

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): August 30, 2021 (August 24, 2021)



Synalloy Corporation

(Exact name of registrant as specified in its charter)

Delaware <i>(State or other jurisdiction of incorporation or organization)</i>	0-19687 <i>(Commission File Number)</i>	57-0426694 <i>(I.R.S. Employer Identification No.)</i>
4510 Cox Road, Suite 201, Richmond, Virginia <i>(Address of principal executive offices)</i>	(804) 822-3260 <i>(Registrant's telephone number, including area code)</i>	23060 <i>(Zip Code)</i>

Inapplicable

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of exchange on which registered</u>
Common Stock, par value \$1.00 per share	SYNL	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §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. (b) Chief Financial Officer

On August 30, 2021, the Company announced the appointment of Aaron Tam, 52, as Chief Financial Officer of Synalloy Corporation (“Synalloy” or the “Company”). Mr. Tam succeeds Sally M. Cunningham (“Cunningham”) in such role.

Mr. Tam joins the Company from Northstar Aerospace, a leading independent manufacturer of components and assemblies to the global aerospace industry, where he served as Chief Financial Officer since 2013.

Mr. Tam will receive an annual base salary of \$300,000. Starting with the year ending December 31, 2021, Mr. Tam will be eligible for a cash bonus of up to \$150,000 and stock awards worth up to \$150,000, both subject to the terms of the Company’s incentive and equity stock plans. Mr. Tam was also provided an inducement grant of 18,340 shares of the Company’s common stock, subject to one-half of the shares vesting on the third anniversary of his employment start date and the other one-half of the shares vesting when the 30-day volume weighted average price of the Company’s stock reaches or exceeds \$17.00 per share.

Mr. Tam will be entitled to severance in the amount of six (6) months of his then base salary, which at the Company’s option, may be paid in the form of a lump-sum payment or salary continuation, in the event that either Chris Hutter or Ben Rosenzweig ceases being a member of the Company’s Board of Directors and Mr. Tam is terminated within one (1) year following such event. Mr. Tam’s receipt of severance is subject to his execution and non-revocation of Company’s form of waiver and release agreement.

The Company confirms that (1) there is no family relationship between Mr. Tam and any director or executive officer of the Company, (2) there was no arrangement or understanding between Mr. Tam and any other person pursuant to which he was elected to his position with the Company, and (3) there is no transaction between Mr. Tam and the Company that would require disclosure under Item 404(a) of Regulation S-K.

A press release announcing Mr. Tam’s appointment is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Mr. Tam succeeds Sally M. Cunningham, who was separated from her officer position with the Company, effective as of August 27, 2021. It is anticipated that Cunningham and the Company will enter into a customary separation agreement and general release (and provide certain severance benefits) consistent with Section 7 of her Employment Agreement with the Company, dated February 5, 2021.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	Offer Letter between Synalloy Corporation and Aaron Tam, dated August 1, 2021
99.1	Press Release dated August 30, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

SYNALLOY CORPORATION

By: /s/ Christopher G. Hutter
Christopher G. Hutter
Interim Chief Executive Officer

Dated: August 30, 2021



August 1, 2021

Aaron Tam
2932 Central Avenue
Wilmette, IL 60091

Dear Aaron:

On behalf of Synalloy Corp. ("Synalloy" or "SYNL") I am pleased to offer you the position of Chief Financial Officer ("CFO") of Synalloy. This position reports directly to me. We are very excited to have you accept our offer and believe you will be a key member of Synalloy's leadership team as we grow the company.

This letter will serve to clarify the details of the offer of employment and is contingent upon the successful completion of a drug and background check.

Unless we mutually agree otherwise in writing, you will commence employment on August 30, 2021 .

At the CFO level, your Total Rewards package includes the following:

Compensation and Performance Review

Your annualized salary will be \$300,000 payable in accordance with the Company's standard payroll practice and subject to applicable withholding and taxes. Your position is exempt from overtime pay and your salary will compensate you for all hours worked. You will receive periodic performance reviews at which time we will evaluate your performance, position and compensation with no guarantee of change at that time.

Stock Grant

You will be granted Restricted Stock Units valued at \$210,000 at the date of grant within 7 business days from your first day of employment. These Restricted Stock Units will be structured as an inducement grant. 50% of the Restricted Stock Units will vest on the date that is three (3) years from the employment start date. The remaining 50% will vest on the date that the 30 day volume weighted average stock price (VWAP) for SYNL stock reaches a per share price that is fifty percent (50%) more than the per share price on the date of grant.

Bonus

Short-Term Incentives (STI) include potential cash awards and is targeted at \$150,000 annually. STI award is subject to Synalloy meeting certain financial and operational performance targets each year. Eligibility for STI variable compensation plan starts for the 2021 calendar year period

and you will be eligible to receive the targeted amount of STI for 2021. Bonuses are not considered earned until the date paid.

Long-Term Incentive (LTI) includes potential SYNL Stock award and is targeted at \$150,000 annually. LTI award is expected to be split between Restricted Stock Units (RSU) and Performance Based Restricted Stock (PSU) Units. LTI plan will have certain ongoing vesting requirements over a three year period, with the PSU units dependent on the targets set by the compensation committee at the time of grant. Eligibility for LTI variable compensation plan starts for the 2021 calendar year.

Benefits

As an executive you do not have constraints around the amount of PTO (Paid Time Off) days available to you. Timing is dependent on your reporting executive's approval. During the term of your employment as a full-time employee, you will be entitled to enroll in health benefits and our 401(k) plan.

