
Section 1: 8-K (8-K)

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **March 29, 2019**

GMS INC.

(Exact name of registrant as specified in charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37784
(Commission
File Number)

46-2931287
(I.R.S. Employer
Identification No.)

100 Crescent Centre Parkway, Suite 800
Tucker, Georgia
(Address of Principal Executive Offices)

30084
(Zip Code)

Registrant's telephone number, including area code: **(800) 392-4619**

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

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

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

Emerging growth company

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



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

On March 29, 2019, G. Michael Callahan, Jr., the President and Chief Executive Officer of GMS Inc. (the “Company”) informed the Board of Directors of the Company (the “Board”) that he will retire as President and Chief Executive Officer of the Company. Also on March 29, 2019, the Board approved the appointment of John C. Turner, Jr. as the Company’s new President, effective May 1, 2019. Mr. Callahan’s retirement as President of the Company will also be effective May 1, 2019. Mr. Callahan will continue in his current position as Chief Executive Officer until August 2, 2019, or such earlier date as the Board determines (the “Transition Date”). On the Transition Date, Mr. Turner will assume the title of Chief Executive Officer and Mr. Callahan will retire as Chief Executive Officer.

No family relationships exist between Mr. Turner and any of the Company’s directors or executive officers. There are no arrangements between Mr. Turner and any other person pursuant to which Mr. Turner was selected as an officer, nor are there any transactions to which the Company is or was a participant and in which Mr. Turner has a material interest subject to disclosures under Item 404(a) of Regulation S-K.

Mr. Turner, age 50, is currently President of Dal-Tile, a division of Mohawk Industries, Inc. He has served as President since January 2012. Mr. Turner began his career with Dal-Tile in 1990, progressing through a series of sales, operations and management roles. In 2005, Mr. Turner was promoted to Senior Vice President of Sales. From 2008 to 2011, he served as Senior Vice President of Operations — Dal-Tile, and from 2011 until his 2012 promotion, he served as Chief Operating Officer — Dal-Tile.

In connection with Mr. Turner’s commencement of employment with the Company, the Board and the Compensation Committee approved the Company entering in an employment agreement with Mr. Turner. The employment agreement provides for an initial one-year term commencing on May 1, 2019, with automatic one-year renewals unless and until either the Company or Mr. Turner provides at least 90 days’ written notice to the other of intent not to renew the term. The employment agreement provides for (i) an annual base salary of \$750,000; (ii) eligibility for participation in all benefit programs for which other senior executives of the Company are generally eligible and, for the first three months of employment, an additional \$1,500 payment per month to assist with COBRA expense prior to his eligibility for participation in the Company’s benefit plans; (iii) a target annual bonus equal to 100% of his base salary, subject to satisfaction of performance goals and bonus criteria as determined by the Compensation Committee; provided, however, that for fiscal year 2020, his annual bonus will be guaranteed at the greater of target or actual performance; (iv) a monthly car allowance of \$800; and (v) reimbursement of relocation expenses, subject to the terms and conditions of the Company’s relocation policy.

Pursuant to the employment agreement, if Mr. Turner’s employment is terminated by the Company other than for cause, death or disability (each as defined in the employment agreement) or by Mr. Turner for good reason (as defined in the employment agreement) or by Mr. Turner following the Company’s notice of non-renewal of the employment agreement, then he will be entitled to (i) base salary continuation for eighteen (18) months; (ii) an amount equal to his target bonus opportunity for the year in which termination occurs; (iii) a pro-rata annual bonus for the year in which termination occurs; and (iv) payment of the Company-paid portion of group health benefits for eighteen (18) months and, to the extent the medical benefits continuation is taxable Mr. Turner, a tax gross-up payment for such benefit. Mr. Turner’s employment agreement contains certain employee non-solicitation, customer non-solicitation and non-competitive covenants that will apply for eighteen (18) months following his termination of employment with the Company, as well as a confidentiality covenant.

Mr. Turner also will receive a sign-on equity grant having an aggregate grant date value of \$1,500,000 and comprised of restricted stock units (50%) and stock options (50%), which awards will vest in three approximately equal installments on each of the first three annual anniversaries of the date of grant, subject to his continued employment with the Company on each vesting date.

The foregoing summary of Mr. Turner’s employment agreement is qualified in its entirety by reference to the employment agreement which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

In connection with Mr. Callahan’s retirement, the Company and Mr. Callahan entered into a separation, transition and release agreement. As described above, Mr. Callahan will serve as Chief Executive Officer until the Transition Date. During the transition

period, Mr. Callahan will continue to receive his current base salary and benefits. In exchange for his release of all potential claims against the Company and for agreeing to provide consulting services and cooperation upon request during the eighteen (18) month period following his retirement, in connection with his retirement, Mr. Callahan will receive (i) continuation of his base salary for eighteen (18) months; (ii) a pro-rata annual bonus for fiscal year 2020; (iii) a monthly payment of \$1,500 for eighteen (18) months (which represents the approximate monthly cost to continue health and dental insurance coverage under COBRA) on an after-tax basis; and (iv) up to six months following his retirement to exercise stock options that are vested on his retirement date. Mr. Callahan will remain subject to the employee non-solicitation, customer non-solicitation and non-competitive covenants included in his employment agreement with the Company for eighteen (18) months following his retirement, as well as the confidentiality covenant.

The foregoing summary of Mr. Callahan's separation agreement is qualified in its entirety by reference to the separation agreement which is filed herewith as Exhibit 10.2 and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On April 3, 2019, the Company issued a press release with respect to the foregoing matters, a copy of which is attached hereto as Exhibit 99.1.

Pursuant to the rules and regulations of the Securities and Exchange Commission, the information in this Item 7.01 disclosure, including Exhibit 99.1 and information set forth therein, is deemed to have been furnished and shall not be deemed to be "filed" under the Securities Exchange Act of 1934.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	Employment Agreement with John C. Turner, Jr., dated as of March 29, 2019.
10.2	Separation, Transition and Release Agreement with G. Michael Callahan, Jr., dated as of April 1, 2019.
99.1	Press Release dated April 3, 2019.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GMS INC.

Date: April 3, 2019

By: /s/ Craig D. Apolinsky
Name: Craig D. Apolinsky
Title: Vice President, General Counsel and Corporate Secretary

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Section 2: EX-10.1 (EX-10.1)

Exhibit 10.1

Execution Version

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, dated as of March 29, 2019 (the "Employment Agreement"), by and between Gypsum Management and Supply, Inc., a Georgia corporation (the "Company"), and John C. Turner, Jr. (the "Executive") (each of the Executive and the Company, a "Party," and collectively, the "Parties").

