
**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): December 28, 2018

LSB INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-7677
(Commission
File Number)

73-1015226
(IRS Employer
Identification No.)

3503 NW 63rd Street, Suite 500, Oklahoma City, Oklahoma
(Address of principal executive offices)

73116
(Zip Code)

Registrant's telephone number, including area code (405) 235-4546

Not applicable
(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))

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.

Resignation of Director

On December 28, 2018, Mr. Mark R. Genender resigned from the Board of Directors (the “Board”) of LSB Industries, Inc. (the “Company”), effective as of December 28, 2018. Mr. Genender’s term on the Board was scheduled to expire in 2021. In notifying the Company of his decision to resign from the Board, Mr. Genender indicated that his decision was not due to a disagreement with the Company, the Board or the management of the Company.

Appointment of Director

Pursuant to the Board Representation and Standstill Agreement, dated December 4, 2015, as amended on October 26, 2017 and October 18, 2018, effective as of December 28, 2018, the Board appointed Ms. Kanna Kitamura to the Board to fill the vacancy created by the resignation of Mr. Genender. Ms. Kitamura’s term on the Board will expire at the 2021 Annual Meeting of Stockholders. The Board has appointed Ms. Kitamura to the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee. Ms. Kitamura does not have any family relationships with any of the Company’s directors or executive officers nor is she (or her immediate family members) a party to any transaction with the Company or any of its subsidiaries that would be required to be reported under Item 404(a) of Regulation S-K.

Appointment of New Chief Executive Officer, Chief Financial Officer and Chairman of the Board

On January 2, 2019, the Company issued a press release announcing the appointment of Mark T. Behrman as President and Chief Executive Officer and as a member of the Board of Directors of the Company. Mr. Behrman succeeds Dan Greenwell, who elected not to enter into a new employment agreement and has resigned from the Board and his roles as Chairman and Chief Executive Officer, effective as of December 30, 2018. In notifying the Company of his decision to resign from the Board, Mr. Greenwell indicated that his decision was not due to a disagreement with the Company, the Board or the management of the Company. The Company also announced on January 2, 2019 the appointment of Cheryl Maguire as Senior Vice President and Chief Financial Officer and Richard Roedel as Chairman of the Board.

Mr. Behrman, age 56, has been serving as the Company’s Executive Vice President and Chief Financial Officer since June 2015 and joined the Company as Senior Vice President of Corporate Development in March 2014. He has over 30 years of financial and investment banking experience, with his investment banking experience primarily focusing on the industrial and business services sectors. Prior to joining the Company, Mr. Behrman served as a Managing Director at Sterne Agee & Leach, Inc., leading the firm’s industrials, transportation, and energy practices. During his career, Mr. Behrman has originated and executed numerous merger and acquisition transactions, equity and debt capital market transactions and private capital raises for corporate clients in these sectors. Mr. Behrman was previously a Founder and Senior Managing Director of BlueStone Capital Partners, LP, where he was part of a team that created Trade.com Global Markets, Inc., and Founder and Director of the BlueStone/AFA Private Equity Fund. He began his career at PaineWebber, Inc. and at Drexel Burnham Lambert, Inc. Mr. Behrman is currently a Director of Panhandle Oil and Gas Inc. (an owner of mineral and leasehold properties), the Chairman of its Audit Committee and a member of its Corporate Governance and Nominating Committee. Mr. Behrman was previously a director of three public companies: Noble International Ltd., Warren, MI, (a supplier to the automotive industry) from 1998 to 2007, where he also served as Chairman of its Audit Committee for five years; Oakmont Acquisition Corporation, Bloomfield Hills, MI, (a special purpose acquisition corporation) from 2005 to 2007; and Robocom Systems International, Massapequa, NY, (a developer and marketer of advanced warehouse management software solutions) from 1998 to 2000. Mr. Behrman holds a Master of Business Administration from Hofstra University and a Bachelor of Science in Accounting from Binghamton University. Mr. Behrman’s leadership skills and extensive financial experience and experience with the Company, among other factors, led the Board to conclude that he should serve as a director.

Ms. Maguire, age 40, joined the Company as Vice President, Financial Planning and Accounting in November 2015. She has more than 17 years of financial and accounting experience across manufacturing and energy industries. Prior to joining the Company, Ms. Maguire served as a Senior Manager of financial planning and analysis with LyondellBasell, a large international plastics, chemicals and refining company, from July 2012 to June 2015. Ms. Maguire was previously head of external reporting, corporate accounting, accounting policy and financial analysis at Petroplus, a European Refining company. During her career, Ms. Maguire was integral to the financial integration of large-scale acquisitions, the execution of multiple debt and equity transactions and the implementation of several corporate restructurings and business turnarounds. She began her career at Grant Thornton LLP. Ms. Maguire holds a Bachelor of Business Administration from University of Prince Edward Island and is a certified public accountant.

Neither Mr. Behrman nor Ms. Maguire have any family relationships with any of the Company’s directors or executive officers nor is either (or their immediate family members) a party to any transaction with the Company or any of its subsidiaries that would be required to be reported under Item 404(a) of Regulation S-K.

Rebalancing of Board Membership

In order to achieve a more equal balance of membership among classes of directors as required by the restated certificate of incorporation and bylaws of the Company, the Board determined that one of the directors from the class with a term expiring at the 2021 Annual Meeting of Stockholders should move to the class with a term expiring at the 2020 Annual Meeting of Stockholders. Accordingly, on December 28, 2018, Lynn F. White resigned as a director from the class with a term expiring at the 2021 Annual Meeting of Stockholders, subject to his immediate reappointment and was immediately reappointed to the Board as a director to the class with a term expiring at the 2020 Annual Meeting of Stockholders. The resignation and reappointment of Mr. White was effected solely to rebalance the Board classes and was not due to any disagreement with the Company, the Board or the management of the Company. For all other purposes, including vesting and other compensation matters, Mr. White's service on the Board is deemed to have continued uninterrupted. Mr. White will continue to serve on the Company's Audit, Compensation and Nominating and Corporate Governance Committees and will continue as the Chair of the Compensation Committee.

The following sets forth the current members of the Board, current class expiration year and current committee memberships of the Company:

<u>Name</u>	<u>Class</u>	<u>Audit</u>	<u>Nominating and Corporate Governance</u>	<u>Compensation</u>
Jonathan S. Bobb	2019			X
Jack E. Golsen	2019			
Richard Sanders, Jr.	2019	X	X	X
Mark T. Behrman	2020			
Lynn F. White	2020	X	X	Chair
Barry H. Golsen	2021			
Richard W. Roedel	2021	Chair	Chair	X
Kanna Kitamura	2021	X	X	X

New Employment Agreements

On December 30, 2018, the Company entered into new employment agreements (the "Employment Agreements") with Mr. Behrman, Ms. Maguire and Michael J. Foster (each, an "Executive"), pursuant to which Mr. Behrman will continue to provide services to the Company as President and Chief Executive Officer, Ms. Maguire will continue to provide services to the Company as Senior Vice President and Chief Financial Officer and Mr. Foster will continue to provide services as Executive Vice President, General Counsel and Secretary of the Company. The Employment Agreements for Messrs. Behrman and Foster supersede and replace their current employment agreements with the Company, which were previously filed with the Securities and Exchange Commission.

The Employment Agreements provide for an initial term ending on December 31, 2019, which automatically renews for successive one-year periods thereafter unless either party provides written notice of his or its intention to terminate the agreement at least 90 days prior to the end of the then-current term. Mr. Behrman will have an annual base salary of \$650,000, a target annual cash performance bonus equal to 100% of his base salary and a maximum annual cash performance bonus equal to 200% of his base salary. Mr. Foster will have an annual base salary of \$390,000, a target annual cash performance bonus equal to 70% of his base salary and a maximum annual cash performance bonus equal to 140% of his base salary. Ms. Maguire will have an annual base salary of \$370,000, a target annual cash performance bonus equal to 60% of her base salary and a maximum annual cash performance bonus equal to 120% of her base salary. The payout for the annual cash performance bonus for each of Messrs. Behrman and Foster and Ms. Maguire will depend on the Company's achievement of performance criteria, as determined by the Compensation Committee of the Board. The Employment Agreements for Messrs. Behrman and Foster eliminate the guaranteed grants of restricted stock under the Executives' current employment agreements with the Company in favor of discretionary equity grants determined by the Board of Directors (or an authorized committee). Any equity awards granted prior to December 31, 2020 to Messrs. Behrman and Foster will have vesting provisions in connection with a change in control or a termination of employment no less favorable than the minimum vesting conditions specified in an exhibit to the employment agreement.

The Employment Agreements provide that if the Executives' employment with the Company is terminated due to death or disability, he or she will receive a lump sum payment equal to a pro rata portion of his or her annual bonus based on actual company performance for the year of termination, paid at the same time such bonuses are paid to all employees generally (the "Pro-Rata Bonus"). If the Executives' employment is terminated by the Company without Cause (as defined in the Employment Agreement), by the Executive for Good Reason (as defined in the Employment Agreement) or as a result of a notice of non-renewal of the Employment Agreement by the Company, the Executive will receive (i) a lump sum payment equal to the Pro-Rata Bonus, (ii) a lump sum payment equal to a multiple of his or her base salary and target bonus (discussed below), and (iii) continuation of health benefits for the Executive and his or her eligible dependents for 18 months on the same economic terms applicable prior to his or her termination. The severance multiple for Mr. Behrman is two (or three if the termination occur within 24 months following a Change

in Control (as defined in the Employment Agreement) or either (x) within 90 days prior to the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed or (y) on or within 180 days following the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed (a "Qualifying CIC Termination") and for Mr. Foster and Ms. Maguire is one (or two if the termination is a Qualifying CIC Termination), and the severance is payable on (i) the first pay date following the Executive's execution (and non-revocation) of a release of claims or (ii) the date of the Change of Control (if applicable), whichever is later. All severance or termination benefits payable to the Executives under the Employment Agreements are dependent on the Executive's execution and delivery of a release of claims within 60 days following the date of termination. The Employment Agreements for Messrs. Behrman and Foster eliminate the accelerated vesting provisions in connection with a termination of employment under the Executives' current employment agreements with the Company in favor of the minimum vesting provisions set forth in the Employment Agreement. Following termination of employment, the Executives will be subject to non-compete and non-solicitation restrictions for a period of 24 months.

The foregoing descriptions of the Employment Agreements do not purport to be complete and are qualified in their entirety by reference to the complete text of the applicable Employment Agreements, which are attached hereto as Exhibits 10.1, 10.2 and 10.3 to this Current Report on Form 8-K and are incorporated herein by reference into this Item 5.02.

Awards of Restricted Stock

In connection with the Company's entry into the Employment Agreements, on December 29, 2018 and December 30, 2018, the Company awarded restricted shares of the Company's common stock, par value \$0.10 per share, to Messrs. Behrman and Foster and Ms. Maguire, pursuant to restricted stock agreements and the Company's 2016 Long Term Incentive Plan. Messrs. Behrman and Foster received one grant of 92,593 and 36,111 shares of time-based restricted stock, respectively, pursuant to the restricted stock agreement previously filed with the Securities and Exchange Commission, and one grant of 138,889 and 36,111 shares of time-based restricted stock, respectively, pursuant to the form of time-based restricted stock agreement, which is filed as Exhibit 10.4 to this Current Report on Form 8-K and is incorporated herein by reference into this Item 5.02 (the "New Time-Based Restricted Stock Agreement"). In addition, Messrs. Behrman and Foster received a target number of shares of performance-based restricted stock equal to 138,889 and 36,111, respectively, pursuant to the form of performance-based restricted stock agreement, which is filed as Exhibit 10.5 to this Current Report on Form 8-K and is incorporated herein by reference into this Item 5.02 (the "New Performance-Based Restricted Stock Agreement"). Ms. Maguire received 20,556 shares of time-based restricted stock pursuant to the New Time-Based Restricted Stock Agreement and a target number of shares of performance-based restricted stock equal to 20,556 pursuant to the New Performance-Based Restricted Stock Agreement. The shares of time-based restricted stock generally vest over three years, with acceleration provisions upon the occurrence of certain events, and the shares of performance-based restricted stock generally vest upon (i) the Company's achievement of free cash flow and fixed costs per ton of NH3 goals and (ii) the Company's three-year total shareholder return.

The foregoing descriptions of the awards of restricted stock do not purport to be complete and are qualified in their entirety by reference to the complete text of the applicable restricted stock agreements, which forms are attached hereto as Exhibits 10.4 and 10.5 to this Current Report on Form 8-K and are incorporated herein by reference into this Item 5.02, or were previously filed with the Securities and Exchange Commission.

Dan Greenwell Separation

Subject to his execution of a release, Mr. Greenwell will be entitled to receive the severance benefits under his employment agreement applicable to terminations without cause.

Item 7.01 Regulation FD Disclosure.

On January 2, 2019, the Company issued a press release announcing the appointment of Mr. Behrman as President and Chief Executive Officer, Ms. Maguire as Senior Vice President and Chief Financial Officer and Richard Roedel as Chairman of the Board. A copy of this press release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference into this Item 7.01.

The information contained in Item 7.01 and Exhibit 99.1 of this Current Report shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	<u>Employment Agreement, dated December 30 2018, between LSB Industries, Inc. and Mark T. Behrman</u>
10.2	<u>Employment Agreement, dated December 30 2018, between LSB Industries, Inc. and Cheryl Maguire</u>
10.3	<u>Employment Agreement, dated December 30 2018, between LSB Industries, Inc. and Michael J. Foster</u>
10.4	<u>Form of Time-Based Restricted Stock Agreement of LSB Industries, Inc.</u>
10.5	<u>Form of Performance-Based Restricted Stock Agreement of LSB Industries, Inc.</u>
99.1	<u>Press Release, dated January 2, 2019</u>

SIGNATURES

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

Dated: January 2, 2019

LSB INDUSTRIES, INC.

By: /s/ Mark T. Behrman

Name: Mark T. Behrman

Title: President and Chief Executive Officer

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is entered into as of this 30th day of December 2018 (the "Effective Date"), by and between LSB Industries, Inc., a Delaware corporation (together with its successors and assigns, the "Company"), and Mark T. Behrman, an individual (the "Executive").

WHEREAS, the Company and the Executive desire to enter into this Agreement to set out the terms and conditions for the continuing employment relationship between the Executive and the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

1. Term. The Company agrees to employ the Executive pursuant to the terms of this Agreement, and the Executive agrees to be so employed, for a term from the Effective Date to December 31, 2019 (the "Initial Term") commencing as of the Effective Date. On December 31, 2019 and each subsequent anniversary of such date, the term of this Agreement shall be automatically extended for successive one-year periods, provided, however, that either party hereto may elect not to extend this Agreement by giving written notice to the other party at least ninety (90) days prior to December 31, 2019 or any subsequent anniversary of such date. Notwithstanding the foregoing, the Executive's employment hereunder may be earlier terminated in accordance with Section 9 hereof, subject to Section 10 hereof. Terms used herein with initial capitalization not otherwise defined are defined in Section 25. The period of time between the Effective Date and the termination of the Executive's employment hereunder shall be referred to as the "Employment Period."

2. Position and Duties. During the Employment Period, the Executive shall serve as President and Chief Executive Officer of the Company, shall report directly to the Company's Board of Directors (the "Board") and shall serve as a member of the Board. In his capacity as President and Chief Executive Officer, the Executive shall have the duties, responsibilities and authorities customarily associated with the position of President and Chief Executive Officer in a company the size and nature of the Company. The Executive shall devote the Executive's reasonable best efforts and substantially all of the Executive's business time to the performance of the Executive's duties hereunder and the advancement of the business and affairs of the Company and shall be subject to, and shall comply in all material respects with, the policies of the Company applicable to the Executive; provided that the Executive shall be entitled (i) to serve as a member of the board of directors of a reasonable number of other companies, subject to the advance approval of the Board, which approval shall not be unreasonably withheld, (ii) to serve on civic, charitable, educational, religious, public interest or public service boards, and (iii) to manage the Executive's personal and family investments, in each case, to the extent such activities do not materially interfere, as determined by the Board in good faith, with the performance of the Executive's duties and responsibilities hereunder.

3. Place of Performance. During the Employment Period, the Executive shall be based primarily at the Company's offices in Oklahoma City, Oklahoma.

4. Compensation and Benefits: Equity Awards.

(a) Base Salary. During the Employment Period, the Company shall pay to the Executive a base salary (the "Base Salary") at the rate of no less than \$650,000 per calendar year, less applicable deductions. The Base Salary shall be reviewed for increase by the Board no less frequently than annually and shall be increased in the discretion of the Board and any such adjusted Base Salary shall constitute the "Base Salary" for purposes of this Agreement. The Base Salary shall be paid in substantially equal installments in accordance with the Company's regular payroll procedures.

(b) Annual Bonus. During the Employment Period (including for all of 2018 without pro-ration), the Executive shall be paid an annual cash performance bonus (an "Annual Bonus") under the Company's annual bonus plan (as in effect from time to time for senior executives and, with respect to the 2018 fiscal year, the annual bonus plan adopted by the Board on February 21, 2018) in respect of the 2018 fiscal year and each fiscal year that ends during the Employment Period, to the extent earned based on performance against performance criteria. The performance criteria for any particular fiscal year shall be determined by the Compensation Committee of the Board (the "Committee"), in good faith, after consultation with the Executive, no later than sixty (60) days after the commencement of the relevant bonus period. For fiscal year 2019 and thereafter throughout the Employment Period, the Executive's annual bonus opportunity shall be no less than 100% of the Executive's Base Salary as of the beginning of the applicable bonus period (the "Target Bonus"), if target levels of performance for that year are achieved, up to a maximum of 200% of the Executive's Base Salary. The Executive's Annual Bonus for a bonus period shall be determined by the Committee after the end of the applicable bonus period and shall be paid to the Executive when annual bonuses for that year are paid to other senior executives of the Company generally, but in no event later than March 15 of the year following the year to which such Annual Bonus relates. The Target Bonus opportunity shall be reviewed for increase by the Board no less frequently than annually and shall be increased in the discretion of the Board and any such adjusted Target Bonus shall constitute the "Target Bonus" for purposes of this Agreement.

