,750	15,000	562,818	250,828	19,390	1,276,786
Chief Operating Officer	2016	365,000		390,074	173,722	23,707	952,503
Paul M. Jolas							
Senior Vice President,	2018	390,000	59,000	471,504		13,750	934,254
General Counsel and	2017	368,750		432,481	174,281	13,500	989,012
Corporate Secretary	2016	338,750		337,747	154,700	13,250	844,447

Niel L. Poulsen[7]							
Executive Vice President	2018	347,500	45,000	310,200		115,765	818,465
Southeast Division	2017	337,500		325,842	156,613	115,500	935,445

1. The figures shown in the Salary column of this table reflect the amount actually received by the NEO as base salary during a specified year, not the NEO s annual rate of pay for the applicable year. The rates of pay are most likely higher than amounts shown if an NEO began employment with us during a particular year or if an NEO received a salary increase during the year. Annual pay increases for all executive officers are generally not effective until April of a given year. In addition, an officer s rate of pay may change over the course of the year due to a change in job title or responsibilities.
2. The amounts shown in the Stock Awards column represent the aggregate grant date fair value of awards of restricted stock determined in accordance with ASC 718. We determined the fair market value of a restricted stock award on the grant date using the closing price of our common stock on the Nasdaq stock market on the date of grant. The values shown in this column do not represent the amounts that may eventually be realized by the Named Executive Officers, which are subject to achievement of the time- and performance-based vesting conditions applicable to the awards and the price of our common stock at the time of vesting. See Note 13. Stock-Based Compensation in the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for 2018 for a discussion of our determination of the aggregate grant date fair value of these awards. The amounts reported do not include any reduction in the value of the awards for the possibility of forfeiture.
3. Except as noted, the amounts in this column for 2018 reflect discretionary bonuses paid for retention purposes. See Compensation Discussion and Analysis Analysis of Our 2018 Executive Compensation Program 2018 Discretionary Cash Bonuses.
4. The amounts in the All Other Compensation column for 2018 reflect: (a) matching contributions under our 401(k) plan for each of Messrs. Sandbrook, Kunz, Pruitt, Jolas and Poulsen; (b) additional life insurance premiums paid by us for Mr. Sandbrook in the amount of $29,595; (c) a taxable personal mileage reimbursement for Mr. Pruitt; (d) an auto allowance and taxable personal mileage reimbursement for Mr. Poulsen; (e) $177,960 to Mr. Kunz for his relocation expenses and (f) $90,000 to Mr. Poulsen for extended service in the U.S. Virgin Islands during 2018.
5. Mr. Kunz joined the Company in October 2017.
6. In connection with the hiring of Mr. Kunz in October 2017, Mr. Kunz received a bonus of $200,000 on March 31, 2018, subject to repayment by Mr. Kunz if he voluntarily left the Company prior to October 2, 2018.
7. No information is reported for Mr. Poulsen in 2016 because he was not a Named Executive Officer in 2016.

2018 GRANTS OF PLAN-BASED AWARDS TABLE

The following table summarizes the plan-based awards that our Named Executive Officers received or were eligible to receive during 2018. Our Named Executive Officers were eligible to receive all non-equity awards pursuant to the 2018 Plan. All equity awards were granted pursuant to the LTIP.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards[(1)]		Estimated Future Payouts Under Equity Incentive Plan Awards[(2)]	All Other Stock Awards: Number of Shares of Stock[(3)]	Grant Date Fair Value of Stock and Option Awards
Name	Grant Date	Target ($)	Maximum ($)	Target (#)	(#)	($)
William J. Sandbrook	3/01/2018	1,350,000	1,800,000	13,400	20,100	2,078,340
John E. Kunz	3/01/2018	286,000	429,000	3,880	5,820	601,788
Ronnie Pruitt	3/01/2018	382,500	573,000	4,200	6,300	651,420

Paul M. Jolas	3/01/2018	217,250	325,875	3,040	4,560	471,504
Niel L. Poulsen	3/01/2018	192,500	288,750	2,000	3,000	310,200