WHEREAS, the Company desires to employ the Executive as President of the Company and wishes to be assured of the Executive's services on the terms and conditions hereinafter set forth; and

WHEREAS, the Executive desires to be employed by the Company as President and to perform and to serve the Company on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration, the sufficiency of which is acknowledged, the Parties hereto agree as follows:

Section 1. Employment.

1.1. Subject to Section 3 hereof, the Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, in each case pursuant to this Employment Agreement, for a period commencing as of May 1, 2019 (the "Effective Date"), and ending on the first anniversary of the Effective Date (the "Initial Term"); provided, however, that the period of the Executive's employment pursuant to this Employment Agreement shall be automatically extended for successive one-year periods thereafter (each, a "Renewal Term"), in each case unless either Party hereto provides the other Party hereto with written notice that such period shall not be so extended at least 90 days in advance of the expiration of the Initial Term or the then-current Renewal Term, as applicable (the Initial Term and any Renewal Term, collectively, the "Term"). Each additional one-year Renewal Term shall be added to the end of the next scheduled expiration date of the Initial Term or Renewal Term, as applicable, as of the first day after the last date on which notice may be given pursuant to the preceding sentence. The Executive's period of employment pursuant to this Employment Agreement shall hereinafter be referred to as the "Employment Period."

1.2. Duties. During the Employment Period, the Executive shall serve as President of the Company and such other positions as an officer or director of the Company and such affiliates of the Company as the Company shall determine from time to time, and shall report directly to the Board of Directors (the "Board") of GMS Inc. ("Holdings") In the Executive's position of President, the Executive shall perform duties customary for the President of a company similar to the Company's size and nature, plus such additional duties, consistent with the foregoing, as the Board may reasonably assign. The Executive's principal place of employment shall be the Company's headquarters in Tucker, Georgia. The Company's intention is that Executive will also assume the role of Chief Executive Officer within approximately 90 days of the Effective Date and upon the retirement of the current Chief Executive Officer.

1.3. Exclusivity. During the Employment Period, the Executive shall devote substantially all of the Executive's business time and attention to the business and affairs of the Company, shall faithfully serve the Company, and shall conform to and comply with the lawful and reasonable directions and instructions given to the Executive by the Board consistent with Section 1.2 hereof. During the Employment Period, the Executive shall use the Executive's best efforts to promote and serve the interests of the Company and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit; provided, that the Executive may (a) serve any civic, charitable, educational or professional organization, (b) manage

the Executive's personal investments and (c) act as a director on the board of directors of another company with prior written consent of the Board, in each case so long as any such activities do not (x) violate the terms of this Employment Agreement (including Section 4) or (y) materially interfere with the Executive's duties and responsibilities to the Company.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Employment Period, the Company shall pay to the Executive a salary at an annual rate of \$750,000, payable in accordance with the Company's standard payroll policies (the "Base Salary"). The Base Salary will be reviewed annually and may be adjusted upward (but not downward) by the Board (or a committee thereof) in its discretion.

2.2. Annual Bonus. For each fiscal year ending during the Employment Period beginning with Fiscal Year 2020 which begins May 1, 2019, the Executive shall be eligible for potential awards of additional compensation to be determined based upon the Company's performance and other criteria for each such fiscal year as set forth in the annual bonus plan (the "Corporate Bonus Plan", with any amount payable under the Corporate Bonus Plan, the "Annual Bonus"), each as adopted by the Compensation Committee of the Board ("Compensation Committee"). The Executive's target Annual Bonus opportunity under the Corporate Bonus Plan for each fiscal year that ends during the Employment Period shall equal 100% of the Base Salary, assuming 100% achievement of the performance target as set forth in the Corporate Bonus Plan (the "Corporate Target Bonus Opportunity") (which shall be pro-rated for any fiscal year not falling entirely within the Employment Period), with the actual Annual Bonus to be based upon the Company's performance as determined by the Compensation Committee. For Fiscal Year 2020 only and subject to Section 3, the Annual Bonus payable to the Executive will in no event be less than the Corporate Target Bonus Opportunity. The Annual Bonus shall be paid at such time as annual bonuses are paid to other similarly situated executives of the Company, but in no event later than August 31st following the fiscal year in respect of which such Annual Bonus is earned. The Annual Bonus shall be paid in cash.

2.3. Employee Benefits. During the Employment Period, the Executive shall be eligible to participate in such health and other group insurance and other employee benefit plans and programs and any fringe benefit programs of the Company as in effect from time to time on the same basis as other senior executives of the Company, and shall receive such perquisites as provided to other executives of the Company from time to time, including a car allowance in the amount of \$800.00 per month. For the avoidance of doubt, the Executive will not have use of a Company vehicle. In addition, during each of the first three (3) months of the Employment Period, the Company shall pay the Executive \$1,500 for purposes of obtaining COBRA coverage prior to eligibility for the Company's group health plans.

2.4. Vacation. During the Employment Period, the Executive shall be entitled to up to four weeks (20 days) vacation per calendar year. The number of vacation days is prorated for any partial year of service during the Employment Period.

2.5. Business Expenses. The Company shall pay or reimburse the Executive, upon presentation of documentation, for all commercially reasonable out-of-pocket business expenses that the Executive incurs during the Employment Period in performing the Executive's duties under this Employment Agreement and in accordance with the expense reimbursement policy of the Company as approved by the Board (or a committee thereof) and in effect from time to time. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense or reimbursement described in this Employment Agreement does

not constitute a “deferral of compensation” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance thereunder (“Section 409A”), any expense or reimbursement described in this Employment Agreement shall meet the following requirements: (i) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement to the Executive in any other calendar year; (ii) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit; and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement of expenses.

2.6. Equity Compensation. Holdings (or its successor, as applicable) shall grant to the Executive on the Effective Date an equity award having a grant date value of \$1,500,000 (the “Initial Equity Award”). Fifty percent (50%) of the grant date value of the Initial Equity Award will be delivered in the form of restricted stock units (determined by dividing \$750,000 by the closing price per share of Holdings common stock on the Effective Date) (the “RSUs”), and fifty percent (50%) of the grant date value of the Initial Equity Award will be delivered in the form of stock options (determined based on the Black-Scholes valuation model) (the “Stock Options”). Each of the RSUs and Stock Options shall vest as to 33.3% on each annual anniversary of the date of grant if Executive is employed by the Company on such anniversary date. The RSUs and Stock Options are subject to the terms and conditions in the Company’s Equity Incentive Plan and the award agreement for such RSUs and Stock Options, as the case may be.