(c) Equity Awards. During the Employment Period, the Executive shall be eligible to receive grants of equity-based awards (each, an "Equity Award") under the Company's 2016 Long Term Incentive Plan (or successor plan). The terms and conditions applicable to any Equity Award shall be determined by the Committee in accordance with the Company's applicable long-term incentive plan. Notwithstanding the foregoing, any Equity Awards granted during the Employment Period on or before December 31, 2020 to the Executive shall have vesting provisions in connection with a Change in Control or termination of employment (including, without limitation, in connection with nonrenewal of this Agreement or death or Disability) no less favorable than as set forth on Exhibit A.

(d) Vacation: Benefits. During the Employment Period, the Executive shall be entitled to four (4) weeks of paid vacation per calendar year (as prorated for partial years) in accordance with the applicable policies of the Company, which shall be accrued and used in accordance with such policies. During the Employment Period, the Executive shall be entitled to participate in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of its employees generally, subject to satisfying the applicable eligibility requirements, except to the extent such plans are duplicative of the benefits otherwise provided to the Executive hereunder. The Executive's participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. The foregoing, however, shall not be construed to require the Company to establish any such plans or to prevent the modification or termination of such plans once established.

5. Expenses. The Company shall reimburse the Executive promptly for all expenses reasonably incurred by the Executive in the performance of his duties in accordance with policies which may be adopted from time to time by the Company following presentation by the Executive of an itemized account, including reasonable substantiation, of such expenses. During the Employment Period, the Executive shall also receive a car allowance of \$650 per month, as such amount may be increased from time to time in the sole discretion of the Committee or the Board, and the Company shall reimburse the Executive's attorney in 2018 directly for the costs associated with the negotiation of this Agreement and related documents, subject to a cap of \$7,000.

6. Confidentiality and Non-Disclosure. The Company and the Executive acknowledge and agree that during the Executive's employment with the Company, the Executive will have access to and may assist in developing Confidential Information and will occupy a position of trust and confidence with respect to the affairs and business of the Company and the Company Affiliates. The Executive agrees that the following obligations are necessary to preserve the confidential and proprietary nature of Confidential Information and to protect the Company and the Company Affiliates against misuse of such information:

(a) Non-Disclosure. After the Executive's employment with the Company ends, the Executive will not use, disclose, copy or transfer any Confidential Information unless authorized in writing by the Company. Anything herein to the contrary notwithstanding, the provisions of this Section 6(a) shall not apply (i) when disclosure is required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with actual or apparent jurisdiction to order the Executive to disclose or make accessible any information, provided that prior to any such disclosure the Executive shall provide the Company with reasonable notice of the requirements to disclose and an opportunity to object to such disclosure and the Executive shall cooperate with the Company in filing such objection; (ii) as to information that was in the public domain or is readily available to the public at the time of its disclosure by the Executive through means other than due to the Executive's violation of this Section 6(a); or (iii) to the extent necessary in connection with any disputes between the parties with respect to the interpretation and/or enforcement of this Agreement and any other agreements between the parties. Nothing in this Agreement is intended to or will be used in any way to limit Executive's rights to communicate with a government agency, as provided for, protected under or warranted by applicable law.

(b) Materials. The Executive will use Confidential Information only for normal and customary use in the Company's business, as determined reasonably and in good faith by the Executive. The Executive will return to the Company all Confidential Information and copies thereof and all other property of the Company or any Company Affiliate at any time upon the request of the Company and in any event promptly after the Executive's employment ends. The Executive agrees to identify and return to the Company any copies of any Confidential Information after the Executive ceases to be employed by the Company. Anything to the contrary notwithstanding, nothing in this Section 6 shall prevent the Executive from retaining a home computer (provided all Confidential Information has been removed), papers and other materials of a personal nature, including diaries, calendars and Rolodexes, information relating to his compensation or relating to reimbursement of expenses, information that may be needed for tax purposes, and copies of plans, programs and agreements relating to his employment or termination thereof.

7. Non-Solicitation/Non-Competition.

(a) During the Non-Compete Period, the Executive shall not (A) directly solicit, or assist any person or entity in soliciting, any established customer for the purpose of a Competitive Enterprise providing and/or selling any products that are provided and/or sold by the Company or its subsidiaries to such established customer, or performing any services that are performed by the Company or its subsidiaries for such established customer, (B) interfere with or damage (or attempt to interfere with or damage) any relationship and/or agreement between the Company or its subsidiaries and any established customer; or (C) directly or indirectly solicit any employee of the Company or the Company Affiliates with a view toward inducing any such employee to go to work for another person or third party or to cease or end their employment relationship.

(b) During the Non-Compete Period, the Executive shall not associate (including, but not limited to, association as a sole proprietor, owner, employer, partner, principal, investor, joint venturer, shareholder, associate, employee, member, consultant, contractor, director or otherwise) with any Competitive Enterprise; provided, however, that Executive may own, as a passive investor, securities of any such entity that has outstanding publicly traded securities so long as his direct holdings in any such entity shall not in the aggregate constitute more than one percent (1%) of the voting power of such entity. The Executive acknowledges that this covenant has a unique, very substantial and immeasurable value to the Company, that the Executive has sufficient assets and skills to provide a livelihood for the Executive while such covenant remains in force and that, as a result of the foregoing, in the event that the Executive breaches such covenant, monetary damages would be an insufficient remedy for the Company and equitable enforcement of the covenant would be proper.

(c) If the restrictions contained in Section 7 shall be determined by any court of competent jurisdiction to be unenforceable, Section 7 shall be modified in order for it to be enforceable to maximum allowed by law.

(d) Conflicting Obligations and Rights. The Executive agrees to inform the Company of any apparent conflicts between the Executive's work for the Company and any obligations the Executive may have to preserve the confidentiality of another's proprietary information or related materials before using the same on the Company's behalf. The Company shall receive such disclosures in confidence and consistent with the objectives of avoiding any conflict of obligations and rights or the appearance of any conflict of interest.

(e) Enforcement. The Executive acknowledges that in the event of any breach of this Section 7, the business interests of the Company and the Company Affiliates will be irreparably injured, the full extent of the damages to the Company and the Company Affiliates will be impossible to ascertain, monetary damages will not be an adequate remedy for the Company and the Company Affiliates, and the Company will be entitled to enforce this Agreement by a temporary, preliminary and/or permanent injunction or other equitable relief, without the necessity of posting bond or security, which the Executive expressly waives. The Executive understands that the Company may waive some of the requirements expressed in this Agreement, but that such a waiver to be effective must be made in writing and should not in any way be deemed a waiver of the Company's right to enforce any other requirements or provisions of this Agreement. The Executive agrees that each of the Executive's obligations specified in this Agreement is a separate and independent covenant and that the unenforceability of any of them shall not preclude the enforcement of any other covenants in this Agreement.

(f) No Other Restrictions. Except as otherwise provided herein or in the Confidentiality and Assignment Agreement the Executive executed on March 3, 2014 (the "Confidentiality Agreement"), there are no other restrictions on the Executive's employment following termination of his employment.

8. Cooperation. Following any termination of employment, the Executive agrees to reasonably cooperate (taking into account his other business and personal commitments) with any investigation, suit or claim involving the Company and of which the Executive has knowledge, provided any such cooperation is not adverse to his legal interests. The Company agrees to reimburse the Executive for any costs incurred by him in connection with such cooperation, including payment of separate counsel for the Executive if he reasonably determines such separate representation is warranted by the circumstances.

9. Termination of Employment.

(a) Permitted Terminations. The Executive's employment hereunder may be terminated during the Employment Period under the following circumstances:

(i) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(ii) By the Company. The Company may terminate the Executive's employment:

(A) Disability. For Disability; or

(B) With or Without Cause. For Cause or without Cause.

(iii) By the Executive. The Executive may terminate his employment for any reason or for no reason by giving thirty (30) days advance Notice of Termination to the Company.

(b) Termination. Any termination of the Executive's employment by the Company or the Executive (other than because of the Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 12 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon, if any, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Termination of the Executive's employment shall take effect on the Date of Termination.

(c) Effect of Termination. Upon any termination of the Executive's employment with the Company, and its subsidiaries, the Executive shall resign from, and shall be considered to have simultaneously resigned from, all positions with the Company and all of its subsidiaries, including without limitation, as a director of the Board.

10. Compensation Upon Termination.

(a) Death. If the Executive's employment is terminated during the Employment Period as a result of the Executive's death pursuant to Section 9(a)(i), the Employment Period shall terminate without further notice or any action required by the Company or the Executive's legal representatives. Upon the Executive's death, the Company shall pay or provide to the Executive's representative or estate (i) all Accrued Benefits, if any, to which the Executive is entitled, and (ii) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable at the time set forth in Section 4(b). Except as set forth herein or, if more favorable to the Executive, in the award agreements applicable to equity-based awards granted to Executive, including, without limitation, the Equity Awards, the Company shall have no further compensation obligations to the Executive (or the Executive's legal representatives or estate) under this Agreement.

(b) Disability. If the Company terminates the Executive's employment during the Employment Period because of the Executive's Disability pursuant to Section 9(a)(ii)(A), the Company shall pay to the Executive (i) all Accrued Benefits, if any, to which the Executive is entitled, and (ii) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable at the time set forth in Section 4(b). Except as set forth herein or, if more favorable to the Executive, in the award agreements applicable to equity-based awards granted to Executive, including, without limitation, the Equity Awards, the Company shall have no further compensation obligations to the Executive (or the Executive's legal representatives) under this Agreement.

(c) Termination by the Company for Cause, or by the Executive without Good Reason. If, during the Employment Period, the Company terminates the Executive's employment for Cause pursuant to Section 9(a)(i)(B), or the Executive terminates his employment without Good Reason, the Company shall pay to the Executive all Accrued Benefits, if any, to which the Executive is entitled. Except as set forth herein or, if more favorable to the Executive, in the award agreements applicable to equity-based awards granted to Executive, including, without limitation, the Equity Awards, the Company shall have no further compensation obligations to the Executive under this Agreement.

(d) Certain Terminations Prior to or After a Change in Control. If, prior to the occurrence of a Change in Control, or after the twenty-four (24) month protection period in Section 10(e) has expired (and Section 10(e) does not apply), the Company terminates the Executive's employment during the Employment Period other than for Cause, death or Disability or the Executive terminates his employment hereunder with Good Reason, the Employment Period shall terminate upon the Date of Termination and (i) the Company shall pay or provide the Executive (or the Executive's estate, if the Executive dies after such termination but before receiving such amount) (A) all Accrued Benefits, if any, to which the Executive is entitled; (B) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable as set forth in Section 4(b); and (C) an amount equal to the product of (x) two (2) and (y) the sum of the Executive's (I) Base Salary and (II) Target Bonus, payable in a lump sum on the first payroll date following the execution (and non-revocation) of the general release of claims described in Section 10(g), subject to Section 10(h) and Section 24, and (ii) the Executive and his covered dependents shall be entitled to continued participation on the same terms and conditions as applicable immediately prior to the Executive's Date of Termination for the eighteen (18) month period following the Date of Termination in such medical, dental, and hospitalization insurance coverage in which the Executive and his eligible dependents were participating immediately prior to the Date of Termination; provided the Company agrees to impute as taxable income to the Executive an amount equal to the full actuarial cost of such coverage, for each month during which such coverage is in effect for the Executive and/or his eligible dependents but only if and to the extent such imputation is required for the Executive to avoid being subject to tax under Section 105(h) of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to any payment or reimbursement of expenses made to the Executive or for the Executive and/or any of his eligible dependent's benefit under such health care coverage. In addition, the Executive's equity awards granted prior to the Effective Date shall vest in accordance with Section 21 (or, if more favorable to the Executive, the applicable award agreement), the Executive's other outstanding equity awards (including, without limitation, the Equity Awards) granted on or after the Effective Date and on or prior to December 31, 2020 shall vest in accordance with Section 4(c) and Exhibit A (or, if more favorable to the Executive, the applicable award agreement) and the Executive's other outstanding equity awards shall vest in accordance with the applicable award agreement.

(e) Certain Terminations in Connection With a Change in Control. If the Company terminates the Executive's employment other than for Cause, Death or Disability or the Executive terminates his employment hereunder with Good Reason, the Employment Period shall terminate upon the Date of Termination and if such Date of Termination occurs (x) upon or within twenty-four (24) months following the date of consummation of a Change in Control, or (y) either (a) within 90 days prior to the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed or (b) on or within 180 days following the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed, (i) the Company shall pay or provide the Executive (or the Executive's estate, if the Executive dies after such termination but before receiving such amount) (A) all Accrued Benefits, if any, to which the Executive is entitled; (B) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable as set forth in Section 4(b); and (C) an amount equal to the product of (x) three (3) and (y) the sum of the Executive's (I) Base Salary and (II) Target Bonus, payable in a lump sum on the first payroll date following the execution (and non-revocation) of the general release of claims described in Section 10(g) (the "Payment Date"), subject to Section 10(h) and Section 24; provided that in connection with a termination covered by clause (y), the payment of the additional one times Base Salary and Target Bonus amount shall be paid, subject to Section 10(h) and Section 24, on the later of the Payment Date or the date of the Change in Control; and (ii) the Executive and his covered dependents shall be entitled to continued participation on the same terms and conditions as applicable immediately prior to the Executive's Date of Termination for the eighteen (18) month period following the Date of Termination in such medical, dental, and hospitalization insurance coverage in which the Executive and his eligible dependents were participating immediately prior to the Date of Termination; provided the Company agrees to impute as taxable income to the Executive an amount equal to the full actuarial cost of such coverage, for each month during which such coverage is in effect for the Executive and/or his eligible dependents but only if and to the extent such imputation is required for the Executive to avoid being subject to tax under Section 105(h) of the Code, with respect to any payment or reimbursement of expenses made to the Executive or for the Executive and/or any of his eligible dependent's benefit under such health care coverage. In addition, the Executive's equity awards granted prior to the Effective Date shall vest in accordance with Section 21 (or, if more favorable to the Executive, the applicable award agreement), the Executive's other outstanding equity awards (including, without limitation, the Equity Awards) granted on or after the Effective Date and on or prior to December 31, 2020 shall vest in accordance with Section 4(c) and Exhibit A (or, if more favorable to the Executive, the applicable award agreement) and the Executive's other outstanding equity awards shall vest in accordance with the applicable award agreement.

(f) Termination of Employment Upon Expiration of the Term. Upon a notice of non-renewal of the Initial Term or any subsequent Term (each, a "Term") by either the Company or the Executive pursuant to Section 1 hereof, the Executive's employment shall terminate on the last day of the applicable Term. In addition, any notice of non-renewal of the Term by the Company pursuant to Section 1 (assuming the Executive was willing and able to continue to be employed) shall be treated as a termination without Cause under this Agreement and the Executive shall be entitled to severance and other entitlements (including equity vesting) under the terms of either Sections 10(d) or 10(e) as applicable upon the termination of the Executive's employment on the last day of the applicable Term and such termination shall be treated as a termination without Cause for purposes of the Executive's equity awards.

(g) Release. As a condition of receiving any and all amounts payable and benefits or additional rights provided pursuant to this Agreement beyond the Accrued Benefits, the Executive must execute and deliver to the Company and not revoke a general release of claims in favor of the Company in substantially the form attached on Exhibit B hereto (the “Release”). The Release must be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the Executive’s Date of Termination. The Company shall deliver to the Executive the Release for the Executive to execute within five (5) business days following the Date of Termination.

(h) Certain Payment Delays. Notwithstanding anything to the contrary set forth herein, to the extent that the payment of any amount described in Sections 10(d) or 10(e) constitute “nonqualified deferred compensation” for purposes of Code Section 409A (as defined in Section 24 hereof), then, subject to Section 24, any such payment scheduled to occur during the first sixty (60) days following the termination of employment shall not be paid until the first regularly scheduled pay period following the sixtieth (60th) day following such termination and shall include payment of any amount that was otherwise scheduled to be paid prior thereto.

(i) No Offset. In the event of termination of his employment, the Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due to him on account of any remuneration or benefits provided by any subsequent employment he may obtain. The Company’s obligation to make any payment pursuant to, and otherwise to perform its obligations under, this Agreement shall not be affected by any offset, counterclaim or other right that the Company or the Company Affiliates may have against the Executive for any reason.

