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): September 1, 2023

Toast, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of Incorporation)

001-40819
(Commission
File Number)

45-4168768
(I.R.S. Employer
Identification No.)

401 Park Drive
Boston, Massachusetts
(Address of principal executive offices)

02215
(Zip code)

(617) 297-1005
(Registrant’s telephone number, including area code)

N/A
(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:

☐ 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:

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Trading Symbol</th>
<th>Name of each exchange on which registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A common stock, par value $0.000001 per share</td>
<td>TOST</td>
<td>New York Stock Exchange</td>
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Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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 September 1, 2023, Christopher P. Comparato, Chief Executive Officer and Chairperson of the Board of Toast, Inc. (the “Company”), informed the Company’s Board of Directors (the “Board”) that he will step down as Chief Executive Officer of the Company, effective January 1, 2024. Mr. Comparato will also step down from his role as Chairperson of the Board at such time but plans to continue serving as a member of the Board.

On September 1, 2023, the Board appointed Aman Narang, the Company's current Co-President, Co-Founder and Chief Operating Officer, to succeed Mr. Comparato as Chief Executive Officer of the Company, effective January 1, 2024. Mr. Narang, 40, is a Co-Founder of the Company and has served as its Co-President since December 2012 and Chief Operating Officer since June 2021, and as a member of the Board since January 2021. Mr. Narang also served as a member of the Board from December 2011 to December 2015 and from June 2017 to June 2018. Previously, Mr. Narang worked in Product Management at Oracle. Mr. Narang holds a B.S. and M.S. in Computer Science from the Massachusetts Institute of Technology.

In his role as Chief Executive Officer, Mr. Narang will initially continue to receive his current annual salary of $20,000, which has represented his annual cash compensation since the Company’s initial public offering in September 2021. Mr. Narang will also continue to be subject to the Company’s Executive Severance and Change in Control Policy (the “Policy”), and has entered into a letter agreement, effective January 1, 2024, that supplements the Policy in the form attached as Exhibit 10.1 (the “Letter Agreement”). The Letter Agreement provides that, for purposes of calculating any severance payments under the Policy, Mr. Narang’s base salary will be deemed to be the greater of his base salary immediately prior to termination or $250,000, and his bonus will be deemed to be the greater of his bonus immediately prior to termination or $185,000. The Letter Agreement also provides for a modified definition of “Good Reason” under the Policy and terms related to Mr. Narang’s service on the Board in connection with his tenure as Chief Executive Officer. The foregoing summary of the Letter Agreement is not complete and is qualified in its entirety by reference to the full text of the Letter Agreement, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Additionally, the Board has appointed Mark Hawkins, Lead Independent Director and Chairperson of the Audit Committee of the Board, to serve as the Chairperson of the Board, effective January 1, 2024. The composition of the Board and its respective committees did not otherwise change as a result of the appointments described above.

Item 7.01 - Regulation FD Disclosure.

The Company issued a press release on September 5, 2023 announcing Mr. Comparato’s planned transition, the appointment of Mr. Narang as the Company’s new Chief Executive Officer effective January 1, 2024, and the appointment of Mr. Hawkins as the Chairperson of the Board effective January 1, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.
The information in this Current Report on Form 8-K and Exhibit 99.1 attached hereto is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 9.01 - Financial Statements and Exhibits**

(d) Exhibits

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description</th>
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<tbody>
<tr>
<td>10.1#</td>
<td>Chief Executive Officer Severance Letter</td>
</tr>
<tr>
<td>99.1</td>
<td>Press Release issued by the registrant on September 5, 2023, furnished herewith.</td>
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<tr>
<td>104</td>
<td>Cover Page Interactive Data File (embedded within the Inline XBRL document)</td>
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</tbody>
</table>

# Management contract or compensatory plan, contract or arrangement.
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.

Date: September 5, 2023

TOAST, INC.

By: /s/ Brian R. Elworthy
Name: Brian R. Elworthy
Title: General Counsel and Corporate Secretary
September 1, 2023

Aman Narang
401 Park Drive
Boston, MA 02215

Dear Aman:

This letter (the “Letter”) is being executed and delivered to confirm certain agreements and understandings pertaining to your employment with Toast, Inc. (the “Company”), and will be effective January 1, 2024 upon you becoming the Company’s Chief Executive Officer. Reference is made to the Toast, Inc. Severance and Change in Control Policy (the “Severance Policy”) adopted by the Company on June 2, 2021. The terms not expressly defined in this Letter shall have the meaning ascribed to them in the Severance Policy.