2.7. Relocation Expenses. The Company will assist with the expenses associated with the Executive’s move from Texas to Georgia subject to the terms and conditions of the Company’s Relocation Policy. As part of the relocation, the Company will also pay a reasonable amount for temporary housing in Georgia for up to six months. If the Executive voluntarily terminates employment with the Company during the 12 month period immediately following the payment of funds for relocation, the Executive shall reimburse the Company the full amount of any such relocation benefits. If the Executive voluntarily terminates employment with the Company between 12-24 months immediately following the payment of funds for relocation, the Executive will be responsible for reimbursing the Company 50% of any such relocation benefits. The reimbursement will be due and payable immediately upon voluntary termination. The Executive also agrees that the Company will be entitled to recover its reasonable costs and attorneys’ fees incurred in connection with any successful efforts to recover any portion of the relocation benefits paid to the Executive.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive’s employment hereunder for any reason during the Employment Period upon not less than 30 days’ written notice to the Executive (other than in the event of a termination by the Company for Cause), and the Executive may voluntarily terminate the Executive’s employment hereunder for any reason during the Employment Period upon not less than 30 days’ written notice to the Company (subject to the longer notice requirements in connection with a termination of employment by the Executive for Good Reason as set forth in Section 3.2(b)(iii)) (the date on which the Executive’s employment terminates for any reason is herein referred to as the “Termination Date”). Upon the termination of the Executive’s employment with the Company for any reason, the Executive shall be entitled to (i) payment of any Base Salary earned but unpaid through the date of termination, (ii) earned but unpaid Annual Bonus for any fiscal year completed prior to the Termination Date (payable in the ordinary course pursuant to Section 2.2), (iii) unused vacation days (consistent with Section 2.4 hereof) paid out at the per-business-day Base Salary rate, (iv) benefits in accordance with the applicable

terms of applicable Company plans or arrangements, and (v) any unreimbursed expenses in accordance with Section 2.5 hereof (collectively, the “Accrued Amounts”); provided, however, that if the Executive’s employment hereunder is terminated by the Company for Cause, then any Annual Bonus earned pursuant to Section 2.2 in respect of a prior fiscal year, but not yet paid or due to be paid, shall be forfeited.

3.2. Certain Terminations.

(a) Termination by the Company other than for Cause, Death or Disability; Termination by the Executive for Good Reason. If the Executive’s employment is terminated (i) by the Company other than for Cause, death or Disability, (ii) by the Executive for Good Reason or (iii) if the Company has given the Executive notice of its intent not to renew this Employment Agreement as of the end of the Initial Term or any Renewal Term, by the Executive within 15 days following the end of the Initial Term or any such Renewal Term, as applicable, then in addition to the Accrued Amounts, the Executive shall be entitled to (A) the payment of an amount equal to one and one-half times the Executive’s Base Salary at the rate in effect immediately prior to the Termination Date in equal installments on the Company’s regular payment dates occurring during the 18-month period beginning on the first payroll date to occur after the 60th day following the Termination Date; provided that the first such payment shall consist of all amounts payable to the Executive pursuant to this Section 3.2(a) between the Termination Date and the first payroll date to occur after the 60th day following the Termination Date; (B) the payment of an amount equal to one times the Corporate Target Bonus Opportunity for the year in which the Termination Date occurs payable in equal installments on the Company’s regular payment dates occurring during the 18-month period beginning on the first payroll date to occur after the 60th day following the Termination Date; provided that the first such payment shall consist of all amounts payable to the Executive pursuant to this Section 3.2(a) between the Termination Date and the first payroll date to occur after the 60th day following the Termination Date; and (C) a prorated portion of the Executive’s actual Annual Bonus, determined in accordance with Section 2.2 and payable at the same time as annual bonuses are paid to other senior executives of the Company, with the prorated Annual Bonus determined by multiplying the actual Annual Bonus, if any, by a fraction, the numerator of which is the number of days the Executive is employed by the Company during the applicable year and the denominator of which is 365 ((A), (B) and (C) collectively, the “Severance Amount”). In addition, if the Executive elects to continue participation in any group medical, dental, vision and/or prescription drug plan benefits to which the Executive and/or the Executive’s eligible dependents would be entitled under COBRA, then for a period of eighteen (18) months after the Termination Date (the “Health Benefits Continuation Period”), the Company shall pay to the Executive an amount in cash equal to the excess of (A) the COBRA cost of such coverage *over* (B) the amount that the Executive would have had to pay for such coverage if Executive had remained employed during the Health Benefits Continuation Period and paid the active employee rate for such coverage; provided, however, that (i) that if Executive becomes eligible to receive group health benefits under a program of a subsequent employer or otherwise (including coverage available to Executive’s spouse), the Company’s obligation to pay any portion of the cost of health coverage as described herein shall cease, except as otherwise provided by law; (ii) the Health Benefits Continuation Period shall run concurrently with any period for which the Executive is eligible to elect health coverage under COBRA; and (iii) the Company-paid portion of the monthly premium for such group health benefits, determined in accordance with Code Section 4980B and the regulations thereunder, shall be treated as taxable compensation by including such amount in the Executive’s income in accordance with applicable rules and regulations (the “Health Benefit”). The Company’s obligations to pay the Severance Amount and the Health Benefit shall be conditioned upon: (i) the Executive’s continued compliance with the Executive’s obligations under Section 4 of this Employment Agreement and (ii) the Executive’s execution, delivery and non-revocation of a valid and enforceable general release of claims (the “Release”) in the form provided by the Company, within 45 days after the Executive’s Termination Date.

(b) Termination for Cause; Termination by Reason of Death or Disability; Resignation by Executive other than Resignation for Good Reason. If the Executive's employment is terminated by the Company for Cause, or by Executive other than for Good Reason, or in the event of Executive's death or Disability, then the Company shall have no further obligations to the Executive or the Executive's legal representatives under this Agreement, other than for payment of the Accrued Amounts.