Please note that we hold the right to modify all elements of the Total Reward package at the sole discretion of Synalloy.

Severance Provision

In the event that either Chris Hutter or Ben Rosenzweig is no longer a member of the Company's Board of Directors and your employment is terminated within one (1) year of Mr. Hutter or Mr. Rosenzweig's departure, you shall receive six (6) months of severance pay at a rate of your then current base salary, following your execution and non-revocation of the Company's form of waiver and release agreement. The severance shall be paid either in a lump sum payment or in the form of salary continuation, at the Company's option.

Background Check

This offer is contingent on the successful completion of a background check and drug screening. We will coordinate the background and drug test within 3 business days after the acceptance of this offer. The background check may include, but is not limited to: criminal, credit, employment verification, education verification and professional reference checks. Failure to do so may result in the rescinding of this offer of employment.

Employment-at-Will

If you accept our offer of employment, you will be an employee-at-will, meaning that either you or the Company may terminate our relationship at any time for any reason, with or without cause. Any statements to the contrary that may have been made to you, or that may be made to you, by the Company, its agents, or representatives are superseded by this offer letter. This letter serves only as an offer of employment and does not constitute a contract of employment.

Confidentiality Agreement

As a condition of your employment, you must sign a Confidentiality Employment Agreement (the "Agreement").

Employment Eligibility

To comply with immigration laws, you must provide the Company with evidence of your identity and eligibility for employment in the United States no later than 3 business days after your date of hire. If you are in visa status, you also must provide new or renewed evidence of your eligibility for employment immediately prior to or upon expiration of your visa authorization. Please be prepared to present this information on your first day of employment.

Additional Provisions

If you accept this offer, the terms described in this letter will be the terms of your employment. This letter supersedes any previous discussions or offers. Any additions to, or modifications, of these terms must be in writing and signed by you and an officer of Synalloy. If you wish to accept employment with Synalloy, please indicate so by signing, dating this letter, and returning it via e-mail to Chris Hutter.

This offer shall remain binding on Synalloy and in full effect through August 24, 2021.

We are very excited about the possibility of you joining us. I hope that you will accept this offer!
We look forward to a productive and mutually beneficial working relationship.

Questions/Concerns Regarding This Offer

Please let me know if I can answer any questions for you about any of the matters outlined in this letter.

Sincerely,

/s/ Chris Hutter

Chris Hutter
Interim President and CEO
Synalloy Corp.

Acceptance of job offer:

/s/ Aaron Tam
Aaron Tam

8/24/21
Date



Synalloy Appoints Aaron Tam as Chief Financial Officer

Richmond, Virginia, August 30, 2021 – Synalloy Corporation (Nasdaq: SYNL) (“Synalloy” or the “Company”), an industrials company focused on the production and distribution of piping, tubing and specialty chemicals, has appointed Aaron Tam as chief financial officer, effective today.

Mr. Tam brings over 20 years of executive level experience in finance and accounting, including serving in CFO roles across a variety of industries. Mr. Tam joins Synalloy from his role as CFO of Northstar Aerospace, a leading independent manufacturer of components and assemblies to the global aerospace industry, where he served since 2013. At Northstar, he was instrumental in driving the company’s return to profitable growth while leading the financial planning and reporting, accounting, capital markets, treasury and tax functions.

Prior to Northstar, Mr. Tam served in multiple CFO roles encompassing a broad range of industries. Additionally, he spent more than a decade with FTI Consulting and PWC as a consultant, interim senior executive, or restructuring advisor to a variety of businesses, where he developed a track record of implementing disciplined cost controls, improving liquidity and working to develop and execute operational improvement plans.

“Aaron is a seasoned financial executive with a strong background in industrial manufacturing,” said Chris Hutter, interim president and CEO of Synalloy. “We believe that he is particularly well-equipped to work with our senior executive team to help us execute on our planned sales growth and margin improvements. With deep functional expertise and technical knowledge in all aspects of corporate finance, financial planning and organizational development, I believe Aaron will be a valuable asset to the Company, and I am proud to welcome him to our executive team.

“I’d also like to thank Sally Cunningham for her service and dedication to Synalloy over the years. We wish her the best in her future endeavors.”

Commenting on his appointment, Mr. Tam stated: “I am very excited to join the Synalloy team. I believe the potential for growth and value creation is tremendous, given the strategic positioning of the Company’s business segments and the dedicated and experienced leaders I have already met. Having played a leadership role in similar business situations and industries, I am confident that we will develop and execute plans to drive consistent sales and margin growth. I look forward to becoming part of the Synalloy team and helping to build long-term value.”

Mr. Tam holds a Ph.D and M.A. in corporate finance, industrial organization, and econometrics from Northwestern University and an A.B. in economics from the University of Michigan.

As a material inducement to accept the Company’s offer of employment in accordance with Nasdaq Listing Rule 5635(c)(4), Mr. Tam was granted 18,340 shares of the Company’s common stock, subject to one-half of the shares vesting on the third anniversary of the grant date and the other one-half of the shares vesting when the 30-day volume weighted average price of the Company’s stock reaches \$17.00 per share.

About Synalloy Corporation

Synalloy Corporation (Nasdaq: SYNL) is a company that engages in a number of diverse business activities including the production of stainless steel and galvanized pipe and tube, the master distribution of seamless carbon pipe and tube, and the production of specialty chemicals. For more information about Synalloy Corporation, please visit its web site at www.synalloy.com.

Company Contact

Aaron Tam
Chief Financial Officer
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Investor Relations

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