1. The Named Executive Officers were eligible to earn annual non-equity incentive compensation under the 2018 Plan based on achievement of certain performance measures, including levels of Total Adjusted EBITDA. The overall Total Adjusted EBITDA for 2018 was below the Total Adjusted EBITDA initial payout threshold under the 2018 Plan. As a result, the Company did not pay any non-discretionary, non-equity incentive plan awards to the named executive officers for 2018. The percentage of base pay for the Named Executive Officers for the target bonus was as follows: Mr. Sandbrook (150%), Mr. Kunz (65%), Mr, Pruitt (75%), Mr. Jolas (55%) and Mr. Poulsen (55%). The percentage of base pay for the Named Executive Officers for the maximum bonus was as follows: Mr. Sandbrook (200%), Mr. Kunz (97.5%), Mr. Pruitt (112.5%), Mr. Jolas (82.5%) and Mr. Poulsen (82.5%).
2. The restricted stock awards reflected in this column were subject to performance-based vesting criteria, but there were no threshold or maximum levels that could be achieved. The performance criteria would either be satisfied at target levels, or the awards would be forfeited in the event that performance was not achieved at target levels.
3. The restricted stock awards reflected in this column were subject to time-based vesting criteria, as described above within Compensation Discussion and Analysis.

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

Employment Terms

Although we have not entered into any employment agreements with our Named Executive Officers, certain employment terms are included in each of their executive severance agreements, the severance provisions of which are detailed below under Potential Payments Upon Termination or Change in Control . Each such agreement specifies the executive s position, location of employment, monthly base salary and annual paid vacation entitlement.

Equity Compensation Awards

We adopted the U.S. Concrete, Inc. 2010 Management Equity Incentive Plan (MEIP) in September 2010. Pursuant to the MEIP, we made awards to employees and directors in the form of stock options, stock appreciation rights, restricted stock, RSUs and other equity or equity-based grants, in addition to grants denominated in cash. On January 23, 2013, we adopted the LTIP, and our stockholders approved the LTIP at our 2013 Annual Meeting. Upon approval of the LTIP, we ceased making awards under the MEIP. However, the MEIP still applies to outstanding awards granted under the MEIP. Under the LTIP, we can grant stock options, stock appreciation rights, restricted stock awards, RSUs, cash awards and performance awards to management, employees, and directors of the Company. In 2018, we granted awards to non-employee directors only under the LTIP. As of December 31, 2018, there were 21,879 shares remaining for future issuance under the LTIP.

Restricted Stock Award Agreements

Pursuant to each restricted stock award agreement issued in accordance with the LTIP, 60% of such shares granted pursuant to an award will vest over three years in equal annual installments from the date of grant and

Executive Compensation Tables and Related Disclosure

40% of the number of shares granted pursuant to an award will vest based on both the passage of time and the satisfaction of certain performance criteria, which are more fully described within the Compensation Discussion and Analysis section above. Any portion of the restricted stock awards that are unvested on the date of termination will be forfeited, except that if the executive s employment is terminated without cause , any portion of the restricted stock awards that would have become vested during the six month period following termination will become vested on the date of termination. Additionally, pursuant to the terms of each NEO s executive severance agreement, upon a change in control all outstanding, unvested restricted stock awards will become fully vested. Each of these terms and conditions are described in greater detail in the Potential Payments Upon Termination or Change in Control section below.

OUTSTANDING EQUITY AWARDS AT 2018 FISCAL YEAR-END TABLE

The following table provides information about the number of outstanding equity awards held by our Named Executive Officers at fiscal year-end 2018. The table also includes, where applicable, the value of these awards based on the closing price of our common stock on the Nasdaq on December 31, 2018, which was $35.28 per share. Unless otherwise indicated, the restricted stock awards vest over three years following the grant date. All of the option awards are fully vested.

	Stock Awards			
Name	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
William J. Sandbrook				
	7,920[(1)]	279,418		

(2)

13,120	462,874