(c) Definitions. For purposes of Section 3, the following terms have the following meanings:

(i) "Cause" shall mean a good faith determination by the Board that Executive has engaged in any of the following: (A) willful misconduct or gross negligence in the performance of any of the Executive's duties to the Company, which, if capable of being cured, is not cured to the reasonable satisfaction of the Board within 30 days after the Executive receives from the Board written notice of such willful misconduct or gross negligence, which notice is given to Executive no later than 30 days after the Board becomes aware of such willful misconduct or gross negligence; (B) intentional failure or refusal to perform reasonably assigned duties by the Board, which is not cured to the reasonable satisfaction of the Board within 30 days after the Executive receives from the Board written notice of such failure or refusal, which notice is given to the Executive no later than 30 days after the Board becomes aware of such failure or refusal; (C) any conviction of, or plea of guilty or nolo contendere to, (1) any felony (other than motor vehicle offenses) or (2) any crime (whether or not a felony) involving fraud, theft, or embezzlement, whether of the United States or any state thereof or any similar foreign law to which the Executive may be subject; (D) any willful failure to comply with any written rules, regulations, policies or procedures of the Company which, if not complied with, would reasonably be expected to have a material adverse effect on the business or financial condition of the Company, which in the case of a failure that is capable of being cured, is not cured to the reasonable satisfaction of the Board within 30 days after the Executive receives from the Company written notice of such failure, which notice is given to the Executive no later 30 days after the Board becomes aware of such failure; or (E) a material breach of this Agreement, which, if capable of being cured, is not cured to the reasonable satisfaction of the Board within 30 days after the Executive receives from the Board written notice of such breach, which notice is given to Executive no later than 30 days after the Board becomes aware of such breach. If the Company terminates the Executive's employment for Cause, the Company shall provide written notice to the Executive of that fact on or before the termination of employment

(ii) "Disability" shall mean the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days out of any 270 day consecutive day period.

(iii) "Good Reason" shall mean one of the following has occurred without the Executive's written consent: (A) a material breach by the Company of any of the covenants in this Employment Agreement, (B) any material reduction in the Executive's Base Salary or bonus opportunity, (C) a material diminution in Executive's title, authority, duties, or responsibilities, or a requirement that Executive report to anyone other than the Board, or (D) after the Executive moves to Atlanta, Georgia, a relocation of the Executive's primary work location that would increase the Executive's one-way commute by more than 30 miles. A termination of employment by the Executive for Good Reason shall be effectuated by giving the Company written notice of the termination, setting forth the conduct of the Company that constitutes Good Reason, within 30 days of the first date on which the Executive has knowledge of such conduct. The Executive shall further provide the Company at least 30 days following the date on which such notice is provided to cure such conduct, if such conduct is capable of being cured. Failing such cure,

a termination of employment by the Executive for Good Reason shall be effective on the day following the expiration of such cure period.

3.3. Section 409A. The payments contemplated by this Employment Agreement are intended either not to be subject to Section 409A or, if subject to Section 409A, to be administered, operated and construed in accordance with Section 409A and all regulations and other guidance issued thereunder. If the Executive is a “specified employee” for purposes of Section 409A, any Severance Amount required to be paid pursuant to Section 3.2 which is non-qualified deferred compensation that is subject to Section 409A shall commence on the day after the first to occur of (i) the day which is six months from the Termination Date and (ii) the date of the Executive’s death. For purposes of this Employment Agreement, the terms “terminate,” “terminated” and “termination” mean a termination of the Executive’s employment that constitutes a “separation from service” within the meaning of the default rules under Section 409A. For purposes of Section 409A, the right to a series of installment payments under this Employment Agreement shall be treated as a right to a series of separate payments.

3.4. Exclusive Remedy. The foregoing payments and benefits continuation upon termination of the Executive’s employment shall constitute the exclusive severance payments and benefits continuation due to the Executive upon a termination of the Executive’s employment.

3.5. Resignation from All Positions. Upon the termination of the Executive’s employment with the Company for any reason, the Executive shall resign, as of the date of such termination, from all positions the Executive then holds as an officer, director, employee and member of the board of directors (and any committee thereof) of Holdings and its direct and indirect subsidiaries and affiliates (the “Company Group”). The Executive shall be required to execute such writings as are required to effectuate the foregoing.

3.6. Cooperation. Following the termination of the Executive’s employment with the Company for any reason, the Executive shall reasonably cooperate with the Company upon reasonable request of the Board and be reasonably available to the Company (taking into account any other full-time employment of the Executive) with respect to matters arising out of the Executive’s services to the Company and its subsidiaries.

Section 4. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Interference with Business Relationships; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive’s position with the Company, the Executive has and will be exposed to and has and will receive information relating to the confidential affairs of the Company Group, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company Group and other forms of information considered by the Company Group to be confidential or in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the “Confidential Information”). Confidential Information shall not include information that is generally known to the public or within the relevant trade or industry other than due to the Executive’s violation of this Section 4.1 or disclosure by a third party who is known by the Executive to owe the Company an obligation of confidentiality with respect to such information. The Executive agrees that at all times during the Executive’s employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership,

limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each a "Person") without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with the Executive's employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. This confidentiality covenant has no temporal, geographical or territorial restriction. The Executive understands and acknowledges that nothing in this section limits the Executive's ability to report possible violations of federal, state, or local law or regulation to any governmental agency or entity; to communicate with any government agencies or otherwise participate in any investigation or proceeding that may be conducted by any government agencies in connection with any charge or complaint, whether filed by the Executive, on the Executive's behalf, or by any other individual; or to make other disclosures that are protected under the whistleblower provisions of federal, state, or local law or regulation, and the Executive shall not need the prior authorization of the Company to make any such reports or disclosures and shall not be required to notify the Company that the Executive has made such reports or disclosures. In addition, and anything herein to the contrary notwithstanding, the Executive is hereby given notice that the Executive shall not be criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (as defined by 18 U.S.C. § 1839) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, in either event solely for the purpose of reporting or investigating a suspected violation of law; or disclosing a trade secret (as defined by 18 U.S.C. § 1839) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

4.2. Return of Property. Upon termination of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during or prior to the Executive's employment with the Company, and any copies thereof in the Executive's (or reasonably capable of being reduced to the Executive's) possession; provided that nothing in this Employment Agreement or elsewhere shall prevent the Executive from retaining and utilizing: documents relating to the Executive's personal benefits, entitlements and obligations; documents relating to the Executive's personal tax obligations; the Executive's desk calendar, rolodex, and the like; and such other records and documents as may reasonably be approved by the Company. To the extent that the Executive has electronic files or information in the Executive's possession or control that belong to the Company or contain Confidential Information (specifically including but not limited to electronic files or information stored on personal computers, mobile devices, electronic media, or in cloud storage), on or prior to the Termination Date, or at any other time the Company requests, the Executive shall (i) provide the Company with an electronic copy of all of such files or information (in an electronic format that readily accessible by the Company); (ii) after doing so, delete all such files and information, including all copies and derivatives thereof, from all non-Company-owned computers, mobile devices, electronic media, cloud storage, and other media, devices, and equipment, such that such files and information are permanently deleted and irretrievable; and (iii) provide a written certification to the Company that the required deletions have been completed and specifying the files and information deleted and the media source from which they were deleted.