In connection with the Company’s anticipated initial public offering, the Company’s Board of Directors (the “Board”) adopted the Severance Policy to provide for the payment of severance payments and accelerated vesting terms in connection with certain termination events. The Severance Policy is attached as Exhibit A to this Letter, and the terms of such Severance Policy are incorporated in and made part of this Letter. Notwithstanding the terms of the Severance Policy, as a result of this Letter, solely with respect to your employment with the Company, the following terms shall apply in lieu of and expressly supersede the terms of Severance Policy:

1. Good Reason. With respect to you, Section 4(b) of the Severance Policy shall be superseded and replaced with the following:

“(b) Termination of the Covered Employee's employment by the Covered Employee for Good Reason. For purposes of this Policy, “Good Reason” shall mean that the Covered Employee has complied with the Good Reason Process (hereinafter defined) following, the occurrence of any of the following events:

   (i) a material diminution in your responsibilities, authority or duties including, but not limited to, any of the following events without your prior written consent: (A) a material change in your reporting responsibilities such that you no longer report directly to the Board or the board of directors of the Company or a successor, (B) the Company’s creation of another executive role that has the responsibilities, authority and duties typically assigned to a chief executive officer of a publicly traded company, or (C) your title is changed to a title other than the Chief Executive Officer of the Company;

   (ii) a material breach by the Company of this Letter, including a breach of Section 2;
(iii) a 50 mile or greater change in the principal geographic location at which you are required to provide services to the Company, not including business travel and short-term assignments.

“Good Reason Process” shall mean that (i) you reasonably determine in good faith that a Good Reason condition has occurred; (ii) you notify the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) you cooperate in good faith with the Company’s efforts, for a period not less than 30 days following such notice (the “Cure Period”), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) you terminate your employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.”

2. Board Service. Subject to the fiduciary obligations of the Board and its committees, for as long as you serve as the Company’s Chief Executive Officer, the Company shall cause the corporate governance and nominating committee of the Board or its equivalent to nominate you for re-election as a member of the Board consistent with Board practices and when your term as a member of the Board otherwise would expire. You agree that you shall receive no additional compensation for your service on the Board. You expressly agree to resign from the Board upon your termination of employment with the Company for any reason and you further acknowledge and agree that any payment or benefits that become due and payable under the Severance Policy are subject to your resignation from the Board as of the effective date of the applicable Termination Event thereunder, provided the Board may, in its sole and reasonable discretion, elect not to enforce such Board resignation mandate upon the ending of your employment.

3. Severance Computations. For purposes of calculating the cash compensation payable to you under Sections 5(a) and 5(b) of the Severance Policy upon any Termination Event, (a) the base salary input shall be an amount equal to the greater of (i) your base salary in effect immediately prior to the Termination Event and (ii) $250,000 and (b) the target annual bonus input shall be an amount equal to the greater of (i) your then current target bonus or (ii) $185,000.

4. Amendments. This Letter, and the Severance Policy as it applies to you which has been incorporated by reference herein (i) may be amended, superseded, cancelled, renewed, or extended, and the terms hereof may be waived, only by a written instrument signed by the parties hereto and (ii) constitutes the entire agreement between the parties relating to the matters contemplated hereby and supersedes all prior agreements, both written and oral, with respect to such subject matter.

Other than the changes noted above, all other provisions of the Severance Policy shall remain in full force and effect according to its terms.

Please indicate your agreement by countersigning a copy of this Letter and delivering it to the Company. This Letter may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one instrument. Any of such counterparts shall be sufficient for the purposes of proving the existence and terms of this Letter and no party shall be required to produce an original or all of such counterparts in making such proof. A binding and valid signature by you or the Company may be submitted by facsimile or PDF.
Sincerely,

TOAST, INC.

By: /s/ Brian Elworthy
Name: Brian Elworthy
Title: General Counsel

Acknowledged and Accepted

By: /s/ Aman Narang
Name: Aman Narang
Toast Announces Leadership Transition

Aman Narang, Co-Founder and COO, to become CEO effective January 1, 2024

Current CEO Chris Comparato to remain on Board upon Narang’s appointment

BOSTON, MA—September 5, 2023—Toast (NYSE: TOST), the all-in-one digital technology platform built for restaurants, today announced the appointment of Aman Narang as CEO, effective January 1, 2024. Narang has served as Toast’s Co-President since December 2012 and Chief Operating Officer since June 2021. He will take over as CEO from Chris Comparato, who has served as the company’s CEO since February 2015, leading Toast through a remarkable period of growth with a focus on profitability and operational excellence. Both Comparato and Narang will remain on the Board.