(j) 280G Payments. In the event the Company determines in good faith that any payments, entitlements or benefits (whether made or provided pursuant to this Agreement or otherwise, including by the person or entity affecting a change in control) provided to the Executive constitute “parachute payments” within the meaning of Section 280G of the Code, and may be subject to an excise tax imposed pursuant to Section 4999 of the Code, then, if the Executive would be placed in a better after-tax position, the Executive’s “parachute payments” will be reduced to an amount determined by the Company in good faith to be the maximum amount that may be provided to the Executive without resulting in any portion of such “parachute payment” being subject to such excise tax. The payment reduction contemplated by the preceding sentence shall be implemented as follows: first, by reducing any payments to be made to the Executive under Sections 10(d)(i)(B) and (C) or Sections 10(e)(i)(B) and (C), as applicable; second, by reducing any other cash payments to be made to the Executive but only if the value of such cash payments is not greater than the parachute value of such payments; third, by cancelling the acceleration of vesting of any restricted stock or restricted stock unit awards solely with respect to the accelerated vesting upon a change in control such that such awards will continue to vest on their original schedules; fourth, by cancelling the acceleration of vesting of any stock options or stock appreciation rights solely with respect accelerated vesting

upon a change in control such that such awards will continue to vest on their original schedules, fifth, by eliminating the Company's payment of the cost of any post-termination continuation of medical and dental benefits for the Executive and his eligible dependents and sixth, by reducing any equity awards. In the case of the reductions to be made pursuant to each of the above-mentioned clauses, the payment and/or benefit amounts to be reduced and the acceleration of vesting to be cancelled shall be reduced or cancelled in the inverse order of their originally scheduled dates of payment or vesting, as applicable, and shall be so reduced (x) only to the extent that the payment and/or benefit otherwise to be paid or the vesting of the award that otherwise would be accelerated, would be treated as a "parachute payment" within the meaning of Section 280(G)(b)(2)(A) of the Code, (y) only to the extent necessary to achieve the required reduction hereunder and (z) all amounts that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c). Any determinations that are made pursuant to this Section 10(j) shall be made by a nationally recognized certified public accounting firm that shall be selected by the Company (and paid by the Company) prior to any transaction that is subject to Code Section 280G and reasonably acceptable to the Executive (the "Accountant"), which determination shall be certified by the Accountant and set forth in a certificate delivered to the Executive setting forth in reasonable detail the basis of the Accountant's determinations. In connection with this determination, the Accountant shall value the non-compete and other restrictions on the Executive's activities.

11. Indemnification. The Executive shall be indemnified and held harmless by the Company during the Employment Period and following any termination of his employment for any reason whatsoever in the same manner as would any other key management employee of the Company with respect to acts or omissions occurring on or prior to the termination of employment of the Executive. In addition, during the Employment Period and for a period of three (3) years following the termination of Executive's employment for any reason whatsoever, the Executive shall be covered by a Company-held directors' and officers' liability insurance policy covering acts or omissions occurring on or prior to the termination of employment of the Executive. The Executive shall also remain entitled to the protections of the indemnification agreement he has entered into with the Company dated as of October 14, 2015 ("Indemnification Agreement").

12. Notices. All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any other party pursuant to this Agreement shall be in writing and shall be hand delivered, mailed by first-class registered or certified mail, return receipt requested, postage prepaid, delivered by overnight air courier addressed as follows:

If to the Company:

LSB Industries, Inc.
3503 NW 63rd Street, Suite 500
Oklahoma City, OK 73116
Attention: Chairman of the Board of Directors

If to the Executive:

His primary address last shown on the Company's records.

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request, or communication that shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, or the affidavit of messenger being deemed conclusive but not exclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

13. Severability. The invalidity or unenforceability of any one or more provisions of this Agreement, including, without limitation, Sections 6 or 7, shall not affect the validity or enforceability of the other provisions of this Agreement, which shall remain in full force and effect.

14. Survival. It is the express intention and agreement of the parties hereto that the provisions of Sections 6, 7, 8, 10, 11, 12, 13, 15, 16, 17, 19, 20, 21, 23, 24 and Section 14 shall survive the termination of employment of the Executive or the termination or expiration of the Employment Period. In addition, all obligations of the Company to make payments hereunder shall survive any expiration of the Employment Period on the terms and conditions set forth herein.

15. Assignment. The rights and obligations of the parties to this Agreement shall not be assignable or delegable, except that (i) in the event of the Executive's death, the personal representative or legatees or distributees of the Executive's estate, as the case may be, shall have the right to receive any amount owing and unpaid to the Executive hereunder and (ii) the rights and obligations of the Company hereunder shall be assignable and delegable in connection with any subsequent merger, consolidation, sale of all or substantially all of the assets or equity interests of the Company or similar transaction involving the Company or a successor corporation. Unless provided by applicable law, the Company shall require any successor to the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

16. Binding Effect. Subject to any provisions hereof restricting assignment, this Agreement shall be binding upon the parties hereto and shall inure to the benefit of the parties and their respective heirs, devisees, executors, administrators, legal representatives, successors and assigns.

17. Amendment; Waiver. This Agreement shall not be amended, altered or modified except by an instrument in writing duly executed by the party against whom enforcement is sought. Neither the waiver by either of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure of either of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights or privileges hereunder.

18. Headings. Section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

19. Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Oklahoma (but not including any choice of law rule thereof that would cause the laws of another jurisdiction to apply).

20. Dispute Resolution/Waiver of Jury Trial. Each of the parties agrees that any dispute between the parties shall be resolved only in the courts of the State of Oklahoma or the United States District Court for the Western District of Oklahoma and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, each of the parties hereto irrevocably and unconditionally (a) submits in any proceeding relating to this Agreement or the Executive's employment by the Company or any Company Affiliate, or the termination of such employment, or for the recognition and enforcement of any judgment in respect thereof (a "Proceeding"), to the exclusive jurisdiction of the courts of the State of Oklahoma, located in Oklahoma County, the United States District Court for the Western District of Oklahoma, and appellate courts having jurisdiction of appeals from any of the foregoing and agrees that all claims in respect of any such Proceeding shall be heard and determined in such Oklahoma State court or, to the extent permitted by law, in such federal court, (b) consents that any such Proceeding may and shall be brought in such courts and waives any objection that the Executive or the Company may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agrees not to plead or claim the same, (c) waives all right to trial by jury in any Proceeding (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the Executive's employment by the Company or any Company Affiliate, or the termination of such employment, or the Executive's or the Company's performance under, or the enforcement of, this Agreement, (d) agrees that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at the Executive's or the Company's address as provided in Section 12 hereof, and (e) agrees that nothing in this Agreement shall affect the right to effect service of process in any other manner permitted by the laws of the State of Oklahoma. In addition, if the Executive substantially prevails on any claim that is the matter of such dispute, the Company shall promptly reimburse the Executive for his legal fees.

21. Entire Agreement; Other Agreements. Except as expressly provided herein, this Agreement constitutes the entire agreement between the parties respecting the employment of the Executive, there being no representations, warranties or commitments except as set forth herein, and, as of the Effective Date, supersedes and replaces all other agreements related to the subject matter hereof, including, without limitation, the employment agreement among the Executive and the Company, dated January 14, 2016 and effective December 31, 2015 (the "2015 Employment Agreement") which shall terminate and become null and void on the

Effective Date. Notwithstanding anything herein to the contrary, (a) any equity award agreements executed in connection with this Agreement shall continue in full force and effect, (b) the Executive shall be entitled to (i) Base Salary due under the 2015 Employment Agreement as of the Effective Date which remains unpaid as of the Effective Date, (ii) reimbursement of the business expenses incurred by the Executive prior to the Effective Date which are reimbursable and due under Section 5 of the 2015 Employment Agreement and remain unpaid as of the Effective Date, and (iii) all car allowance payments due under Section 5 of the 2015 Employment Agreement as of the Effective Date which remain unpaid as of the Effective Date, and (c) all outstanding equity awards (including, without limitation, any vesting rights for any outstanding equity awards issued in connection with the 2015 Employment Agreement), the Indemnification Agreement and the Confidentiality Agreement (as amended below) shall continue to be in full force and effect. For the avoidance of doubt, the Executive shall be entitled to vesting of Executive's equity awards outstanding on the Effective Date of this Agreement in accordance with Section 4(c) and Sections 10(a)(iii), 10(b)(iii), 10(d)(ii), 10(e)(ii) and 10(f) of the 2015 Employment Agreement. In the event there is a conflict between any provision of this Agreement and any other agreement, plan, policy or arrangement of the Company or any Company Affiliate, the provision most favorable to the Executive shall govern except that the Executive shall be subject to any written claw back policies of the Company (a) in effect from time to time adopted by the Board or the Committee prior to the Executive's Date of Termination or (b) adopted to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and rules promulgated thereunder by the Securities Exchange Commission or any other applicable laws (whether or not the rights of the Executive may be adversely affected). Any claw back policy shall be applied to the Executive consistent with how such policy is applied to other senior executives of the Company with respect to the same subject matter. Section 15 of the Confidentiality Agreement between the Company and the Executive is hereby deleted in its entirety and replaced with the following:

"15. TERMINATION OF EMPLOYMENT.

I understand and agree that I or the Company may terminate my employment pursuant to the terms of the Employment Agreement dated December 30, 2018 between me and the Company ("Employment Agreement") and that this Confidentiality Agreement shall in no way be construed or operate to change or modify the Employment Agreement or to prevent the Company or me from dispensing with my services pursuant to the terms of the Employment Agreement."

22. Counterparts. This Agreement may be executed in two counterparts, each of which shall be an original and all of which shall be deemed to constitute one and the same instrument.

23. Withholding. The Company may withhold from any benefit payment under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

24. Section 409A.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") or an exemption therefrom and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If the Executive notifies the Company (with specificity as to the reason therefor) that the Executive believes that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Code Section 409A and the Company concurs with such belief or the Company (without any obligation whatsoever to do so) independently makes such determination, the Company shall, after consulting with the Executive, reform such provision to attempt to comply with Code Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Code Section 409A. To the extent that any provision hereof is modified in order to comply with Code Section 409A such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Company of the applicable provision without violating the provisions of Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If the Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall be made or provided at the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 24(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(d) For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, (i) the actual date of payment within the specified period shall be within the sole discretion of the Company and, (ii) if such payment qualifies as non-qualified deferred compensation under Section 409A and it can be paid in one of two calendar years, it shall be paid in the second calendar year.

(e) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

25. Definitions.

(a) "Accrued Benefits" means (i) any unpaid Base Salary through the Date of Termination; (ii) any earned but unpaid Annual Bonus for a performance year that has ended on or prior to the Date of Termination; (iii) any accrued and unpaid vacation and/or sick days; (iv) any amounts or benefits owing to the Executive or to the Executive's beneficiaries under the then applicable benefit plans of the Company (excluding any severance plan, program, agreement or arrangement); (v) any rights or entitlements under any other agreements between the Executive and the Company, including, without limitation, the Indemnification Agreement and any outstanding equity award agreements; (vi) any amounts owing to the Executive for reimbursement of expenses properly incurred by the Executive prior to the Date of Termination and which are reimbursable in accordance with Section 5; and (vii) any car allowance payments owing to the Executive under Section 5 as of the Date of Termination. Amounts payable (A) under clauses (i), (ii), (iii) and (vii) shall be paid promptly after the Date of Termination; (B) under clause (iv) shall be paid in accordance with the terms and conditions of the applicable plan, program or arrangement; (C) under clause (v) shall be treated in accordance with the applicable agreement; and (D) under clause (vi) shall be paid in accordance with the terms of the applicable expense policy or Section 5, as applicable.

(b) "Cause" means (i) the Executive's conviction of, or plea of nolo contendere to, a felony (other than for a traffic violation); (ii) the Executive's continued failure to substantially perform the Executive's material duties hereunder (other than due to a mental or physical impairment) after receipt of written notice from the Company that specifically identifies the manner in which the Executive has substantially failed to perform the Executive's material duties and specifies the manner in which the Executive may substantially perform his material duties in the future; (iii) an act of fraud or gross or willful material misconduct by the Executive; (iv) a willful and material violation of the material provisions of the Company's Code of Conduct or the Company's Code of Ethics for CEO and Senior Financial Officers; or (v) the Executive's material breach of Sections 7(a) and 7(b). Anything herein to the contrary notwithstanding, the Executive shall not be terminated for "Cause" hereunder unless (A) written notice stating the basis for the termination is provided to the Executive, (B) as to clauses (ii), (iv) or (v) of this paragraph, he fails to cure such neglect or conduct within thirty (30) days following receipt of such notice, (C) he has an opportunity (represented by counsel) to address a meeting of the Board, and (D) after such meeting (or if the Executive declines to meet), there is a 75% vote of the Board (not counting the Executive) to terminate his employment for Cause.

(c) “Change in Control” means:

(i) A “change in the ownership of the Company” which shall occur on the date that any one person, or more than one person acting as a group, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company as of the Effective Date; however, if any one person or more than one person acting as a group is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a “change in the ownership of the Company” (or to cause a “change in the effective control of the Company” within the meaning of paragraph (ii) below) and an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, further, however, that for purposes of this paragraph (i), any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company shall not constitute a Change in Control. This paragraph (i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction;

(ii) A “change in the effective control of the Company” which shall occur on the date that either (A) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, except for any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company; or (B) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of a “change in the effective control of the Company,” if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this paragraph (ii) after the Effective Date, the acquisition of additional control of the Company by the same person or persons is not considered a “change in the effective control of the Company,” or to cause a “change in the ownership of the Company” within the meaning of paragraph (i) above; or

(iii) A “change in the ownership of a substantial portion of the Company’s assets” which shall occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose,

gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the stockholders of the Company immediately after the transfer, as provided in guidance issued pursuant to Code Section 409A, shall not constitute a Change in Control.

For purposes of the definition of Change in Control, the provisions of Section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided, that, stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option.

(d) “Company Affiliate” means any entity controlled by, in control of, or under common control with, the Company.

(e) “Competitive Enterprise” means (i) a business enterprise that engages in nitrogen and climate control in competition with the Company or its subsidiaries (the “Company’s Business”) (a) in the United States of America, or (b) in any other country where the Company or its subsidiaries operates facilities or sells such products. Notwithstanding the foregoing, in the event a business enterprise (including, without limitation, any entity, or private equity or hedge fund) has one or more lines of business that do not involve the Company’s Business, the Executive shall be permitted to associate with such business enterprise if, and only if, the Executive does not participate in, or have supervisory authority with respect to, any line of business involving the Company’s Business.

(f) “Confidential Information” means all non-public information concerning trade secrets, know-how, software, developments, inventions, processes, technology, designs, financial data, strategic business plans or any proprietary or confidential information, documents or materials in any form or media, including any of the foregoing relating to research, operations, finances, current and proposed products and services, vendors, customers, advertising and marketing, and other non-public, proprietary, and confidential information of the Company or the Company Affiliates. Notwithstanding anything to the contrary contained herein, the general skills, knowledge and experience gained during the Executive’s employment with the Company, information publicly available or generally known within the industry or trade in which the Company competes and information or knowledge possessed by the Executive prior to his employment by the Company, shall not be considered Confidential Information.

(g) “Date of Termination” means (i) if the Executive’s employment is terminated by the Executive’s death, the date of the Executive’s death; (ii) if the Executive’s employment is terminated because of the Executive’s Disability pursuant to Section 9(a)(ii)(A), thirty (30) days after Notice of Termination, provided that the Executive shall not have returned to the performance of the Executive’s duties on a full-time basis during such thirty (30)-day period; (iii) if the Executive’s employment is terminated during the Term by the Company pursuant to Section 9(a)(ii)(B) or by the Executive pursuant to Section 9(a)(iii), the date specified in the Notice of Termination consistent with this Agreement; or (v) if the Executive’s employment is terminated upon the expiration of the Term pursuant to Section 1, the last day of the applicable Term.

(h) “Disability” means the inability of the Executive to perform the Executive’s material duties hereunder due to a physical or mental injury, infirmity or incapacity, which is expected to exceed one hundred eighty (180) days (including weekends and holidays) in any three hundred sixty-five (365)-day period, as determined by the Executive’s treating physician in his or her reasonable discretion.

(i) “Good Reason” means (i) any material diminution in the Executive’s job duties, authorities or responsibilities (including, without limitation, the removal of the Executive as Chief Executive Officer or as President or as a member of the Board, the Executive failing to be the senior-most executive officer in the Company, the Executive failing to be the Chief Executive Officer and a member of the Board, of any surviving or successor entity, including the ultimate parent, or the Company’s stock (or following a Change in Control, the surviving or successor entity’s stock) no longer being (or not being) publicly traded on the New York Stock Exchange or NASDAQ); (ii) a reduction in the Executive’s Base Salary or Target Bonus as a percentage of Base Salary; (iii) the failure of the Executive to report solely and directly to the Board (including any successor board of directors); (iv) the assignment of duties substantially inconsistent with the Executive’s status as President and Chief Executive Officer of the Company; (v) a relocation of the Executive’s primary place of employment to a location more than fifty (50) miles from the current location of the Company’s offices in Oklahoma City, Oklahoma; (vi) any other material breach of this Agreement by the Company, including, without limitation, Exhibit A; (vii) the failure of the Company to obtain the assumption in writing of its obligations under the Agreement by any successor to all or substantially all of the assets of the Company after a merger, consolidation, sale or similar transaction in which such Agreement is not assumed by operation of law or (viii) on or following a Change in Control, the failure of the surviving or successor entity to provide the Executive with an Equity Award with terms no less favorable to the Executive, and with a grant date value equal to or greater than the aggregate grant date value of the equity awards granted to the Executive by the Company during the 12-month period immediately prior to the Change in Control. In order to invoke a termination for Good Reason, (A) the Executive must provide written notice to the Company within ninety (90) days of the later of the occurrence, or the Executive’s knowledge, of any event of “Good Reason,” (B) the Company must fail to cure such event within thirty (30) days of the giving of such notice and (C) the Executive must provide a Notice of Termination within thirty (30) days following the expiration of the Company’s cure period.

(j) “Non-Compete Period” means the period commencing on the Effective Date and ending twenty four (24) months after the Executive’s Date of Termination.