4.3. Non-Competition. By and in consideration of the Company's entering into this Employment Agreement, and in further consideration of the Executive's exposure to the Confidential Information of the Company Group, the Executive agrees that the Executive shall not, during the Employment Period and for 18 months following the Executive's Termination Date (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any

position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below); provided, that in no event shall ownership of one percent or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended, standing alone, be prohibited by this Section 4.3, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, “Restricted Enterprise” shall mean any Person that is actively engaged in any geographic area in which any member of the Company Group operates or markets in any business which is in material competition with the business of any member of the Company Group. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive’s then-current employment status.

4.4. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within 12 months prior to the date of such solicitation was, an employee of any member of the Company Group other than an employee (a) whose employment was involuntarily terminated by a member of the Company Group after the Executive’s Termination Date and (b) who has not been an employee of the Company Group for six months or longer. The foregoing restriction will not apply to the placement of general advertisements or other notices of employment opportunities that are not targeted, directly or indirectly, to any current or former employee of the Company otherwise covered by the scope of such restriction so long as the Executive is not personally involved in the recruitment or hiring of any such employee subsequent to such general advertisement or other notice.

4.5. Interference with Business Relationships. During the Restriction Period (other than in connection with carrying out the Executive’s responsibilities for the Company Group), the Executive shall not directly or indirectly induce or solicit (or assist any Person to induce or solicit) any customer or client of any member of the Company Group to terminate its relationship or otherwise cease doing business in whole or in part with any member of the Company Group, or directly or indirectly interfere with (or assist any Person to interfere with) any material relationship between any member of the Company Group and any of their customers or clients so as to cause harm to any member of the Company Group.

4.6. Extension of Restriction Period. The Restriction Period shall be tolled for any period during which the Executive is in breach of any of Sections 4.2, 4.3, 4.4 or 4.5 hereof.

4.7. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by him, either alone or in conjunction with others, during the Executive’s employment with the Company and related to the business or activities of the Company Group (the “Developments”). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by a member of the Company Group, the Executive assigns and agrees to assign all of the Executive’s right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any Developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company as the Executive’s employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign

country or otherwise protect the interests of the Company Group. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with the Executive's execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that the Executive holds as of the date hereof. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.7, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact to act for and on the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.7 with the same legal force and effect as if executed by the Executive.

4.8. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the Executive agrees not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys, so long as the Executive instructs every such Person to whom the Executive makes such disclosure not to disclose the terms of this Employment Agreement further. Anytime after this Employment Agreement is filed with the Securities and Exchange Commission or any other government agency by the Company and becomes a public record, this provision shall no longer apply.

4.9. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company Group for which the Company would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any portion of the Severance Amount paid by the Company to the Executive as set forth in the last sentence of this Section 4.9. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company Group because of the Executive's access to Confidential Information and the Executive's material participation in the operation of such businesses. In the event that the Executive willfully and materially breaches any of the covenants set forth in this Section 4, then in addition to any injunctive relief, the Executive will promptly return to the Company any portion of the Severance Amount that the Company has paid to the Executive.

4.10. Existing Covenants. The Executive represents and warrants that the Executive's employment with the Company does not and will not breach any agreement that the Executive has with any former employer to keep in confidence proprietary or confidential information or not to compete with any such former employer. The Executive will not disclose to the Company or use on its behalf any proprietary or confidential information of any other party required to be kept confidential by the Executive.

Section 5. Representations. The Executive represents and warrants that (i) the Executive is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits the Executive's ability to enter into and fully perform the Executive's obligations under this Employment Agreement and (ii) the Executive is not otherwise

unable to enter into and fully perform the Executive's obligations under this Employment Agreement.

Section 6. Non-Disparagement. From and after the Effective Date and following termination of the Executive's employment with the Company, the Executive agrees not to make any statement, whether direct or indirect, whether true or false, that is intended to become public, or that should reasonably be expected to become public, and that criticizes, ridicules, disparages or is otherwise derogatory of the Company, any of its subsidiaries, affiliates, employees, officers, directors or stockholders. This Section 6 shall not in any way limit any of the protected rights contained in the last two sentences of Section 4.1 of this Agreement, or Executive's ability to provide truthful testimony pursuant to a subpoena, court order or as otherwise required by law.

Section 7. Withholding. All amounts paid to the Executive under this Employment Agreement during or following the Employment Period shall be subject to withholding and other employment taxes imposed by applicable law. The Executive shall be solely responsible for the payment of all taxes imposed on him relating to the payment or provision of any amounts or benefits hereunder.

Section 8. Miscellaneous.

8.1. Indemnification. To the extent provided in the Company's By-Laws and Certificate of Incorporation, the Company shall indemnify the Executive for losses or damages incurred by the Executive as a result of all causes of action arising from the Executive's performance of duties for the benefit of the Company, whether or not the claim is asserted during the Employment Period. This indemnity shall not apply to the Executive's acts of willful misconduct or gross negligence. The Executive shall be covered under any directors' and officers' insurance that the Company maintains for its directors and other officers in the same manner and on the same basis as the Company's directors and other officers.

8.2. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.3. Assignment; Third-Party Beneficiaries. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void. Nothing in this Employment Agreement shall confer upon any Person not a party to this Employment Agreement, or the legal representatives of such Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Employment Agreement, except (i) the personal representative of the deceased Executive may enforce the provisions hereof applicable in the event of the death of the Executive and (ii) any member of the Company Group may enforce the provisions of Section 4. The Company is authorized to assign this Employment Agreement to a successor to substantially all of its assets.

8.4. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, with confirmation of receipt (ii) e-mail (with electronic return receipt), (iii) reputable commercial overnight delivery service courier, with confirmation of receipt or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company: Gypsum Management and Supply, Inc.
100 Crescent Centre Parkway, Suite 800
Tucker, GA 30084
Attn: General Counsel
Email: craig.apolinsky@gms.com

with a copy to: Gypsum Management and Supply, Inc.
100 Crescent Centre Parkway, Suite 800
Tucker, GA 30084
Attn: Chief Human Resources officer
Email: Khara.Julien@gms.com

If to the Executive: John C. Turner, Jr., at the Executive's principal office and e-mail address at the Company (during the Employment Period), and at all times to the Executive's principal residence as reflected in the records of the Company.

All such notices, requests, consents and other communications shall be deemed to have been given when received. Either party may change its contact information or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.5. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the laws of the State of Georgia hereto shall govern the rights and obligations of the parties, without giving effect to the conflicts of law principles thereof.

8.6. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.7. Entire Agreement. From and after the Effective Date, this Employment Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof.

8.8. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.9. Survivorship. Upon the expiration or other termination of this Employment Agreement, the respective rights and obligations of the parties hereto, including, without limitation, with respect to the Executive's obligations set forth in Section 4, shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Employment Agreement.