Since co-founding the company in his basement in 2011 alongside Steve Fredette and Jonathan Grimm, Narang has been in instrumental leadership roles across the company as it scaled. Responsible for Sales, Marketing, and Business Development in Toast’s early years, his role expanded over time to include the Customer Success organization, the Fintech line of business, Operations, and other critical functions and key initiatives. Prior to Toast, Narang worked in product management at Endeca, now part of Oracle. He holds BS and MS degrees in computer science from the Massachusetts Institute of Technology.

“Aman is the ideal choice to lead Toast into its next era of growth,” said Chris Comparato, CEO of Toast. “Aman knows Toast better than anyone, he knows the restaurant community, he is passionate about our customers, and he has the right ‘recipe’ of experience and a growth mindset. I have worked side-by-side with Aman since I joined Toast in 2015 and I am delighted to be transitioning the CEO role to him and continuing to support Toast as a board member.”

During Comparato’s tenure as CEO, notable achievements include: growing Toast’s customer base to approximately 93,000 restaurant locations1; taking the company public in 2021; growing from 50 to 4500 employees globally2; exceeding $1B in ARR3; transforming Toast into a multi-product company; expanding into the enterprise segment and international markets; and navigating the COVID-19 pandemic.

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1 As of June 30, 2023.
2 As of December 31, 2022.
3 As of June 30, 2023.
“The Board extends its deepest gratitude to Chris for his nine years of leadership and results during a transformational time for Toast,” said Mark Hawkins, Lead Independent Director and Former President and CFO of Salesforce. “After a thoughtful succession planning process, the Board is confident that Aman is the leader who will continue to propel Toast forward. He will be a dynamic, focused founder-CEO surrounded by an outstanding team and we look forward to working with him in this new capacity.” Effective January 1, 2024, Hawkins will become Chair of the Toast Board of Directors.

“Chris has led Toast through an incredible period of growth, and I have deeply valued his mentorship and friendship as we built Toast into the industry leader it is today,” said Aman Narang, COO and Co-Founder. “The past decade since we founded Toast has been such a remarkable journey. I am honored and excited to accept the responsibility of CEO. It is an exciting time to be part of the restaurant community and I am grateful and ready for the opportunity to serve it and our Toast employees as we continue to deliver on our mission to help the industry thrive.”

About Toast

Toast [NYSE: TOST] is a cloud-based, all-in-one digital technology platform purpose-built for the entire restaurant community. Toast provides a single platform of software as a service (SaaS) products and financial technology solutions that give restaurants everything they need to run their business across dine-in, takeout, and delivery channels, Toast helps restaurants streamline operations, increase revenue, and deliver amazing guest experiences. For more information, visit www.toasttab.com.

FORWARD LOOKING STATEMENT

This press release contains “forward-looking statements,” within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the context of the statement and generally arise when Toast or its management is discussing its beliefs, estimates or expectations. Such statements generally include the words “believes,” “plans,” “intends,” “targets,” “may,” “could,” “should,” “will,” “expects,” “estimates,” “suggests,” “anticipates,” “outlook,” “continues,” or similar expressions. These statements are
not historical facts or guarantees of future performance, but represent the beliefs of Toast and its management at the time the statements were made regarding future events which are subject to certain risks, uncertainties and other factors, many of which are outside Toast’s control. Actual results and outcomes may differ materially from what is expressed or forecast in such forward-looking statements. Forward-looking statements include, without limitation, statements about Toast’s future financial performance, operating results and business strategy; and Toast’s leadership transition plan. The forward-looking statements contained in this release are also subject to other risks and uncertainties, including those more fully described in Toast’s filings with the Securities and Exchange Commission (“SEC”), including in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Toast’s Annual Report on Form 10-K for the year ended December 31, 2022, Toast’s Quarterly Report on Form 10-Q for the three months ended June 30, 2023, and Toast’s subsequent SEC filings. Toast can give no assurance that the plans, intentions, expectations or strategies as reflected in or suggested by those forward-looking statements will be attained or achieved. The forward-looking statements in this release are based on information available to Toast as of the date hereof, and Toast disclaims any obligation to update any forward-looking statements, except as required by law. These forward-looking statements should not be relied upon as representing Toast’s views as of any date subsequent to the date of this press release.

TOST-CORP

Media: media@toasttab.com

Investors: IR@toasttab.com

Source: Toast, Inc.