(k) “Term” shall have the meaning ascribed to such term in Section 10(f) of this Agreement.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement, or have caused this Agreement to be duly executed and delivered on their behalf.

LSB INDUSTRIES, INC.

By: _____
Name: Lynn F. White
Title: Chairman of the Compensation Committee

EXECUTIVE

Mark T. Behrman

Exhibit A

(Equity Vesting Terms)

Exhibit A

Equity Vesting Terms Through December 31, 2020

For the avoidance of doubt, terms used herein with initial capitalization not otherwise defined herein shall have the meanings ascribed to such terms in the Employment Agreement to which this Exhibit is attached.

I. Restricted Stock Awards:

With respect to any restricted stock award granted on or after the Effective Date and on or before December 30, 2020 and shares of restricted stock awarded thereunder ("Restricted Stock"):

- A. In the event of a Change in Control, the Restricted Stock may be assumed or substituted with a substantially equivalent award by the surviving or successor company or a parent or subsidiary of such successor company (in each case, the "Successor Company") upon consummation of the transaction provided that the Restricted Stock is assumed or substituted with a substantially equivalent award of restricted shares of publicly traded common stock with substantially equivalent terms and conditions, including vesting terms and dividend rights (each such assumed or substantially equivalent award, a "Replacement Award"). If an award of Restricted Stock is not assumed or substituted by the Successor Company in connection with the Change in Control in the manner set forth in the preceding sentence and there is no Replacement Award for the Restricted Stock, all such shares of Restricted Stock shall automatically vest in full immediately prior to the Change in Control in time for the Executive to fully participate as a shareholder with respect to such shares as of the Change in Control. If there is a Replacement Award and following the Change in Control, the common stock underlying the Replacement Award ceases to be publicly traded, all such shares of the Replacement Award shall vest in full immediately prior to such common stock ceasing to be publicly traded.
- B. The Replacement Award shall automatically vest in full upon the Date of Termination if the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or by the Company providing a notice of non-renewal of the Term in a manner which complies with Section 1 of the Employment Agreement ("Company Notice of Non-Renewal") and the Date of Termination occurs upon or after a Change in Control. In addition, the Restricted Stock shall automatically vest in full upon a Change in Control if the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason or there is a Company Notice of Non-Renewal and the Date of Termination occurs either (a) within 90 days prior to the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed or (b) on or within 180 days after the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed.

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- C. If the Restricted Stock has been awarded on or following a Change in Control and the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal and the Date of Termination occurs upon or within twenty-four months after a Change in Control, the Restricted Stock shall automatically vest in full upon the Date of Termination unless there is a subsequent Change in Control which would result in earlier vesting under clause (A) above.
 - D. Those shares of Restricted Stock (but not including any Replacement Award which is covered by clause (B) above) that are scheduled to vest in normal course within the eighteen-month period following the Date of Termination shall automatically vest upon the Date of Termination if Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal and the vesting provisions of clauses (B) and (C) above do not apply.
 - E. A pro-rata portion of Restricted Stock (or the Replacement Award) shall automatically vest upon the Executive's termination of employment by reason of death or Disability with such pro-rata portion calculated by multiplying the number of shares of Restricted Stock (or shares underlying the Replacement Award) scheduled to vest on the next vesting date in the normal course immediately succeeding the Date of Termination by a fraction, the numerator of which is the number of days that have elapsed from the last vesting date (or if the Date of Termination occurs prior to the first vesting date, then the number of days that have elapsed from the Grant Date) through the Date of Termination and the denominator of which shall be the number of days in the period from the last vesting date (or if the Date of Termination occurs prior to the first vesting date, Grant Date) to the next vesting date in the normal course immediately succeeding the Date of Termination.

II. Performance-Based Awards:

With respect to any equity performance-based awards granted on or after the Effective Date and on or before December 31, 2020 ("Performance-Based Award"):

- A. If a Change in Control occurs prior to the end of the performance period under Performance-Based Awards ("Performance Period"), then, the number of earned shares of stock under the Performance-Based Awards ("Performance Shares") for the Performance-Based Award shall be determined by the Committee immediately prior to the Change in Control and shall equal the greater of (x) the Target Performance Shares and (y) the Performance Shares earned based on actual performance, as determined in good faith by the Committee prior to the Change in Control, by (a) shortening the Performance Period to end on the date of the Change in Control, (b) adjusting the applicable performance goals as appropriate based on the shortened Performance Period, and (c) determining the level of achievement of such performance goals based on such shortened Performance Period (the "Change in Control Calculated Performance Shares"). Such Change in Control Calculated Performance Shares may be assumed or substituted by the Successor Company upon consummation of the transaction if the Change in Control Calculated Performance Shares are assumed or substituted as of the Change in Control with a restricted stock or restricted stock unit award of publicly traded stock of the Successor Company equal in value on the date of the Change in Control to the value of the Change in Control Calculated Performance Shares and with substantially the same terms and conditions, including rights to dividend payments, as the original Performance-Based Award provided that such restricted stock or

restricted stock units shall vest based solely on the continued service or employment of the Executive through the last day of the original Performance Period, except as otherwise provided herein ("Performance Replacement Award"). If the Change in Control Calculated Performance Shares are not assumed or substituted by the Successor Company in connection with the Change in Control in the manner set forth in the preceding sentence and there is no Performance Replacement Award for the Performance-Based Award, all the Change in Control Calculated Performance Shares shall automatically vest in full immediately prior to the Change in Control in time for the Executive to fully participate as a shareholder with respect to such shares as of the Change in Control or may be paid to the Executive in cash (if such payment is intended to comply with Section 409A) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A. If there is a Performance Replacement Award and following the Change in Control, the common stock underlying the Performance Replacement Award ceases to be publicly traded, all such shares of the Performance Replacement Award shall vest in full immediately prior to such common stock ceasing to be publicly traded.

- B. The Performance Replacement Award shall automatically vest in full upon the Date of Termination if the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal and the Date of Termination occurs upon or following a Change in Control. In addition, the Executive shall be entitled to receive all the Change in Control Calculated Performance Shares as of the Change in Control (without any forfeiture of such shares) if the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal and the Date of Termination occurs either (a) within 90 days prior to the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed or (b) on or within 180 days after the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed and the full value of such shares may be paid to the Executive in cash (if such payment is intended to comply with Section 409A) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A.
- C. With respect to the Performance Replacement Award, if the Executive's employment terminates upon death or Disability on or after a Change in Control, the Executive (or his estate) shall vest at the end of the Performance Period (or if earlier upon a subsequent Change in Control if such vesting complies with Section 409A) in the pro rata portion of the shares underlying the Performance Replacement Award, such portion determined by multiplying the total number of shares underlying the Performance Replacement Award by a fraction, the numerator of which is the number of days that have elapsed from the beginning of the Performance Period through the Date of Termination and the denominator of which shall be the total number of days in the Performance Period.
- D. If the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal prior to a Change in Control and the vesting provisions of clause (B) above or clause (F) below do not apply, the Executive shall vest at the end of the Performance Period (or the date of a Change in Control, if earlier, where there is no Replacement Award) in a pro-rata portion of the

shares underlying the Performance-Based Award, such portion determined by multiplying (x) the number of Performance Shares earned, if any, based on actual performance, determined at the end of the Performance Period (or the date of the Change in Control, if earlier) by the Committee in good faith based on the level of achievement of the performance goals (as adjusted as a result of the Change in Control pursuant to clause (A) above) for the Performance Period, by (y) a fraction, the numerator of which is the number of days that have elapsed from the beginning of the Performance Period through the Date of Termination and the denominator of which shall be the total number of days in the Performance Period (or, if a Change in Control occurs prior to the end of the Performance Period and there is no Replacement Award, the total number of days from the beginning of the Performance Period through the date of the Change in Control). In the case of earlier vesting under this clause (D) upon a Change in Control where there is no Replacement Award, the value of the vested Performance Shares may be paid to the Executive in cash (if such payment is intended to comply with Section 409A) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A.

- E. If the Executive's employment terminates upon death or Disability prior to a Change in Control, the Executive shall vest at the end of the Performance Period (or the date of a Change in Control, if earlier, if there is no Replacement Award) in a pro-rata portion of the Performance Shares earned based on actual performance, determined by the Committee in good faith at the end of the Performance Period (or the date of the Change in Control, if earlier) based on the level of achievement of the performance goals (as adjusted as a result of the Change in Control pursuant to clause (A) above) for the Performance Period, with such pro-rata portion calculated by multiplying the number of such earned Performance Shares, if any, by a fraction, the numerator of which is the number of days that have elapsed from the beginning of the Performance Period through the Date of Termination and the denominator of which shall be the total number of days in the Performance Period (or, if a Change in Control occurs prior to the end of the Performance Period and there is no Replacement Award, the total number of days from the beginning of the Performance Period through the date of the Change in Control). In the case of earlier vesting under this clause (E) upon a Change in Control where there is no Replacement Award, the value of the vested Performance Shares may be paid to the Executive in cash (if such payment is intended to comply with Section 409A) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A.
- F. If the Performance-Based Award has been awarded on or following a Change in Control and, except with respect to earlier vesting for a subsequent Change in Control under clauses (A) or (B) above, the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal and the Date of Termination occurs upon or within twenty-four months after a Change in Control, the Executive shall be entitled to fully vest at the end of the Performance Period in a number of shares equal to the greater of (x) the Target Performance Shares and (y) the number of Performance Shares earned, if any, based on actual performance, determined by the Committee in good faith, at the end of the Performance Period based on the level of achievement of the performance goals for the Performance Period.

Exhibit B

(Form of Release)

EXHIBIT B

GENERAL RELEASE

I, Mark T. Behrman, in consideration of and subject to the performance by LSB Industries, Inc. (together with its affiliated companies and subsidiaries and its successors and assigns, the "Company"), of its obligations under Section 10 of the Employment Agreement, dated as of December 30, 2018 (the "Agreement"), do hereby release and forever discharge as of the date hereof the Company and its respective affiliates and subsidiaries and all present, former and future directors, officers, agents, representatives, employees, successors and assigns of the Company and/or its respective affiliates and subsidiaries and direct or indirect owners (collectively, the "Released Parties") to the extent provided herein (this "General Release"). Terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

1. I understand that, other than the Accrued Benefits, the payments or benefits paid or granted to me under Section 10 of the Agreement represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive the payments and benefits specified in Section 10 of the Agreement, other than the Accrued Benefits, unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.

2. Except as provided in paragraph 4 below and except for the provisions of the Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company and/or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, ever had, now have, or hereafter may have, by reason of any matter, cause, or thing whatsoever, from the beginning of my initial dealings with the Company to the date of this General Release, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to my employment relationship with Company, the terms and conditions of that employment relationship, and the termination of that employment relationship (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act), the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any

applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation, or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the "Claims"). I understand and intend that this General Release constitutes a general release of all claims and that no reference herein to a specific form of claim, statute or type of relief is intended to limit the scope of this General Release.

3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by paragraph 2 above.

4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967). Notwithstanding anything herein to the contrary, I am not waiving any of the following (and definition of "Claims" shall not include these claims or rights): (i) any claim or right to enforce the Agreement or this General Release; (ii) any claims which arise after the date of this General Release; (iii) my rights as a shareholder of the Company; and (iv) my rights to be indemnified and/or defended and/or advanced expenses, including pursuant to the Company's corporate governance documents or the Indemnification Agreement (as defined in the Agreement) or, if greater, applicable law and my rights to be covered under any applicable directors' and officers' insurance liability policies.

5. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever with respect to claims released by me herein, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the foregoing, I acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however, that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding.

6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that

without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event that I should bring a Claim seeking damages against the Company, or in the event that I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. I further agree that I am not aware of any pending Claim, or of any facts that could give rise to a Claim, of the type described in paragraph 2 as of the execution of this General Release.

7. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

8. I agree that I will forfeit all amounts payable by the Company pursuant to the Agreement if I challenge the validity of this General Release. I also agree that if I violate this General Release by suing the Company or the other Released Parties with respect to Claims released by me herein, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees, and return all payments received by me pursuant to the Agreement on or after the termination of my employment. I further agree that if I materially violate any of my post-employment obligations under Sections 6 or 7 of the Agreement, I will also forfeit any cash severance amounts payable by the Company pursuant to either Section 10(d) or Section 10(e) of the Agreement, as applicable, other than the Accrued Benefits, and will return any such sums already paid, on an after-tax basis, to the Company; provided that no such payments shall be subject to forfeiture and/or repayment unless the Company has provided me with written notice of the events giving rise to such forfeiture and/or repayment and I have not ceased to engage in such activities within fifteen (15) days of my receipt of such written notice.

9. I agree that this General Release is confidential and agree not to disclose any information regarding the terms of this General Release, except to my immediate family and any tax, legal or other counsel that I have consulted regarding the meaning or effect hereof (and I will instruct each of the foregoing not to disclose the same to anyone) or as required by law or to the extent reasonably necessary in connection with any dispute between me and the Company regarding this General Release or the Agreement.

10. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or any other self-regulatory organization or governmental entity.

11. I hereby acknowledge that Sections 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 23, 24 and 25 of the Agreement shall survive my execution of this General Release.

12. I represent that I am not aware of any Claim by me, and I acknowledge that I may hereafter discover Claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 2 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it.

13. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.

14. Whenever possible, each provision of this General Release shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. This General Release constitutes the complete and entire agreement and understanding among the parties, and supersedes any and all prior or contemporaneous agreements, commitments, understandings or arrangements, whether written or oral, between or among any of the parties, in each case concerning the subject matter hereof.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

- (i) I HAVE READ IT CAREFULLY;
- (ii) I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED, THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990 AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;
- (iii) I VOLUNTARILY CONSENT TO EVERYTHING IN IT;
- (iv) I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION,
- (v) I HAVE HAD AT LEAST [21][45] DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT AND THE CHANGES MADE SINCE MY RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT RESTART THE REQUIRED [21][45]-DAY PERIOD;

-
- (vi) I UNDERSTAND THAT I HAVE SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED; AND
 - (vii) I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT.

SIGNED: _____

DATE: _____

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is entered into as of this 30th day of December 2018 (the "Effective Date"), by and between LSB Industries, Inc., a Delaware corporation (together with its successors and assigns, the "Company"), and Cheryl Maguire, an individual (the "Executive").

WHEREAS, the Company and the Executive desire to enter into this Agreement to set out the terms and conditions for the continuing employment relationship between the Executive and the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

1. Term. The Company agrees to employ the Executive pursuant to the terms of this Agreement, and the Executive agrees to be so employed, for a term from the Effective Date to December 31, 2019 (the "Initial Term") commencing as of the Effective Date. On December 31, 2019 and each subsequent anniversary of such date, the term of this Agreement shall be automatically extended for successive one-year periods, provided, however, that either party hereto may elect not to extend this Agreement by giving written notice to the other party at least ninety (90) days prior to December 31, 2019 or any subsequent anniversary of such date. Notwithstanding the foregoing, the Executive's employment hereunder may be earlier terminated in accordance with Section 9 hereof, subject to Section 10 hereof. Terms used herein with initial capitalization not otherwise defined are defined in Section 25. The period of time between the Effective Date and the termination of the Executive's employment hereunder shall be referred to as the "Employment Period."

2. Position and Duties. During the Employment Period, the Executive shall serve as Senior Vice President and Chief Financial Officer of the Company and shall report directly to the Company's Chief Executive Officer. In her capacity as Senior Vice President and Chief Financial Officer, the Executive shall have the duties, responsibilities and authorities customarily associated with the position of a senior vice president and chief financial officer in a company the size and nature of the Company. The Executive shall devote the Executive's reasonable best efforts and substantially all of the Executive's business time to the performance of the Executive's duties hereunder and the advancement of the business and affairs of the Company and shall be subject to, and shall comply in all material respects with, the policies of the Company applicable to the Executive; provided that the Executive shall be entitled (i) to serve as a member of the board of directors of a reasonable number of other companies, subject to the advance approval of the Company's Board of Directors (the "Board"), which approval shall not be unreasonably withheld, (ii) to serve on civic, charitable, educational, religious, public interest or public service boards, and (iii) to manage the Executive's personal and family investments, in each case, to the extent such activities do not materially interfere, as determined by the Board in good faith, with the performance of the Executive's duties and responsibilities hereunder.

3. Place of Performance. During the Employment Period, the Executive shall be based primarily at the Company's offices in Oklahoma City, Oklahoma.

4. Compensation and Benefits: Equity Awards.

(a) Base Salary. During the Employment Period, the Company shall pay to the Executive a base salary (the "Base Salary") at the rate of no less than \$370,000 per calendar year, less applicable deductions. The Base Salary shall be reviewed for increase by the Board no less frequently than annually and shall be increased in the discretion of the Board and any such adjusted Base Salary shall constitute the "Base Salary" for purposes of this Agreement. The Base Salary shall be paid in substantially equal installments in accordance with the Company's regular payroll procedures.