8.10. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.11. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include," "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations. Any reference to a Section of the Internal Revenue Code of 1986, as amended, shall be deemed to include any successor to such Section.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

GYPSUM MANAGEMENT AND SUPPLY, INC.

/s/ Craig D. Apolinsky

By: Craig D. Apolinsky

Title: General Counsel

EXECUTIVE

/s/ John C. Turner, Jr.

John C. Turner, Jr.

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Section 3: EX-10.2 (EX-10.2)

Exhibit 10.2

SEPARATION, TRANSITION AND RELEASE AGREEMENT

This Separation, Transition and Release Agreement (the "Agreement") is made this April 1, 2019, by and between GMS Inc., a Delaware corporation (the "Company") and G. Michael Callahan, Jr. (the "Executive").

A. Separation from Employment. The Company and the Executive agree that (i) the Executive hereby resigns from his position of President of the Company effective May 1, 2019, (ii) the Executive hereby resigns as Chief Executive Officer of the Company effective as of August 2, 2019 (the "Separation Date"), and his employment with the Company shall terminate on the Separation Date. From May 1, 2019 until the Separation Date, the Executive shall continue his employment with the Company as Chief Executive Officer of the Company, subject to the termination provisions of his Employment Agreement (as defined below) and will continue to receive his current compensation and benefits contemplated by the Employment Agreement, dated as of August 28, 2015, as amended (the "Employment Agreement"), by and between the Executive and Gypsum Management and Supply, Inc., a Georgia corporation and a wholly owned subsidiary of the Company through and including the Separation Date.

B. Compensation through Separation Date. Following the Separation Date, the Executive will be paid for all outstanding wages earned since his last paycheck through and including the Separation Date, less customary and applicable payroll deductions. The Executive confirms and agrees that, through the date he executes this Agreement, he has received all wages, reimbursements, payments, or other benefits to which he is entitled as a result of his employment with the Company, other than for outstanding wages earned since his last paycheck and expenses incurred in the ordinary course.

C. Separation Obligation of the Company. In consideration of Executive's promises contained in this Agreement, including without limitation, the Release in Section D below and the Supplemental Release of Claims attached hereto as Exhibit A the Company agrees as follows:

1. **Severance Amount.** The Company will pay to Executive the following amounts (collectively, the "Severance Amount"):
 - i. A gross total amount of \$1,158,768, less customary and applicable payroll deductions (such amount, the "Severance Payment"). The Severance Payment will be paid over an 18 month period (the "Severance Period") in equal installments on the Company's regular payroll dates, starting on the first regular payroll date following the 30th day after the Separation Date.
 - ii. A prorated portion of the Executive's actual Annual Bonus, as defined under and payable in accordance with the Employment Agreement.
2. **Benefits Continuation Payment.** Beginning on the first regular payroll following the thirtieth (30th) day after the Separation Date, the Company will pay to Executive a monthly payment in the amount of \$1,500 for 18 months following the Separation Date, less customary and applicable payroll deductions (which amount represents the approximate monthly cost to

continue health and dental insurance coverage under COBRA), on an after-tax basis (such amount, the "Benefits Continuation Payment").

3. **Stock Options Extension.** As of the Separation Date and assuming no exercises between the date of this Agreement and the Separation Date, Executive will hold an aggregate of 551,970 stock options to acquire shares of the Company's common stock, 483,454 of which will be vested as of the Separation Date (the "Vested Options") and 68,516 of which will be unvested as of the Separation Date (the "Unvested Options"), all of which have been granted under the GMS Inc. Equity Incentive Plan (the "Equity Plan"). Notwithstanding anything to the contrary in the respective governing option agreement, the Vested Options shall remain outstanding and exercisable until the earlier of (i) the six (6) month anniversary of the Separation Date or (ii) the normal expiration date of the Options, and the Vested Options shall otherwise remain subject to the terms and conditions of the Equity Plan and the respective governing award agreements. The Unvested Options shall lapse and terminate immediately on the Separation Date, and Executive will cease to have any rights with respect to such terminated Unvested Options as of the Separation Date. Executive shall forfeit all right, title and interest in and to any unvested restricted stock units as of the Separation Date and the unvested restricted stock units will be reconveyed to the Company without further consideration or any act or action by Executive.

The Company's agreement to provide all of the consideration set forth in this Section is specifically contingent upon Executive (i) executing this Agreement and not revoking the Agreement, as set forth in Section D(6) below; (ii) executing the Supplemental Release of Claims attached hereto as Exhibit A within five (5) days after the Separation Date and not revoking it; and (iii) complying with his obligations under this Agreement and any other continuing contractual obligations he owes to the Company, including but not limited to the obligations set forth in Section 4 of the Employment Agreement.

D. Release of Claims.

1. In consideration of the payment and benefits set forth in Section C. above, the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge Holdings (as defined in the Employment Agreement), the Company and each of its and their subsidiaries and affiliates (the "Company Affiliated Group"), their respective present and former officers, directors, executives, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, contracts, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Company Released Party that arises out of, or relates to, the Employment Agreement, the Executive's employment with the Company or any of its subsidiaries and affiliates, or any termination of such employment, including claims

(i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 (“Title VII”), 42 U.S.C. § 1981, the Civil Rights Act of 1988, the anti-retaliation provisions of the Fair Labor Standards Act, the Americans with Disabilities Act (“ADA”), the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), the Age Discrimination in Employment Act (“ADEA”), the Older Workers Benefit Protection Act (“OWBPA”), the Family and Medical Leave Act, the Genetic Information Nondiscrimination Act, the anti-retaliation provisions of the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Equal Pay Act, the Occupational Safety and Health Act, the Worker Adjustment and Retraining Notification Act, the Occupational Safety and Health Act, the Employee Polygraph Protection Act, the Fair Credit Reporting Act, and any similar or analogous state statute, excepting only:

- (a) rights of the Executive arising under, or preserved by, this Release;
- (b) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;
- (c) claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Company Affiliated Group;
- (d) vested rights to exercise stock options pursuant to the terms of applicable award agreements; and
- (e) rights to indemnification the Executive has or may have under the by-laws or certificate of incorporation of any member of the Company Affiliated Group or as an insured under any director’s and officer’s liability insurance policy now or previously in force.

2. The Executive acknowledges and agrees that this Release is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

3. This Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys’ fees and expenses.

4. Except as expressly set forth in Section D(10) below, Executive further hereby AGREES NOT TO FILE A LAWSUIT or other legal claim or charge to assert against any Company Released Party any claim released by this Agreement.

5. The Executive specifically acknowledges that his acceptance of the terms of this Release is, among other things, a specific waiver of his rights, claims and causes of action under Title VII, ADEA, ADA and any other federal, state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Executive is not permitted to waive.

6. The Executive acknowledges that he has been given a period of at least 21 days to consider whether to execute this Release (and if he executed the Release prior to the close of the 21-day period, he did so voluntarily). If the Executive accepts the terms hereof and executes this Release, he may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release. In order to make a valid revocation, the Executive must deliver an explicit revocation in writing to Craig Apolinsky, General Counsel, at 100 Crescent Centre Parkway, Suite 800, Tucker, Georgia during the seven-day revocation period. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Executive, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Executive shall irrevocably forfeit any right to payment of the Severance Amount (as defined above), the Benefits Continuation Payment (as defined above), and the Company automobile (described in Section (C)(3) above), and the Release shall be revoked, but the remainder of the Employment Agreement shall continue in full force.

7. The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

8. The Executive is advised to consult an attorney about this Release before signing it and Executive acknowledges that he has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to this Release, and has been given a sufficient period within which to consider this Release.

9. The Executive acknowledges that this Release relates only to claims based upon facts that exist or have occurred as of the date of this Release.

10. The Executive acknowledges that the Severance Amount he is receiving in connection with this Release and his obligations under this Release are in addition to anything of value to which the Executive is entitled from the Company.

11. The Executive understands that nothing contained in this Agreement limits his ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Securities and Exchange Commission, or any other federal, state or local governmental agency or commission ("Government Agencies"). Executive further understands that this Agreement does not limit his ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies in connection with any charge or complaint, whether filed by Executive, on his behalf, or by any other individual. However, based on Executive's release of claims set forth in

this Agreement, Executive understands that he is releasing all claims that he may have, as well as, to the extent permitted by applicable law, his right to recover monetary damages or obtain other relief that is personal to him in connection with any claim he is releasing under this Agreement.

E. Consulting and Cooperation. Executive agrees that he shall, to the extent reasonably requested in writing, (i) during the Severance Period, provide any additional cooperation, assistance, and/or training reasonably requested by the Company to assist in the transition of his work and responsibilities, as and to the extent determined in the Company's sole discretion; and (ii) cooperate with the Company in any pending or future litigation in which the Company is a party, and regarding which Executive, by virtue of Executive's employment with the Company, has factual knowledge or information relevant to said litigation. Executive further agrees that in any such litigation, Executive shall, without the necessity for subpoena, provide, in any jurisdiction in which the Company requests, truthful testimony relevant to said litigation. The Company will reimburse Executive for any reasonable, out-of-pocket expenses associated with providing such consulting services and/or cooperation.

F. Miscellaneous Provisions.

1. **Status of Employment Agreement.** The Company and Executive agree that the Employment Agreement is hereby terminated, without further action by the parties, as of the Separation Date and will be of no further force and effect, and that neither party has any further obligations under the Employment Agreement as of the Separation Date, except that the provisions of Section 4 of the Employment Agreement shall remain in full force and effect in accordance with their terms, along with any other provisions of the Employment Agreement necessary to interpret or enforce such surviving provisions.

2. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Georgia without giving effect to the conflicts of law principles thereof.

3. **Amendments.** This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

4. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

5. **Entire Agreement.** Except as provided herein, this Agreement and the attached Supplemental Release of Claims (Exhibit A) contains the entire agreement between the Company and Executive with respect to the subject matter hereof and shall supersede any other agreement between the parties with respect to the subject matter hereof.

6. **Successors.** This Agreement binds the parties' heirs, administrators, representatives, executors, successors, and assigns, and will inure to the benefit of all Company Released Parties and their respective heirs, administrators, representatives, executors, successors, and assigns.

7. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been signed by the Company and Executive as of December 31, 2018.

GYPSUM MANAGEMENT AND SUPPLY, INC.

/s/ Craig D. Apolinsky

By: Craig D. Apolinsky

Title: General Counsel

EXECUTIVE

/s/ G. Michael Callahan, Jr.

G. Michael Callahan, Jr.

EXHIBIT A
Supplemental Release of Claims

1. This Supplemental Release of Claims (the “Supplemental Release”) releases all claims against GMS Inc., a Delaware corporation (the “Company”) and the Releasees (as defined below) based upon facts that may have occurred or arisen between the date G. Michael Callahan, Jr. (“Executive”) signed the Separation, Transition and Release Agreement presented by the Company and executed by Executive on or about April 1, 2019 (the “Executive Transition Agreement”), and Executive’s Separation Date or at any time prior to the Separation Date. Executive is executing this Supplemental Release in return for, and as a prerequisite to the receipt of, the Consideration set forth in Paragraph C of the Executive Transition Agreement. By executing this Supplemental Release, Executive hereby UNCONDITIONALLY RELEASES AND DISCHARGES THE COMPANY, its successors, subsidiaries, parent companies, assigns, joint ventures, and affiliated companies and their respective agents, legal representatives, shareholders, attorneys, employees, members, managers, officers and directors (collectively, the “Releasees”) from ALL CLAIMS, LIABILITIES, DEMANDS AND CAUSES OF ACTION which Executive may by law release, whether known or unknown, that Executive may have or claim to have against any Releasee for any reason as of the date Executive signs this Supplemental Release, including, but not limited to any and all rights under federal, state and local employment laws including without limitation the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 1981, the Americans With Disabilities Act, the Family and Medical Leave Act, the Genetic Information Nondiscrimination Act, the anti-retaliation provisions of the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Equal Pay Act, the Occupational Safety and Health Act, the Worker Adjustment and Retraining Notification Act, the Occupational Safety and Health Act, the Employee Polygraph Protection Act, the Fair Credit Reporting Act, and any and all other local, state, and federal law claims arising under statute, contract, or common law. Except as expressly set forth below regarding Executive’s Protected Rights, Executive further hereby AGREES NOT TO FILE A LAWSUIT or other legal claim or charge to assert against any of the Releasees any claim released by this Supplemental Release, except as may be allowed pursuant to Section 2 “Protected Rights” below. It is agreed that this is a general release and it is to be broadly construed as a release of all claims, except those that cannot be released by law. By signing this Supplemental Release, Executive acknowledges that Executive is doing so knowingly and voluntarily, that Executive understands that Executive may be releasing claims Executive may not know about, and that Executive is waiving all rights he may have had under any law that is intended to protect Executive from waiving unknown claims. Executive also represents and agrees that he has not transferred or assigned, to any person or entity, any claim that he is releasing in this Paragraph 1.