(b) Annual Bonus. During the Employment Period (including for all of 2018 without pro-ration), the Executive shall be paid an annual cash performance bonus (an "Annual Bonus") under the Company's annual bonus plan (as in effect from time to time for senior executives and, with respect to the 2018 fiscal year, the annual bonus plan adopted by the Board on February 21, 2018) in respect of the 2018 fiscal year and each fiscal year that ends during the Employment Period, to the extent earned based on performance against performance criteria. The performance criteria for any particular fiscal year shall be determined by the Compensation Committee of the Board (the "Committee"), in good faith, after consultation with the Executive, no later than sixty (60) days after the commencement of the relevant bonus period. For fiscal year 2019 and thereafter throughout the Employment Period, the Executive's annual bonus opportunity shall be no less than 60% of the Executive's Base Salary as of the beginning of the applicable bonus period (the "Target Bonus"), if target levels of performance for that year are achieved, up to a maximum of 120% of the Executive's Base Salary. The Executive's Annual Bonus for a bonus period shall be determined by the Committee after the end of the applicable bonus period and shall be paid to the Executive when annual bonuses for that year are paid to other senior executives of the Company generally, but in no event later than March 15 of the year following the year to which such Annual Bonus relates. The Target Bonus opportunity shall be reviewed for increase by the Board no less frequently than annually and shall be increased in the discretion of the Board and any such adjusted Target Bonus shall constitute the "Target Bonus" for purposes of this Agreement.

(c) Equity Awards. During the Employment Period, the Executive shall be eligible to receive grants of equity-based awards (each, an "Equity Award") under the Company's 2016 Long Term Incentive Plan (or successor plan). The terms and conditions applicable to any Equity Award shall be determined by the Committee in accordance with the Company's applicable long-term incentive plan.

(d) Vacation; Benefits. During the Employment Period, the Executive shall be entitled to four (4) weeks of paid vacation per calendar year (as prorated for partial years) in accordance with the applicable policies of the Company, which shall be accrued and used in accordance with such policies. During the Employment Period, the Executive shall be entitled to participate in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of its employees generally, subject to satisfying the applicable

eligibility requirements, except to the extent such plans are duplicative of the benefits otherwise provided to the Executive hereunder. The Executive's participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. The foregoing, however, shall not be construed to require the Company to establish any such plans or to prevent the modification or termination of such plans once established.

5. Expenses. The Company shall reimburse the Executive promptly for all expenses reasonably incurred by the Executive in the performance of her duties in accordance with policies which may be adopted from time to time by the Company following presentation by the Executive of an itemized account, including reasonable substantiation, of such expenses.

6. Confidentiality and Non-Disclosure. The Company and the Executive acknowledge and agree that during the Executive's employment with the Company, the Executive will have access to and may assist in developing Confidential Information and will occupy a position of trust and confidence with respect to the affairs and business of the Company and the Company Affiliates. The Executive agrees that the following obligations are necessary to preserve the confidential and proprietary nature of Confidential Information and to protect the Company and the Company Affiliates against misuse of such information:

(a) Non-Disclosure. After the Executive's employment with the Company ends, the Executive will not use, disclose, copy or transfer any Confidential Information unless authorized in writing by the Company. Anything herein to the contrary notwithstanding, the provisions of this Section 6(a) shall not apply (i) when disclosure is required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with actual or apparent jurisdiction to order the Executive to disclose or make accessible any information, provided that prior to any such disclosure the Executive shall provide the Company with reasonable notice of the requirements to disclose and an opportunity to object to such disclosure and the Executive shall cooperate with the Company in filing such objection; (ii) as to information that was in the public domain or is readily available to the public at the time of its disclosure by the Executive through means other than due to the Executive's violation of this Section 6(a); or (iii) to the extent necessary in connection with any disputes between the parties with respect to the interpretation and/or enforcement of this Agreement and any other agreements between the parties. Nothing in this Agreement is intended to or will be used in any way to limit Executive's rights to communicate with a government agency, as provided for, protected under or warranted by applicable law.

(b) Materials. The Executive will use Confidential Information only for normal and customary use in the Company's business, as determined reasonably and in good faith by the Executive. The Executive will return to the Company all Confidential Information and copies thereof and all other property of the Company or any Company Affiliate at any time upon the request of the Company and in any event promptly after the Executive's employment ends. The Executive agrees to identify and return to the Company any copies of any Confidential Information after the Executive ceases to be employed by the Company. Anything to the contrary notwithstanding, nothing in this Section 6 shall prevent the Executive from retaining a home computer (provided all Confidential Information has been removed), papers and other materials of a personal nature, including diaries, calendars and Rolodexes, information relating to her compensation or relating to reimbursement of expenses, information that may be needed for tax purposes, and copies of plans, programs and agreements relating to her employment or termination thereof.

7. Non-Solicitation/Non-Competition.

(a) During the Non-Compete Period, the Executive shall not (A) directly solicit, or assist any person or entity in soliciting, any established customer for the purpose of a Competitive Enterprise providing and/or selling any products that are provided and/or sold by the Company or its subsidiaries to such established customer, or performing any services that are performed by the Company or its subsidiaries for such established customer, (B) interfere with or damage (or attempt to interfere with or damage) any relationship and/or agreement between the Company or its subsidiaries and any established customer; or (C) directly or indirectly solicit any employee of the Company or the Company Affiliates with a view toward inducing any such employee to go to work for another person or third party or to cease or end their employment relationship.

(b) During the Non-Compete Period, the Executive shall not associate (including, but not limited to, association as a sole proprietor, owner, employer, partner, principal, investor, joint venturer, shareholder, associate, employee, member, consultant, contractor, director or otherwise) with any Competitive Enterprise; provided, however, that Executive may own, as a passive investor, securities of any such entity that has outstanding publicly traded securities so long as her direct holdings in any such entity shall not in the aggregate constitute more than one percent (1%) of the voting power of such entity. The Executive acknowledges that this covenant has a unique, very substantial and immeasurable value to the Company, that the Executive has sufficient assets and skills to provide a livelihood for the Executive while such covenant remains in force and that, as a result of the foregoing, in the event that the Executive breaches such covenant, monetary damages would be an insufficient remedy for the Company and equitable enforcement of the covenant would be proper.

(c) If the restrictions contained in Section 7 shall be determined by any court of competent jurisdiction to be unenforceable, Section 7 shall be modified in order for it to be enforceable to maximum allowed by law.

(d) Conflicting Obligations and Rights. The Executive agrees to inform the Company of any apparent conflicts between the Executive's work for the Company and any obligations the Executive may have to preserve the confidentiality of another's proprietary information or related materials before using the same on the Company's behalf. The Company shall receive such disclosures in confidence and consistent with the objectives of avoiding any conflict of obligations and rights or the appearance of any conflict of interest.

(e) Enforcement. The Executive acknowledges that in the event of any breach of this Section 7, the business interests of the Company and the Company Affiliates will be irreparably injured, the full extent of the damages to the Company and the Company Affiliates will be impossible to ascertain, monetary damages will not be an adequate remedy for the Company and the Company Affiliates, and the Company will be entitled to enforce this

Agreement by a temporary, preliminary and/or permanent injunction or other equitable relief, without the necessity of posting bond or security, which the Executive expressly waives. The Executive understands that the Company may waive some of the requirements expressed in this Agreement, but that such a waiver to be effective must be made in writing and should not in any way be deemed a waiver of the Company's right to enforce any other requirements or provisions of this Agreement. The Executive agrees that each of the Executive's obligations specified in this Agreement is a separate and independent covenant and that the unenforceability of any of them shall not preclude the enforcement of any other covenants in this Agreement.

(f) No Other Restrictions. Except as otherwise provided herein or in the Confidentiality and Assignment Agreement the Executive executed on January 8, 2016 (the "Confidentiality Agreement"), there are no other restrictions on the Executive's employment following termination of her employment.

8. Cooperation. Following any termination of employment, the Executive agrees to reasonably cooperate (taking into account her other business and personal commitments) with any investigation, suit or claim involving the Company and of which the Executive has knowledge, provided any such cooperation is not adverse to her legal interests. The Company agrees to reimburse the Executive for any costs incurred by him in connection with such cooperation, including payment of separate counsel for the Executive if he reasonably determines such separate representation is warranted by the circumstances.

9. Termination of Employment.

(a) Permitted Terminations. The Executive's employment hereunder may be terminated during the Employment Period under the following circumstances:

(i) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(ii) By the Company. The Company may terminate the Executive's employment:

(A) Disability. For Disability; or

(B) With or Without Cause. For Cause or without Cause.

(iii) By the Executive. The Executive may terminate her employment for any reason or for no reason by giving thirty (30) days advance Notice of Termination to the Company.

(b) Termination. Any termination of the Executive's employment by the Company or the Executive (other than because of the Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 12 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon, if any, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Termination of the Executive's employment shall take effect on the Date of Termination.

(c) Effect of Termination. Upon any termination of the Executive's employment with the Company, and its subsidiaries, the Executive shall resign from, and shall be considered to have simultaneously resigned from, all positions with the Company and all of its subsidiaries.

10. Compensation Upon Termination.

(a) Death. If the Executive's employment is terminated during the Employment Period as a result of the Executive's death pursuant to Section 9(a)(i), the Employment Period shall terminate without further notice or any action required by the Company or the Executive's legal representatives. Upon the Executive's death, the Company shall pay or provide to the Executive's representative or estate (i) all Accrued Benefits, if any, to which the Executive is entitled, and (ii) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable at the time set forth in Section 4(b). Except as set forth herein or, if more favorable to the Executive, in the award agreements applicable to equity-based awards granted to Executive, including, without limitation, the Equity Awards, the Company shall have no further compensation obligations to the Executive (or the Executive's legal representatives or estate) under this Agreement.

(b) Disability. If the Company terminates the Executive's employment during the Employment Period because of the Executive's Disability pursuant to Section 9(a)(ii)(A), the Company shall pay to the Executive (i) all Accrued Benefits, if any, to which the Executive is entitled, and (ii) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable at the time set forth in Section 4(b). Except as set forth herein or, if more favorable to the Executive, in the award agreements applicable to equity-based awards granted to Executive, including, without limitation, the Equity Awards, the Company shall have no further compensation obligations to the Executive (or the Executive's legal representatives) under this Agreement.

(c) Termination by the Company for Cause, or by the Executive without Good Reason. If, during the Employment Period, the Company terminates the Executive's employment for Cause pursuant to Section 9(a)(ii)(B), or the Executive terminates her employment without Good Reason, the Company shall pay to the Executive all Accrued Benefits, if any, to which the Executive is entitled. Except as set forth herein or, if more favorable to the Executive, in the award agreements applicable to equity-based awards granted to Executive, including, without limitation, the Equity Awards, the Company shall have no further compensation obligations to the Executive under this Agreement.

(d) Certain Terminations Prior to or After a Change in Control. If, prior to the occurrence of a Change in Control, or after the twenty-four (24) month protection period in Section 10(e) has expired (and Section 10(e) does not apply), the Company terminates the Executive's employment during the Employment Period other than for Cause, death or Disability or the Executive terminates her employment hereunder with Good Reason, the Employment Period shall terminate upon the Date of Termination and (i) the Company shall pay or provide the Executive (or the Executive's estate, if the Executive dies after such termination but before receiving such amount) (A) all Accrued Benefits, if any, to which the Executive is entitled; (B) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable as set forth in Section 4(b); and (C) an amount equal to the product of (x) one (1) and (y) the sum of the Executive's (I) Base Salary and (II) Target Bonus, payable in a lump sum on the first payroll date following the execution (and non-revocation) of the general release of claims described in Section 10(g), subject to Section 10(h) and Section 24, and (ii) the Executive and her covered dependents shall be entitled to continued participation on the same terms and conditions as applicable immediately prior to the Executive's Date of Termination for the eighteen (18) month period following the Date of Termination in such medical, dental, and hospitalization insurance coverage in which the Executive and her eligible dependents were participating immediately prior to the Date of Termination; provided the Company agrees to impute as taxable income to the Executive an amount equal to the full actuarial cost of such coverage, for each month during which such coverage is in effect for the Executive and/or her eligible dependents but only if and to the extent such imputation is required for the Executive to avoid being subject to tax under Section 105(h) of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to any payment or reimbursement of expenses made to the Executive or for the Executive and/or any of her eligible dependent's benefit under such health care coverage.

(e) Certain Terminations in Connection With a Change in Control. If the Company terminates the Executive's employment other than for Cause, Death or Disability or the Executive terminates her employment hereunder with Good Reason, the Employment Period shall terminate upon the Date of Termination and if such Date of Termination occurs (x) upon or within twenty-four (24) months following the date of consummation of a Change in Control, or (y) either (a) within 90 days prior to the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed or (b) on or within 180 days following the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed, (i) the Company shall pay or provide the Executive (or the Executive's estate, if the Executive dies after such termination but before receiving such amount) (A) all Accrued Benefits, if any, to which the Executive is entitled; (B) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable as set forth in Section 4(b); and (C) an amount equal to the product of (x) two (2) and (y) the sum of the Executive's (I) Base Salary and (II) Target Bonus,

payable in a lump sum on the first payroll date following the execution (and non-revocation) of the general release of claims described in Section 10(g) (the “Payment Date”), subject to Section 10(h) and Section 24; provided that in connection with a termination covered by clause (y), the payment of the additional one times Base Salary and Target Bonus amount shall be paid, subject to Section 10(h) and Section 24, on the later of the Payment Date or the date of the Change in Control; and (ii) the Executive and her covered dependents shall be entitled to continued participation on the same terms and conditions as applicable immediately prior to the Executive’s Date of Termination for the eighteen (18) month period following the Date of Termination in such medical, dental, and hospitalization insurance coverage in which the Executive and her eligible dependents were participating immediately prior to the Date of Termination; provided the Company agrees to impute as taxable income to the Executive an amount equal to the full actuarial cost of such coverage, for each month during which such coverage is in effect for the Executive and/or her eligible dependents but only if and to the extent such imputation is required for the Executive to avoid being subject to tax under Section 105(h) of the Code, with respect to any payment or reimbursement of expenses made to the Executive or for the Executive and/or any of her eligible dependent’s benefit under such health care coverage.

(f) Termination of Employment Upon Expiration of the Term. Upon a notice of non-renewal of the Initial Term or any subsequent Term (each, a “Term”) by either the Company or the Executive pursuant to Section 1 hereof, the Executive’s employment shall terminate on the last day of the applicable Term. In addition, any notice of non-renewal of the Term by the Company pursuant to Section 1 (assuming the Executive was willing and able to continue to be employed) shall be treated as a termination without Cause under this Agreement and the Executive shall be entitled to severance and other entitlements under the terms of either Sections 10(d) or 10(e) as applicable upon the termination of the Executive’s employment on the last day of the applicable Term and such termination shall be treated as a termination without Cause for purposes of the Executive’s equity awards.

(g) Release. As a condition of receiving any and all amounts payable and benefits or additional rights provided pursuant to this Agreement beyond the Accrued Benefits, the Executive must execute and deliver to the Company and not revoke a general release of claims in favor of the Company in substantially the form attached on Exhibit A hereto (the “Release”). The Release must be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the Executive’s Date of Termination. The Company shall deliver to the Executive the Release for the Executive to execute within five (5) business days following the Date of Termination.

(h) Certain Payment Delays. Notwithstanding anything to the contrary set forth herein, to the extent that the payment of any amount described in Sections 10(d) or 10(e) constitute “nonqualified deferred compensation” for purposes of Code Section 409A (as defined in Section 24 hereof), then, subject to Section 24, any such payment scheduled to occur during the first sixty (60) days following the termination of employment shall not be paid until the first regularly scheduled pay period following the sixtieth (60th) day following such termination and shall include payment of any amount that was otherwise scheduled to be paid prior thereto.

(i) No Offset. In the event of termination of her employment, the Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due to him on account of any remuneration or benefits provided by any subsequent employment he may obtain. The Company's obligation to make any payment pursuant to, and otherwise to perform its obligations under, this Agreement shall not be affected by any offset, counterclaim or other right that the Company or the Company Affiliates may have against the Executive for any reason.

(j) 280G Payments. In the event the Company determines in good faith that any payments, entitlements or benefits (whether made or provided pursuant to this Agreement or otherwise, including by the person or entity affecting a change in control) provided to the Executive constitute "parachute payments" within the meaning of Section 280G of the Code, and may be subject to an excise tax imposed pursuant to Section 4999 of the Code, then, if the Executive would be placed in a better after-tax position, the Executive's "parachute payments" will be reduced to an amount determined by the Company in good faith to be the maximum amount that may be provided to the Executive without resulting in any portion of such "parachute payment" being subject to such excise tax. The payment reduction contemplated by the preceding sentence shall be implemented as follows: first, by reducing any payments to be made to the Executive under Sections 10(d)(i)(B) and (C) or Sections 10(e)(i)(B) and (C), as applicable; second, by reducing any other cash payments to be made to the Executive but only if the value of such cash payments is not greater than the parachute value of such payments; third, by cancelling the acceleration of vesting of any restricted stock or restricted stock unit awards solely with respect to the accelerated vesting upon a change in control such that such awards will continue to vest on their original schedules; fourth, by cancelling the acceleration of vesting of any stock options or stock appreciation rights solely with respect accelerated vesting upon a change in control such that such awards will continue to vest on their original schedules, fifth, by eliminating the Company's payment of the cost of any post-termination continuation of medical and dental benefits for the Executive and her eligible dependents and sixth, by reducing any equity awards. In the case of the reductions to be made pursuant to each of the above-mentioned clauses, the payment and/or benefit amounts to be reduced and the acceleration of vesting to be cancelled shall be reduced or cancelled in the inverse order of their originally scheduled dates of payment or vesting, as applicable, and shall be so reduced (x) only to the extent that the payment and/or benefit otherwise to be paid or the vesting of the award that otherwise would be accelerated, would be treated as a "parachute payment" within the meaning of Section 280(G)(b)(2)(A) of the Code, (y) only to the extent necessary to achieve the required reduction hereunder and (z) all amounts that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c). Any determinations that are made pursuant to this Section 10(j) shall be made by a nationally recognized certified public accounting firm that shall be selected by the Company (and paid by the Company) prior to any transaction that is subject to Code Section 280G and reasonably acceptable to the Executive (the "Accountant"), which determination shall be certified by the Accountant and set forth in a certificate delivered to the Executive setting forth in reasonable detail the basis of the Accountant's determinations. In connection with this determination, the Accountant shall value the non-compete and other restrictions on the Executive's activities.