2. Protected Rights. Executive understands that nothing contained in this Supplemental Release limits his ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, or any other federal, state or local governmental agency or commission (“Government Agencies”). Executive further understands that this Supplemental Release does not limit Executive’s ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies in connection with any charge or complaint, whether filed by Executive, on Executive’s behalf, or by any other individual. However, based on Executive’s release of claims set forth in

this Supplemental Release, Executive understands that Executive is releasing all claims that Executive may have, as well as, to the extent permitted by applicable law, Executive's right to recover monetary damages or obtain other relief that is personal to him in connection with any claim he is releasing under this Supplemental Release.

3. Executive may not sign this Supplemental Release until, at the earliest, the Separation Date, and he has until [], 2019 to sign this Supplemental Release. If Executive does not sign this Supplemental Release by [], 2019, Executive will not be entitled to receive the Consideration set forth in the Executive Transition Agreement. Executive acknowledges that he has been given at least 21 calendar days from the date he received this Supplemental Release to review and consider this Supplemental Release before signing it. Executive is advised to consult an attorney about this Supplemental Release prior to executing it. To accept this Supplemental Release, Executive should sign this Supplemental Release and return it to Craig Apolinsky, General Counsel, such that he receives it no later than []. After Executive signs this Supplemental Release, Executive will still have an additional seven (7) days in which to revoke his acceptance. To revoke, Executive must deliver the explicit revocation in writing to Craig Apolinsky, General Counsel by hand, overnight courier, or by certified mail, return receipt requested, and Craig Apolinsky, General Counsel must receive such written notification before the end of the 7-day revocation period. Payment of the Consideration described in Section B of the Executive Transition Agreement is contingent on Executive signing and not revoking both the Executive Transition Agreement and this Supplemental Release.

4. EMPLOYEE ACKNOWLEDGES THAT HE VOLUNTARILY ENTERS INTO THIS AGREEMENT WITH A FULL AND COMPLETE UNDERSTANDING OF ITS TERMS AND LEGAL EFFECT. EMPLOYEE REPRESENTS THAT HE WAS ADVISED TO CONSULT WITH AN ATTORNEY ABOUT THE PROVISIONS OF THIS AGREEMENT BEFORE SIGNING BELOW.

Accepted and agreed to:

Print Name: _____

Signature: _____

Dated: _____

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Section 4: EX-99.1 (EX-99.1)

Exhibit 99.1



GMS ANNOUNCES LEADERSHIP SUCCESSION PLAN

—G. Michael Callahan, Jr. to Retire, Effective August 2, 2019—
—John C. Turner, Jr. Appointed President—

TUCKER, Ga. — April 3, 2019 — GMS Inc. (NYSE: GMS), a leading North American specialty distributor of interior building products, today announced that Mike Callahan, President and Chief Executive Officer, has informed the Board of Directors of his decision to retire effective August 2, 2019. In addition, the Board has appointed John C. Turner, Jr. as President, effective May 1, 2019. Mr. Turner will assume the role of Chief Executive Officer at the time of Mr. Callahan's retirement.

Mr. Turner will join GMS from Dal-Tile Corporation, a subsidiary of Mohawk Industries, Inc., where he currently serves as President, a position he has held since January 2012. Mr. Turner brings to GMS almost 30 years of industry experience and a broad range of expertise in operations, sales, customer service, distribution and logistics as well as strategic planning and M&A.

Richard K. Mueller, Chairman of the Board and Co-Founder, said "Mike's planned retirement caps a truly remarkable career, and on behalf of the Board and everyone at GMS, I want to thank him for his invaluable contributions and dedication to the Company over the last 26 years. Under his guidance and stewardship, GMS has transformed into the public company it is today and one that is strongly positioned for continued growth. Mike has always fostered the entrepreneurial culture which has been a core value of GMS since its founding in 1971, empowering dedicated employees and an experienced leadership team to drive superior execution. We wish Mike all the best in his well-deserved retirement."

Mr. Callahan said, "After a 26-year career at GMS, I am confident that now is the right time to transition the Company to its next generation of leadership. Working alongside all of our talented associates has been my great privilege and the highlight of my career. I am extremely proud that together we have built the number one North American specialty distributor of interior building products. While there is always more work to be

done, I know that GMS has the right team in place to reach even greater heights. I am committed and look forward to continuing to lead GMS for the next several months while working closely with John to ensure a smooth transition.”

Mr. Mueller continued, “We are fortunate to have found a leader like John to join GMS as the Company works to capitalize on the growth opportunities in our large, diverse end markets and to continue to differentiate its service model as the premier service provider in the industry. The CEO succession announced today follows rigorous planning by the Board, and we are confident that John will become intimately involved with all aspects of GMS in the coming months as President and will seamlessly transition to the CEO role this summer.”

Mr. Turner said, “I am excited to join GMS as President and honored to succeed Mike as the Company’s next CEO. I have long admired GMS for its strong market position, the strength of its national network coupled with local expertise and teams focused on superior service delivery. I look forward to working with the GMS Board and management team, and further strengthening our customer and supplier partnerships as well as our value proposition to advance the Company’s next phase of growth and success.”

About John C. Turner

John C. Turner has been the President of Dal-Tile Corporation, a subsidiary of Mohawk Industries, Inc. since January 2012. As President, Mr. Turner has had complete P&L responsibility for the company’s tile, stone and countertop business across the Americas with more than \$2.5 billion in annual revenue. Prior to his role as President, Mr. Turner held a number of leadership roles at Dal-Tile, where he began his career in 1990. He served as Chief Operating Officer from 2011 to 2012 and Senior Vice President of Operations from 2008 to 2011, where he had full responsibility for Dal-Tile’s Sales, Marketing, Manufacturing, Logistics, and Research &

Development organizations. From 2005 to 2008, Mr. Turner served as Senior Vice President of Sales for the Store Channel. Prior to 2005, he held a variety of roles in operations, logistics and supply chain and customer service.

About GMS Inc.

Founded in 1971, GMS operates a network of more than 245 distribution centers across the United States and Canada. GMS's extensive product offering of wallboard, suspended ceilings systems, or ceilings, and complementary construction products is designed to provide a comprehensive one-stop-shop for our core customer, the interior contractor who installs these products in commercial and residential buildings.

For more information about GMS, please visit www.gms.com.

Forward-Looking Statements and Information:

This press release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. You can generally identify forward-looking statements by our use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "seek," or "should," or the negative thereof or other variations thereon or comparable terminology. We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. While we believe these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. Forward-looking statements involve risks and uncertainties, including those factors described in the "Risk Factors" section in our filings with the SEC. We undertake no obligation to update any of the forward looking statements made herein, whether as a result of new information, future events, changes in expectation or otherwise.

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