11. Indemnification. The Executive shall be indemnified and held harmless by the Company during the Employment Period and following any termination of her employment for any reason whatsoever in the same manner as would any other key management employee of the Company with respect to acts or omissions occurring on or prior to the termination of employment of the Executive. In addition, during the Employment Period and for a period of three (3) years following the termination of Executive's employment for any reason whatsoever, the Executive shall be covered by a Company-held directors' and officers' liability insurance policy covering acts or omissions occurring on or prior to the termination of employment of the Executive. The Executive shall also remain entitled to the protections of the indemnification agreement he has entered into with the Company dated as of January 5, 2016 ("Indemnification Agreement").

12. Notices. All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any other party pursuant to this Agreement shall be in writing and shall be hand delivered, mailed by first-class registered or certified mail, return receipt requested, postage prepaid, delivered by overnight air courier addressed as follows:

If to the Company:

LSB Industries, Inc.
3503 NW 63rd Street, Suite 500
Oklahoma City, OK 73116
Attention: Chief Executive Officer

If to the Executive:

Her primary address last shown on the Company's records.

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request, or communication that shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, or the affidavit of messenger being deemed conclusive but not exclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

13. Severability. The invalidity or unenforceability of any one or more provisions of this Agreement, including, without limitation, Sections 6 or 7, shall not affect the validity or enforceability of the other provisions of this Agreement, which shall remain in full force and effect.

14. Survival. It is the express intention and agreement of the parties hereto that the provisions of Sections 6, 7, 8, 10, 11, 12, 13, 15, 16, 17, 19, 20, 21, 23, 24 and 25 hereof and this Section 14 shall survive the termination of employment of the Executive or the termination or expiration of the Employment Period. In addition, all obligations of the Company to make payments hereunder shall survive any expiration of the Employment Period on the terms and conditions set forth herein.

15. Assignment. The rights and obligations of the parties to this Agreement shall not be assignable or delegable, except that (i) in the event of the Executive's death, the personal representative or legatees or distributees of the Executive's estate, as the case may be, shall have the right to receive any amount owing and unpaid to the Executive hereunder and (ii) the rights and obligations of the Company hereunder shall be assignable and delegable in connection with any subsequent merger, consolidation, sale of all or substantially all of the assets or equity interests of the Company or similar transaction involving the Company or a successor corporation. Unless provided by applicable law, the Company shall require any successor to the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

16. Binding Effect. Subject to any provisions hereof restricting assignment, this Agreement shall be binding upon the parties hereto and shall inure to the benefit of the parties and their respective heirs, devisees, executors, administrators, legal representatives, successors and assigns.

17. Amendment; Waiver. This Agreement shall not be amended, altered or modified except by an instrument in writing duly executed by the party against whom enforcement is sought. Neither the waiver by either of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure of either of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights or privileges hereunder.

18. Headings. Section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

19. Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Oklahoma (but not including any choice of law rule thereof that would cause the laws of another jurisdiction to apply).

20. Dispute Resolution/Waiver of Jury Trial. Each of the parties agrees that any dispute between the parties shall be resolved only in the courts of the State of Oklahoma or the United States District Court for the Western District of Oklahoma and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, each of the parties hereto irrevocably and unconditionally (a) submits in any proceeding relating to this Agreement or the Executive's employment by the Company or any Company Affiliate, or the termination of such employment, or for the recognition and enforcement of any judgment in respect thereof (a "Proceeding"), to the exclusive jurisdiction

of the courts of the State of Oklahoma, located in Oklahoma County, the United States District Court for the Western District of Oklahoma, and appellate courts having jurisdiction of appeals from any of the foregoing and agrees that all claims in respect of any such Proceeding shall be heard and determined in such Oklahoma State court or, to the extent permitted by law, in such federal court, (b) consents that any such Proceeding may and shall be brought in such courts and waives any objection that the Executive or the Company may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agrees not to plead or claim the same, (c) waives all right to trial by jury in any Proceeding (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the Executive's employment by the Company or any Company Affiliate, or the termination of such employment, or the Executive's or the Company's performance under, or the enforcement of, this Agreement, (d) agrees that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at the Executive's or the Company's address as provided in Section 12 hereof, and (e) agrees that nothing in this Agreement shall affect the right to effect service of process in any other manner permitted by the laws of the State of Oklahoma. In addition, if the Executive substantially prevails on any claim that is the matter of such dispute, the Company shall promptly reimburse the Executive for her legal fees.

21. Entire Agreement; Other Agreements. Except as expressly provided herein, this Agreement constitutes the entire agreement between the parties respecting the employment of the Executive, there being no representations, warranties or commitments except as set forth herein, and, as of the Effective Date, supersedes and replaces all other agreements related to the subject matter hereof. Notwithstanding anything herein to the contrary, (a) any outstanding equity award agreements and any equity award agreements executed in connection with this Agreement shall continue in full force and effect and (b) the Executive shall be entitled to (i) base salary due as of the Effective Date which remains unpaid as of the Effective Date, and (ii) reimbursement of the business expenses incurred by the Executive prior to the Effective Date which are reimbursable and due and remain unpaid as of the Effective Date. In the event there is a conflict between any provision of this Agreement and any other agreement, plan, policy or arrangement of the Company or any Company Affiliate, the provision most favorable to the Executive shall govern except that the Executive shall be subject to any written claw back policies of the Company (a) in effect from time to time adopted by the Board or the Committee prior to the Executive's Date of Termination or (b) adopted to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and rules promulgated thereunder by the Securities Exchanges Commission or any other applicable laws (whether or not the rights of the Executive may be adversely affected). Any claw back policy shall be applied to the Executive consistent with how such policy is applied to other senior executives of the Company with respect to the same subject matter. Section 15 of the Confidentiality Agreement between the Company and the Executive is hereby deleted in its entirety and replaced with the following:

“15. TERMINATION OF EMPLOYMENT.

I understand and agree that I or the Company may terminate my employment pursuant to the terms of the Employment Agreement dated December 30, 2018 between me and the Company (“Employment Agreement”) and that this Confidentiality Agreement shall in no way be construed or operate to change or modify the Employment Agreement or to prevent the Company or me from dispensing with my services pursuant to the terms of the Employment Agreement.”

22. Counterparts. This Agreement may be executed in two counterparts, each of which shall be an original and all of which shall be deemed to constitute one and the same instrument.

23. Withholding. The Company may withhold from any benefit payment under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

24. Section 409A.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") or an exemption therefrom and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If the Executive notifies the Company (with specificity as to the reason therefor) that the Executive believes that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Code Section 409A and the Company concurs with such belief or the Company (without any obligation whatsoever to do so) independently makes such determination, the Company shall, after consulting with the Executive, reform such provision to attempt to comply with Code Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Code Section 409A. To the extent that any provision hereof is modified in order to comply with Code Section 409A such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Company of the applicable provision without violating the provisions of Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If the Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall be made or provided at the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 24(b) (whether they would have

otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) To the extent that reimbursements or other in-kind benefits under this Agreement constitute “nonqualified deferred compensation” for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(d) For purposes of Code Section 409A, the Executive’s right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, (i) the actual date of payment within the specified period shall be within the sole discretion of the Company and, (ii) if such payment qualifies as non-qualified deferred compensation under Section 409A and it can be paid in one of two calendar years, it shall be paid in the second calendar year.

(e) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes “nonqualified deferred compensation” for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

25. Definitions.

(a) “Accrued Benefits” means (i) any unpaid Base Salary through the Date of Termination; (ii) any earned but unpaid Annual Bonus for a performance year that has ended on or prior to the Date of Termination; (iii) any accrued and unpaid vacation and/or sick days; (iv) any amounts or benefits owing to the Executive or to the Executive’s beneficiaries under the then applicable benefit plans of the Company (excluding any severance plan, program, agreement or arrangement); (v) any rights or entitlements under any other agreements between the Executive and the Company, including, without limitation, the Indemnification Agreement and any outstanding equity award agreements; and (vi) any amounts owing to the Executive for reimbursement of expenses properly incurred by the Executive prior to the Date of Termination. Amounts payable (A) under clauses (i), (ii) and (iii) shall be paid promptly after the Date of Termination; (B) under clause (iv) shall be paid in accordance with the terms and conditions of the applicable plan, program or arrangement; (C) under clause (v) shall be treated in accordance with the applicable agreement; and (D) under clause (vi) shall be paid in accordance with the terms of the applicable expense policy, as applicable.

(b) “Cause” means (i) the Executive’s conviction of, or plea of nolo contendere to, a felony (other than for a traffic violation); (ii) the Executive’s continued failure to substantially perform the Executive’s material duties hereunder (other than due to a mental or physical impairment) after receipt of written notice from the Company that specifically identifies the manner in which the Executive has substantially failed to perform the Executive’s material duties and specifies the manner in which the Executive may substantially perform her material duties in the future; (iii) an act of fraud or gross or willful material misconduct by the Executive; (iv) a willful and material violation of the material provisions of the Company’s Code of Conduct or the Company’s Code of Ethics for CEO and Senior Financial Officers; or (v) the Executive’s material breach of Sections 7(a) and 7(b). Anything herein to the contrary notwithstanding, the Executive shall not be terminated for “Cause” hereunder unless (A) written notice stating the basis for the termination is provided to the Executive, (B) as to clauses (ii), (iv) or (v) of this paragraph, he fails to cure such neglect or conduct within thirty (30) days following receipt of such notice, (C) he has an opportunity (represented by counsel) to address a meeting of the Board, and (D) after such meeting (or if the Executive declines to meet), there is a 75% vote of the Board (not counting the Executive) to terminate her employment for Cause.

(c) “Change in Control” means:

(i) A “change in the ownership of the Company” which shall occur on the date that any one person, or more than one person acting as a group, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company as of the Effective Date; however, if any one person or more than one person acting as a group is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a “change in the ownership of the Company” (or to cause a “change in the effective control of the Company” within the meaning of paragraph (ii) below) and an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, further, however, that for purposes of this paragraph (i), any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company shall not constitute a Change in Control. This paragraph (i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction;

(ii) A “change in the effective control of the Company” which shall occur on the date that either (A) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, except for any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company; or (B) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For

purposes of a “change in the effective control of the Company,” if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this paragraph (ii) after the Effective Date, the acquisition of additional control of the Company by the same person or persons is not considered a “change in the effective control of the Company,” or to cause a “change in the ownership of the Company” within the meaning of paragraph (i) above; or

(iii) A “change in the ownership of a substantial portion of the Company’s assets” which shall occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the stockholders of the Company immediately after the transfer, as provided in guidance issued pursuant to Code Section 409A, shall not constitute a Change in Control.

For purposes of the definition of Change in Control, the provisions of Section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided, that, stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option.

(d) “Company Affiliate” means any entity controlled by, in control of, or under common control with, the Company.

(e) “Competitive Enterprise” means (i) a business enterprise that engages in nitrogen and climate control in competition with the Company or its subsidiaries (the “Company’s Business”) (a) in the United States of America, or (b) in any other country where the Company or its subsidiaries operates facilities or sells such products. Notwithstanding the foregoing, in the event a business enterprise (including, without limitation, any entity, or private equity or hedge fund) has one or more lines of business that do not involve the Company’s Business, the Executive shall be permitted to associate with such business enterprise if, and only if, the Executive does not participate in, or have supervisory authority with respect to, any line of business involving the Company’s Business.

(f) “Confidential Information” means all non-public information concerning trade secrets, know-how, software, developments, inventions, processes, technology, designs, financial data, strategic business plans or any proprietary or confidential information, documents or materials in any form or media, including any of the foregoing relating to research, operations, finances, current and proposed products and services, vendors, customers, advertising and marketing, and other non-public, proprietary, and confidential information of the Company or the Company Affiliates. Notwithstanding anything to the contrary contained herein, the general skills, knowledge and experience gained during the Executive’s employment with the Company, information publicly available or generally known within the industry or trade in which the Company competes and information or knowledge possessed by the Executive prior to her employment by the Company, shall not be considered Confidential Information.

(g) “Date of Termination” means (i) if the Executive’s employment is terminated by the Executive’s death, the date of the Executive’s death; (ii) if the Executive’s employment is terminated because of the Executive’s Disability pursuant to Section 9(a)(ii)(A), thirty (30) days after Notice of Termination, provided that the Executive shall not have returned to the performance of the Executive’s duties on a full-time basis during such thirty (30)-day period; (iii) if the Executive’s employment is terminated during the Term by the Company pursuant to Section 9(a)(ii)(B) or by the Executive pursuant to Section 9(a)(iii), the date specified in the Notice of Termination consistent with this Agreement; or (v) if the Executive’s employment is terminated upon the expiration of the Term pursuant to Section 1, the last day of the applicable Term.

(h) “Disability” means the inability of the Executive to perform the Executive’s material duties hereunder due to a physical or mental injury, infirmity or incapacity, which is expected to exceed one hundred eighty (180) days (including weekends and holidays) in any three hundred sixty-five (365)-day period, as determined by the Executive’s treating physician in her or her reasonable discretion.

(i) “Good Reason” means (i) any material diminution in the Executive’s job duties, authorities or responsibilities (including, without limitation, the removal of the Executive as Senior Vice President and Chief Financial Officer of the Company, the Executive failing to be the Senior Vice President and Chief Financial Officer of any surviving or successor entity, including the ultimate parent, or the Company’s stock (or following a Change in Control, the surviving or successor entity’s stock) no longer being (or not being) publicly traded on the New York Stock Exchange or NASDAQ); (ii) a reduction in the Executive’s Base Salary or Target Bonus as a percentage of Base Salary; (iii) the failure of the Executive to report solely and directly to the Chief Executive Officer of the Company (including any successor entity); (iv) the assignment of duties substantially inconsistent with the Executive’s status as Senior Vice President and Chief Financial Officer of the Company; (v) a relocation of the Executive’s primary place of employment to a location more than fifty (50) miles from the current location of the Company’s offices in Oklahoma City, Oklahoma; (vi) any other material breach of this Agreement by the Company, (vii) the failure of the Company to obtain the assumption in writing of its obligations under the Agreement by any successor to all or substantially all of the assets of the Company after a merger, consolidation, sale or similar transaction in which such Agreement is not assumed by operation of law or (viii) on or following a Change in Control, the failure of the surviving or successor entity to provide the Executive with an Equity Award with terms no less favorable to the Executive, and with a grant date value equal to or greater than the aggregate grant date value of the equity awards granted to the Executive by the Company during the 12-month period immediately prior to the Change in Control. In order to invoke a termination for Good Reason, (A) the Executive must provide written notice to the Company within ninety (90) days of the later of the occurrence, or the Executive’s knowledge, of any event of “Good Reason,” (B) the Company must fail to cure such event within thirty (30) days of the giving of such notice and (C) the Executive must provide a Notice of Termination within thirty (30) days following the expiration of the Company’s cure period.

(j) "Non-Compete Period" means the period commencing on the Effective Date and ending twenty four (24) months after the Executive's Date of Termination.

(k) "Term" shall have the meaning ascribed to such term in Section 10(f) of this Agreement.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement, or have caused this Agreement to be duly executed and delivered on their behalf.

LSB INDUSTRIES, INC.

By: _____
Name: Mark T. Behrman
Title: President and Chief Executive Officer

EXECUTIVE

Cheryl Maguire

Exhibit A

(Form of Release)

EXHIBIT A

GENERAL RELEASE

I, Cheryl Maguire, in consideration of and subject to the performance by LSB Industries, Inc. (together with its affiliated companies and subsidiaries and its successors and assigns, the "Company"), of its obligations under Section 10 of the Employment Agreement, dated as of December 30, 2018 (the "Agreement"), do hereby release and forever discharge as of the date hereof the Company and its respective affiliates and subsidiaries and all present, former and future directors, officers, agents, representatives, employees, successors and assigns of the Company and/or its respective affiliates and subsidiaries and direct or indirect owners (collectively, the "Released Parties") to the extent provided herein (this "General Release"). Terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

1. I understand that, other than the Accrued Benefits, the payments or benefits paid or granted to me under Section 10 of the Agreement represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive the payments and benefits specified in Section 10 of the Agreement, other than the Accrued Benefits, unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.

2. Except as provided in paragraph 4 below and except for the provisions of the Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company and/or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, ever had, now have, or hereafter may have, by reason of any matter, cause, or thing whatsoever, from the beginning of my initial dealings with the Company to the date of this General Release, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to my employment relationship with Company, the terms and conditions of that employment relationship, and the termination of that employment relationship (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act), the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any

applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation, or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the "Claims"). I understand and intend that this General Release constitutes a general release of all claims and that no reference herein to a specific form of claim, statute or type of relief is intended to limit the scope of this General Release.

3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by paragraph 2 above.

4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967). Notwithstanding anything herein to the contrary, I am not waiving any of the following (and definition of "Claims" shall not include these claims or rights): (i) any claim or right to enforce the Agreement or this General Release; (ii) any claims which arise after the date of this General Release; (iii) my rights as a shareholder of the Company; and (iv) my rights to be indemnified and/or defended and/or advanced expenses, including pursuant to the Company's corporate governance documents or the Indemnification Agreement (as defined in the Agreement) or, if greater, applicable law and my rights to be covered under any applicable directors' and officers' insurance liability policies.

5. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever with respect to claims released by me herein, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the foregoing, I acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however, that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding.

6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that

without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event that I should bring a Claim seeking damages against the Company, or in the event that I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. I further agree that I am not aware of any pending Claim, or of any facts that could give rise to a Claim, of the type described in paragraph 2 as of the execution of this General Release.

7. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

8. I agree that I will forfeit all amounts payable by the Company pursuant to the Agreement if I challenge the validity of this General Release. I also agree that if I violate this General Release by suing the Company or the other Released Parties with respect to Claims released by me herein, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees, and return all payments received by me pursuant to the Agreement on or after the termination of my employment. I further agree that if I materially violate any of my post-employment obligations under Sections 6 or 7 of the Agreement, I will also forfeit any cash severance amounts payable by the Company pursuant to either Section 10(d) or Section 10(e) of the Agreement, as applicable, other than the Accrued Benefits, and will return any such sums already paid, on an after-tax basis, to the Company; provided that no such payments shall be subject to forfeiture and/or repayment unless the Company has provided me with written notice of the events giving rise to such forfeiture and/or repayment and I have not ceased to engage in such activities within fifteen (15) days of my receipt of such written notice.

9. I agree that this General Release is confidential and agree not to disclose any information regarding the terms of this General Release, except to my immediate family and any tax, legal or other counsel that I have consulted regarding the meaning or effect hereof (and I will instruct each of the foregoing not to disclose the same to anyone) or as required by law or to the extent reasonably necessary in connection with any dispute between me and the Company regarding this General Release or the Agreement.

10. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or any other self-regulatory organization or governmental entity.

11. I hereby acknowledge that Sections 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 23, 24 and 25 of the Agreement shall survive my execution of this General Release.

12. I represent that I am not aware of any Claim by me, and I acknowledge that I may hereafter discover Claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 2 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it.

13. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.

14. Whenever possible, each provision of this General Release shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. This General Release constitutes the complete and entire agreement and understanding among the parties, and supersedes any and all prior or contemporaneous agreements, commitments, understandings or arrangements, whether written or oral, between or among any of the parties, in each case concerning the subject matter hereof.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

- (i) I HAVE READ IT CAREFULLY;
- (ii) I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED, THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990 AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;
- (iii) I VOLUNTARILY CONSENT TO EVERYTHING IN IT;
- (iv) I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION,
- (v) I HAVE HAD AT LEAST [21][45] DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT AND THE CHANGES MADE SINCE MY RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT RESTART THE REQUIRED [21][45]-DAY PERIOD;

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- (vi) I UNDERSTAND THAT I HAVE SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED; AND
 - (vii) I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT.

SIGNED: _____

DATE: _____

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is entered into as of this 30th day of December 2018 (the "Effective Date"), by and between LSB Industries, Inc., a Delaware corporation (together with its successors and assigns, the "Company"), and Michael J. Foster, an individual (the "Executive").

WHEREAS, the Company and the Executive desire to enter into this Agreement to set out the terms and conditions for the continuing employment relationship between the Executive and the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

1. Term. The Company agrees to employ the Executive pursuant to the terms of this Agreement, and the Executive agrees to be so employed, for a term from the Effective Date to December 31, 2019 (the "Initial Term") commencing as of the Effective Date. On December 31, 2019 and each subsequent anniversary of such date, the term of this Agreement shall be automatically extended for successive one-year periods, provided, however, that either party hereto may elect not to extend this Agreement by giving written notice to the other party at least ninety (90) days prior to December 31, 2019 or any subsequent anniversary of such date. Notwithstanding the foregoing, the Executive's employment hereunder may be earlier terminated in accordance with Section 9 hereof, subject to Section 10 hereof. Terms used herein with initial capitalization not otherwise defined are defined in Section 25. The period of time between the Effective Date and the termination of the Executive's employment hereunder shall be referred to as the "Employment Period."

2. Position and Duties. During the Employment Period, the Executive shall serve as Executive Vice President, General Counsel and Secretary of the Company and shall report directly to the Company's Chief Executive Officer. In his capacity as Executive Vice President, General Counsel and Secretary, the Executive shall have the duties, responsibilities and authorities customarily associated with the position of an executive vice president, general counsel and secretary in a company the size and nature of the Company. The Executive shall devote the Executive's reasonable best efforts and substantially all of the Executive's business time to the performance of the Executive's duties hereunder and the advancement of the business and affairs of the Company and shall be subject to, and shall comply in all material respects with, the policies of the Company applicable to the Executive; provided that the Executive shall be entitled (i) to serve as a member of the board of directors of a reasonable number of other companies, subject to the advance approval of the Company's Board of Directors (the "Board"), which approval shall not be unreasonably withheld, (ii) to serve on civic, charitable, educational, religious, public interest or public service boards, and (iii) to manage the Executive's personal and family investments, in each case, to the extent such activities do not materially interfere, as determined by the Board in good faith, with the performance of the Executive's duties and responsibilities hereunder.

3. Place of Performance. During the Employment Period, the Executive shall be based primarily at the Company's offices in Oklahoma City, Oklahoma.

4. Compensation and Benefits: Equity Awards.

(a) Base Salary. During the Employment Period, the Company shall pay to the Executive a base salary (the "Base Salary") at the rate of no less than \$390,000 per calendar year, less applicable deductions. The Base Salary shall be reviewed for increase by the Board no less frequently than annually and shall be increased in the discretion of the Board and any such adjusted Base Salary shall constitute the "Base Salary" for purposes of this Agreement. The Base Salary shall be paid in substantially equal installments in accordance with the Company's regular payroll procedures.

(b) Annual Bonus. During the Employment Period (including for all of 2018 without pro-ration), the Executive shall be paid an annual cash performance bonus (an "Annual Bonus") under the Company's annual bonus plan (as in effect from time to time for senior executives and, with respect to the 2018 fiscal year, the annual bonus plan adopted by the Board on February 21, 2018) in respect of the 2018 fiscal year and each fiscal year that ends during the Employment Period, to the extent earned based on performance against performance criteria. The performance criteria for any particular fiscal year shall be determined by the Compensation Committee of the Board (the "Committee"), in good faith, after consultation with the Executive, no later than sixty (60) days after the commencement of the relevant bonus period. For fiscal year 2019 and thereafter throughout the Employment Period, the Executive's annual bonus opportunity shall be no less than 70% of the Executive's Base Salary as of the beginning of the applicable bonus period (the "Target Bonus"), if target levels of performance for that year are achieved, up to a maximum of 140% of the Executive's Base Salary. The Executive's Annual Bonus for a bonus period shall be determined by the Committee after the end of the applicable bonus period and shall be paid to the Executive when annual bonuses for that year are paid to other senior executives of the Company generally, but in no event later than March 15 of the year following the year to which such Annual Bonus relates. The Target Bonus opportunity shall be reviewed for increase by the Board no less frequently than annually and shall be increased in the discretion of the Board and any such adjusted Target Bonus shall constitute the "Target Bonus" for purposes of this Agreement.

(c) Equity Awards. During the Employment Period, the Executive shall be eligible to receive grants of equity-based awards (each, an "Equity Award") under the Company's 2016 Long Term Incentive Plan (or successor plan). The terms and conditions applicable to any Equity Award shall be determined by the Committee in accordance with the Company's applicable long-term incentive plan. Notwithstanding the foregoing, any Equity Awards granted during the Employment Period on or before December 31, 2020 to the Executive shall have vesting provisions in connection with a Change in Control or termination of employment (including, without limitation, in connection with nonrenewal of this Agreement or death or Disability) no less favorable than as set forth on Exhibit A.

(d) Vacation; Benefits. During the Employment Period, the Executive shall be entitled to four (4) weeks of paid vacation per calendar year (as prorated for partial years) in accordance with the applicable policies of the Company, which shall be accrued and used in accordance with such policies. During the Employment Period, the Executive shall be entitled to participate in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of its employees generally, subject to satisfying the applicable eligibility requirements, except to the extent such plans are duplicative of the benefits otherwise provided to the Executive hereunder. The Executive's participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. The foregoing, however, shall not be construed to require the Company to establish any such plans or to prevent the modification or termination of such plans once established.

5. Expenses. The Company shall reimburse the Executive promptly for all expenses reasonably incurred by the Executive in the performance of his duties in accordance with policies which may be adopted from time to time by the Company following presentation by the Executive of an itemized account, including reasonable substantiation, of such expenses. During the Employment Period, the Executive shall also receive a car allowance of \$650 per month, as such amount may be increased from time to time in the sole discretion of the Committee or the Board.

6. Confidentiality and Non-Disclosure. The Company and the Executive acknowledge and agree that during the Executive's employment with the Company, the Executive will have access to and may assist in developing Confidential Information and will occupy a position of trust and confidence with respect to the affairs and business of the Company and the Company Affiliates. The Executive agrees that the following obligations are necessary to preserve the confidential and proprietary nature of Confidential Information and to protect the Company and the Company Affiliates against misuse of such information:

(a) Non-Disclosure. After the Executive's employment with the Company ends, the Executive will not use, disclose, copy or transfer any Confidential Information unless authorized in writing by the Company. Anything herein to the contrary notwithstanding, the provisions of this Section 6(a) shall not apply (i) when disclosure is required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with actual or apparent jurisdiction to order the Executive to disclose or make accessible any information, provided that prior to any such disclosure the Executive shall provide the Company with reasonable notice of the requirements to disclose and an opportunity to object to such disclosure and the Executive shall cooperate with the Company in filing such objection; (ii) as to information that was in the public domain or is readily available to the public at the time of its disclosure by the Executive through means other than due to the Executive's violation of this Section 6(a); or (iii) to the extent necessary in connection with any disputes between the parties with respect to the interpretation and/or enforcement of this Agreement and any other agreements between the parties. Nothing in this Agreement is intended to or will be used in any way to limit Executive's rights to communicate with a government agency, as provided for, protected under or warranted by applicable law.

(b) Materials. The Executive will use Confidential Information only for normal and customary use in the Company's business, as determined reasonably and in good faith by the Executive. The Executive will return to the Company all Confidential Information and copies thereof and all other property of the Company or any Company Affiliate at any time upon the request of the Company and in any event promptly after the Executive's employment ends. The Executive agrees to identify and return to the Company any copies of any Confidential Information after the Executive ceases to be employed by the Company. Anything to the contrary notwithstanding, nothing in this Section 6 shall prevent the Executive from retaining a home computer (provided all Confidential Information has been removed), papers and other materials of a personal nature, including diaries, calendars and Rolodexes, information relating to his compensation or relating to reimbursement of expenses, information that may be needed for tax purposes, and copies of plans, programs and agreements relating to his employment or termination thereof.

7. Non-Solicitation/Non-Competition.

(a) During the Non-Compete Period, the Executive shall not (A) directly solicit, or assist any person or entity in soliciting, any established customer for the purpose of a Competitive Enterprise providing and/or selling any products that are provided and/or sold by the Company or its subsidiaries to such established customer, or performing any services that are performed by the Company or its subsidiaries for such established customer, (B) interfere with or damage (or attempt to interfere with or damage) any relationship and/or agreement between the Company or its subsidiaries and any established customer; or (C) directly or indirectly solicit any employee of the Company or the Company Affiliates with a view toward inducing any such employee to go to work for another person or third party or to cease or end their employment relationship.

(b) During the Non-Compete Period, the Executive shall not associate (including, but not limited to, association as a sole proprietor, owner, employer, partner, principal, investor, joint venturer, shareholder, associate, employee, member, consultant, contractor, director or otherwise) with any Competitive Enterprise; provided, however, that Executive may own, as a passive investor, securities of any such entity that has outstanding publicly traded securities so long as his direct holdings in any such entity shall not in the aggregate constitute more than one percent (1%) of the voting power of such entity. The Executive acknowledges that this covenant has a unique, very substantial and immeasurable value to the Company, that the Executive has sufficient assets and skills to provide a livelihood for the Executive while such covenant remains in force and that, as a result of the foregoing, in the event that the Executive breaches such covenant, monetary damages would be an insufficient remedy for the Company and equitable enforcement of the covenant would be proper.

(c) If the restrictions contained in Section 7 shall be determined by any court of competent jurisdiction to be unenforceable, Section 7 shall be modified in order for it to be enforceable to maximum allowed by law.

(d) Conflicting Obligations and Rights. The Executive agrees to inform the Company of any apparent conflicts between the Executive's work for the Company and any obligations the Executive may have to preserve the confidentiality of another's proprietary information or related materials before using the same on the Company's behalf. The Company shall receive such disclosures in confidence and consistent with the objectives of avoiding any conflict of obligations and rights or the appearance of any conflict of interest.

(e) Enforcement. The Executive acknowledges that in the event of any breach of this Section 7, the business interests of the Company and the Company Affiliates will be irreparably injured, the full extent of the damages to the Company and the Company Affiliates will be impossible to ascertain, monetary damages will not be an adequate remedy for the Company and the Company Affiliates, and the Company will be entitled to enforce this Agreement by a temporary, preliminary and/or permanent injunction or other equitable relief, without the necessity of posting bond or security, which the Executive expressly waives. The Executive understands that the Company may waive some of the requirements expressed in this Agreement, but that such a waiver to be effective must be made in writing and should not in any way be deemed a waiver of the Company's right to enforce any other requirements or provisions of this Agreement. The Executive agrees that each of the Executive's obligations specified in this Agreement is a separate and independent covenant and that the unenforceability of any of them shall not preclude the enforcement of any other covenants in this Agreement.

(f) No Other Restrictions. Except as otherwise provided herein or in the Confidentiality and Assignment Agreement the Executive executed on January 8, 2016 (the "Confidentiality Agreement"), there are no other restrictions on the Executive's employment following termination of his employment.

8. Cooperation. Following any termination of employment, the Executive agrees to reasonably cooperate (taking into account his other business and personal commitments) with any investigation, suit or claim involving the Company and of which the Executive has knowledge, provided any such cooperation is not adverse to his legal interests. The Company agrees to reimburse the Executive for any costs incurred by him in connection with such cooperation, including payment of separate counsel for the Executive if he reasonably determines such separate representation is warranted by the circumstances.

9. Termination of Employment.

(a) Permitted Terminations. The Executive's employment hereunder may be terminated during the Employment Period under the following circumstances:

(i) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(ii) By the Company. The Company may terminate the Executive's employment:

(A) Disability. For Disability; or

(B) With or Without Cause. For Cause or without Cause.

(iii) By the Executive. The Executive may terminate his employment for any reason or for no reason by giving thirty (30) days advance Notice of Termination to the Company.

(b) Termination. Any termination of the Executive's employment by the Company or the Executive (other than because of the Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 12 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon, if any, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. Termination of the Executive's employment shall take effect on the Date of Termination.

(c) Effect of Termination. Upon any termination of the Executive's employment with the Company, and its subsidiaries, the Executive shall resign from, and shall be considered to have simultaneously resigned from, all positions with the Company and all of its subsidiaries.

10. Compensation Upon Termination.

(a) Death. If the Executive's employment is terminated during the Employment Period as a result of the Executive's death pursuant to Section 9(a)(i), the Employment Period shall terminate without further notice or any action required by the Company or the Executive's legal representatives. Upon the Executive's death, the Company shall pay or provide to the Executive's representative or estate (i) all Accrued Benefits, if any, to which the Executive is entitled, and (ii) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable at the time set forth in Section 4(b). Except as set forth herein or, if more favorable to the Executive, in the award agreements applicable to equity-based awards granted to Executive, including, without limitation, the Equity Awards, the Company shall have no further compensation obligations to the Executive (or the Executive's legal representatives or estate) under this Agreement.

(b) Disability. If the Company terminates the Executive's employment during the Employment Period because of the Executive's Disability pursuant to Section 9(a)(ii)(A), the Company shall pay to the Executive (i) all Accrued Benefits, if any, to which the Executive is entitled, and (ii) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable at the time set forth in Section 4(b). Except as set forth herein or, if more favorable to the Executive, in the award agreements applicable to equity-based awards granted to Executive, including, without limitation, the Equity Awards, the Company shall have no further compensation obligations to the Executive (or the Executive's legal representatives) under this Agreement.

(c) Termination by the Company for Cause, or by the Executive without Good Reason. If, during the Employment Period, the Company terminates the Executive's employment for Cause pursuant to Section 9(a)(i)(B), or the Executive terminates his employment without Good Reason, the Company shall pay to the Executive all Accrued Benefits, if any, to which the Executive is entitled. Except as set forth herein or, if more favorable to the Executive, in the award agreements applicable to equity-based awards granted to Executive, including, without limitation, the Equity Awards, the Company shall have no further compensation obligations to the Executive under this Agreement.

(d) Certain Terminations Prior to or After a Change in Control. If, prior to the occurrence of a Change in Control, or after the twenty-four (24) month protection period in Section 10(e) has expired (and Section 10(e) does not apply), the Company terminates the Executive's employment during the Employment Period other than for Cause, death or Disability or the Executive terminates his employment hereunder with Good Reason, the Employment Period shall terminate upon the Date of Termination and (i) the Company shall pay or provide the Executive (or the Executive's estate, if the Executive dies after such termination but before receiving such amount) (A) all Accrued Benefits, if any, to which the Executive is entitled; (B) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable as set forth in Section 4(b); and (C) an amount equal to the product of (x) one (1) and (y) the sum of the Executive's (I) Base Salary and (II) Target Bonus, payable in a lump sum on the first payroll date following the execution (and non-revocation) of the general release of claims described in Section 10(g), subject to Section 10(h) and Section 24, and (ii) the Executive and his covered dependents shall be entitled to continued participation on the same terms and conditions as applicable immediately prior to the Executive's Date of Termination for the eighteen (18) month period following the Date of Termination in such medical, dental, and hospitalization insurance coverage in which the Executive and his eligible dependents were participating immediately prior to the Date of Termination; provided the Company agrees to impute as taxable income to the Executive an amount equal to the full actuarial cost of such coverage, for each month during which such coverage is in effect for the Executive and/or his eligible dependents but only if and to the extent such imputation is required for the Executive to avoid being subject to tax under Section 105(h) of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to any payment or reimbursement of expenses made to the Executive or for the Executive and/or any of his eligible dependent's benefit under such health care coverage. In addition, the Executive's equity awards granted prior to the Effective Date shall vest in accordance with Section 21 (or, if more favorable to the Executive, the applicable award agreement), the Executive's other outstanding equity awards (including, without limitation, the Equity Awards) granted on or after the Effective Date and on or prior to December 31, 2020 shall vest in accordance with Section 4(c) and Exhibit A (or, if more favorable to the Executive, the applicable award agreement) and the Executive's other outstanding equity awards shall vest in accordance with the applicable award agreement.

(e) Certain Terminations in Connection With a Change in Control. If the Company terminates the Executive's employment other than for Cause, Death or Disability or the Executive terminates his employment hereunder with Good Reason, the Employment Period shall terminate upon the Date of Termination and if such Date of Termination occurs (x) upon or within twenty-four (24) months following the date of consummation of a Change in Control, or (y) either (a) within 90 days prior to the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed or (b) on or within 180 days following the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed, (i) the Company shall pay or provide the Executive (or the Executive's estate, if the Executive dies after such termination but before receiving such amount) (A) all Accrued Benefits, if any, to which the Executive is entitled; (B) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the Executive was employed during the calendar year in which the Date of Termination occurs) of the Annual Bonus based on the achievement of the applicable performance criteria for the year in which Executive's employment terminates, payable as set forth in Section 4(b); and (C) an amount equal to the product of (x) two (2) and (y) the sum of the Executive's (I) Base Salary and (II) Target Bonus, payable in a lump sum on the first payroll date following the execution (and non-revocation) of the general release of claims described in Section 10(g) (the "Payment Date"), subject to Section 10(h) and Section 24; provided that in connection with a termination covered by clause (y), the payment of the additional one times Base Salary and Target Bonus amount shall be paid, subject to Section 10(h) and Section 24, on the later of the Payment Date or the date of the Change in Control; and (ii) the Executive and his covered dependents shall be entitled to continued participation on the same terms and conditions as applicable immediately prior to the Executive's Date of Termination for the eighteen (18) month period following the Date of Termination in such medical, dental, and hospitalization insurance coverage in which the Executive and his eligible dependents were participating immediately prior to the Date of Termination; provided the Company agrees to impute as taxable income to the Executive an amount equal to the full actuarial cost of such coverage, for each month during which such coverage is in effect for the Executive and/or his eligible dependents but only if and to the extent such imputation is required for the Executive to avoid being subject to tax under Section 105(h) of the Code, with respect to any payment or reimbursement of expenses made to the Executive or for the Executive and/or any of his eligible dependent's benefit under such health care coverage. In addition, the Executive's equity awards granted prior to the Effective Date shall vest in accordance with Section 21 (or, if more favorable to the Executive, the applicable award agreement), the Executive's other outstanding equity awards (including, without limitation, the Equity Awards) granted on or after the Effective Date and on or prior to December 31, 2020 shall vest in accordance with Section 4(c) and Exhibit A (or, if more favorable to the Executive, the applicable award agreement) and the Executive's other outstanding equity awards shall vest in accordance with the applicable award agreement.

(f) Termination of Employment Upon Expiration of the Term. Upon a notice of non-renewal of the Initial Term or any subsequent Term (each, a "Term") by either the Company or the Executive pursuant to Section 1 hereof, the Executive's employment shall terminate on the last day of the applicable Term. In addition, any notice of non-renewal of the Term by the Company pursuant to Section 1 (assuming the Executive was willing and able to continue to be employed) shall be treated as a termination without Cause under this Agreement and the Executive shall be entitled to severance and other entitlements (including equity vesting) under the terms of either Sections 10(d) or 10(e) as applicable upon the termination of the Executive's employment on the last day of the applicable Term and such termination shall be treated as a termination without Cause for purposes of the Executive's equity awards.

(g) Release. As a condition of receiving any and all amounts payable and benefits or additional rights provided pursuant to this Agreement beyond the Accrued Benefits, the Executive must execute and deliver to the Company and not revoke a general release of claims in favor of the Company in substantially the form attached on Exhibit B hereto (the “Release”). The Release must be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the Executive’s Date of Termination. The Company shall deliver to the Executive the Release for the Executive to execute within five (5) business days following the Date of Termination.

(h) Certain Payment Delays. Notwithstanding anything to the contrary set forth herein, to the extent that the payment of any amount described in Sections 10(d) or 10(e) constitute “nonqualified deferred compensation” for purposes of Code Section 409A (as defined in Section 24 hereof), then, subject to Section 24, any such payment scheduled to occur during the first sixty (60) days following the termination of employment shall not be paid until the first regularly scheduled pay period following the sixtieth (60th) day following such termination and shall include payment of any amount that was otherwise scheduled to be paid prior thereto.

(i) No Offset. In the event of termination of his employment, the Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due to him on account of any remuneration or benefits provided by any subsequent employment he may obtain. The Company’s obligation to make any payment pursuant to, and otherwise to perform its obligations under, this Agreement shall not be affected by any offset, counterclaim or other right that the Company or the Company Affiliates may have against the Executive for any reason.

(j) 280G Payments. In the event the Company determines in good faith that any payments, entitlements or benefits (whether made or provided pursuant to this Agreement or otherwise, including by the person or entity affecting a change in control) provided to the Executive constitute “parachute payments” within the meaning of Section 280G of the Code, and may be subject to an excise tax imposed pursuant to Section 4999 of the Code, then, if the Executive would be placed in a better after-tax position, the Executive’s “parachute payments” will be reduced to an amount determined by the Company in good faith to be the maximum amount that may be provided to the Executive without resulting in any portion of such “parachute payment” being subject to such excise tax. The payment reduction contemplated by the preceding sentence shall be implemented as follows: first, by reducing any payments to be made to the Executive under Sections 10(d)(i)(B) and (C) or Sections 10(e)(i)(B) and (C), as applicable; second, by reducing any other cash payments to be made to the Executive but only if the value of such cash payments is not greater than the parachute value of such payments; third, by cancelling the acceleration of vesting of any restricted stock or restricted stock unit awards solely with respect to the accelerated vesting upon a change in control such that such awards will continue to vest on their original schedules; fourth, by cancelling the acceleration of vesting of any stock options or stock appreciation rights solely with respect accelerated vesting

upon a change in control such that such awards will continue to vest on their original schedules, fifth, by eliminating the Company's payment of the cost of any post-termination continuation of medical and dental benefits for the Executive and his eligible dependents and sixth, by reducing any equity awards. In the case of the reductions to be made pursuant to each of the above-mentioned clauses, the payment and/or benefit amounts to be reduced and the acceleration of vesting to be cancelled shall be reduced or cancelled in the inverse order of their originally scheduled dates of payment or vesting, as applicable, and shall be so reduced (x) only to the extent that the payment and/or benefit otherwise to be paid or the vesting of the award that otherwise would be accelerated, would be treated as a "parachute payment" within the meaning of Section 280(G)(b)(2)(A) of the Code, (y) only to the extent necessary to achieve the required reduction hereunder and (z) all amounts that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c). Any determinations that are made pursuant to this Section 10(j) shall be made by a nationally recognized certified public accounting firm that shall be selected by the Company (and paid by the Company) prior to any transaction that is subject to Code Section 280G and reasonably acceptable to the Executive (the "Accountant"), which determination shall be certified by the Accountant and set forth in a certificate delivered to the Executive setting forth in reasonable detail the basis of the Accountant's determinations. In connection with this determination, the Accountant shall value the non-compete and other restrictions on the Executive's activities.

11. Indemnification. The Executive shall be indemnified and held harmless by the Company during the Employment Period and following any termination of his employment for any reason whatsoever in the same manner as would any other key management employee of the Company with respect to acts or omissions occurring on or prior to the termination of employment of the Executive. In addition, during the Employment Period and for a period of three (3) years following the termination of Executive's employment for any reason whatsoever, the Executive shall be covered by a Company-held directors' and officers' liability insurance policy covering acts or omissions occurring on or prior to the termination of employment of the Executive. The Executive shall also remain entitled to the protections of the indemnification agreement he has entered into with the Company dated as of January 5, 2016 ("Indemnification Agreement").

12. Notices. All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any other party pursuant to this Agreement shall be in writing and shall be hand delivered, mailed by first-class registered or certified mail, return receipt requested, postage prepaid, delivered by overnight air courier addressed as follows:

If to the Company:

LSB Industries, Inc.
3503 NW 63rd Street, Suite 500
Oklahoma City, OK 73116
Attention: Chief Executive Officer

If to the Executive:

His primary address last shown on the Company's records.

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request, or communication that shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, or the affidavit of messenger being deemed conclusive but not exclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

13. Severability. The invalidity or unenforceability of any one or more provisions of this Agreement, including, without limitation, Sections 6 or 7, shall not affect the validity or enforceability of the other provisions of this Agreement, which shall remain in full force and effect.

14. Survival. It is the express intention and agreement of the parties hereto that the provisions of Sections 6, 7, 8, 10, 11, 12, 13, 15, 16, 17, 19, 20, 21, 23, 24 and Section 14 shall survive the termination of employment of the Executive or the termination or expiration of the Employment Period. In addition, all obligations of the Company to make payments hereunder shall survive any expiration of the Employment Period on the terms and conditions set forth herein.

15. Assignment. The rights and obligations of the parties to this Agreement shall not be assignable or delegable, except that (i) in the event of the Executive's death, the personal representative or legatees or distributees of the Executive's estate, as the case may be, shall have the right to receive any amount owing and unpaid to the Executive hereunder and (ii) the rights and obligations of the Company hereunder shall be assignable and delegable in connection with any subsequent merger, consolidation, sale of all or substantially all of the assets or equity interests of the Company or similar transaction involving the Company or a successor corporation. Unless provided by applicable law, the Company shall require any successor to the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

16. Binding Effect. Subject to any provisions hereof restricting assignment, this Agreement shall be binding upon the parties hereto and shall inure to the benefit of the parties and their respective heirs, devisees, executors, administrators, legal representatives, successors and assigns.

17. Amendment; Waiver. This Agreement shall not be amended, altered or modified except by an instrument in writing duly executed by the party against whom enforcement is sought. Neither the waiver by either of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure of either of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights or privileges hereunder.

18. Headings. Section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

19. Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Oklahoma (but not including any choice of law rule thereof that would cause the laws of another jurisdiction to apply).

20. Dispute Resolution/Waiver of Jury Trial. Each of the parties agrees that any dispute between the parties shall be resolved only in the courts of the State of Oklahoma or the United States District Court for the Western District of Oklahoma and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, each of the parties hereto irrevocably and unconditionally (a) submits in any proceeding relating to this Agreement or the Executive's employment by the Company or any Company Affiliate, or the termination of such employment, or for the recognition and enforcement of any judgment in respect thereof (a "Proceeding"), to the exclusive jurisdiction of the courts of the State of Oklahoma, located in Oklahoma County, the United States District Court for the Western District of Oklahoma, and appellate courts having jurisdiction of appeals from any of the foregoing and agrees that all claims in respect of any such Proceeding shall be heard and determined in such Oklahoma State court or, to the extent permitted by law, in such federal court, (b) consents that any such Proceeding may and shall be brought in such courts and waives any objection that the Executive or the Company may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agrees not to plead or claim the same, (c) waives all right to trial by jury in any Proceeding (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the Executive's employment by the Company or any Company Affiliate, or the termination of such employment, or the Executive's or the Company's performance under, or the enforcement of, this Agreement, (d) agrees that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at the Executive's or the Company's address as provided in Section 12 hereof, and (e) agrees that nothing in this Agreement shall affect the right to effect service of process in any other manner permitted by the laws of the State of Oklahoma. In addition, if the Executive substantially prevails on any claim that is the matter of such dispute, the Company shall promptly reimburse the Executive for his legal fees.

21. Entire Agreement; Other Agreements. Except as expressly provided herein, this Agreement constitutes the entire agreement between the parties respecting the employment of the Executive, there being no representations, warranties or commitments except as set forth herein, and, as of the Effective Date, supersedes and replaces all other agreements related to the subject matter hereof, including, without limitation, the employment agreement among the Executive and the Company dated January 6, 2016 and effective January 5, 2016 (the "2016 Employment Agreement") which shall terminate and become null and void on the Effective

Date. Notwithstanding anything herein to the contrary, (a) any equity award agreements executed in connection with this Agreement shall continue in full force and effect, (b) the Executive shall be entitled to (i) Base Salary due under the 2016 Employment Agreement as of the Effective Date which remains unpaid as of the Effective Date, and (ii) reimbursement of the business expenses incurred by the Executive prior to the Effective Date which are reimbursable and due under Section 5 of the 2016 Employment Agreement and remain unpaid as of the Effective Date, and (c) all outstanding equity awards (including, without limitation, any vesting rights for any outstanding equity awards issued in connection with the 2016 Employment Agreement), the Indemnification Agreement and the Confidentiality Agreement (as amended below) shall continue to be in full force and effect. For the avoidance of doubt, the Executive shall be entitled to vesting of Executive's equity awards outstanding on the Effective Date of this Agreement in accordance with Section 4(c) and Sections 10(a)(iii), 10(b)(iii), 10(d)(ii), 10(e)(ii) and 10(f) of the 2016 Employment Agreement. In the event there is a conflict between any provision of this Agreement and any other agreement, plan, policy or arrangement of the Company or any Company Affiliate, the provision most favorable to the Executive shall govern except that the Executive shall be subject to any written claw back policies of the Company (a) in effect from time to time adopted by the Board or the Committee prior to the Executive's Date of Termination or (b) adopted to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and rules promulgated thereunder by the Securities Exchange Commission or any other applicable laws (whether or not the rights of the Executive may be adversely affected). Any claw back policy shall be applied to the Executive consistent with how such policy is applied to other senior executives of the Company with respect to the same subject matter. Section 15 of the Confidentiality Agreement between the Company and the Executive is hereby deleted in its entirety and replaced with the following:

“15. TERMINATION OF EMPLOYMENT.

I understand and agree that I or the Company may terminate my employment pursuant to the terms of the Employment Agreement dated December 30, 2018 between me and the Company (“Employment Agreement”) and that this Confidentiality Agreement shall in no way be construed or operate to change or modify the Employment Agreement or to prevent the Company or me from dispensing with my services pursuant to the terms of the Employment Agreement.”

22. Counterparts. This Agreement may be executed in two counterparts, each of which shall be an original and all of which shall be deemed to constitute one and the same instrument.

23. Withholding. The Company may withhold from any benefit payment under this Agreement all federal, state, city or other taxes as shall be required pursuant to any law or governmental regulation or ruling.

24. Section 409A.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") or an exemption therefrom and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If the Executive notifies the Company (with specificity as to the reason therefor) that the Executive believes that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Code Section 409A and the Company concurs with such belief or the Company (without any obligation whatsoever to do so) independently makes such determination, the Company shall, after consulting with the Executive, reform such provision to attempt to comply with Code Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Code Section 409A. To the extent that any provision hereof is modified in order to comply with Code Section 409A such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Company of the applicable provision without violating the provisions of Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If the Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall be made or provided at the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 24(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(d) For purposes of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, (i) the actual date of payment within the specified period shall be within the sole discretion of the Company and, (ii) if such payment qualifies as non-qualified deferred compensation under Section 409A and it can be paid in one of two calendar years, it shall be paid in the second calendar year.

(e) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

25. Definitions.

(a) "Accrued Benefits" means (i) any unpaid Base Salary through the Date of Termination; (ii) any earned but unpaid Annual Bonus for a performance year that has ended on or prior to the Date of Termination; (iii) any accrued and unpaid vacation and/or sick days; (iv) any amounts or benefits owing to the Executive or to the Executive's beneficiaries under the then applicable benefit plans of the Company (excluding any severance plan, program, agreement or arrangement); (v) any rights or entitlements under any other agreements between the Executive and the Company, including, without limitation, the Indemnification Agreement and any outstanding equity award agreements; (vi) any amounts owing to the Executive for reimbursement of expenses properly incurred by the Executive prior to the Date of Termination and which are reimbursable in accordance with Section 5; and (vii) any car allowance payments owing to the Executive under Section 5 as of the Date of Termination. Amounts payable (A) under clauses (i), (ii), (iii) and (vii) shall be paid promptly after the Date of Termination; (B) under clause (iv) shall be paid in accordance with the terms and conditions of the applicable plan, program or arrangement; (C) under clause (v) shall be treated in accordance with the applicable agreement; and (D) under clause (vi) shall be paid in accordance with the terms of the applicable expense policy or Section 5, as applicable.

(b) "Cause" means (i) the Executive's conviction of, or plea of nolo contendere to, a felony (other than for a traffic violation); (ii) the Executive's continued failure to substantially perform the Executive's material duties hereunder (other than due to a mental or physical impairment) after receipt of written notice from the Company that specifically identifies the manner in which the Executive has substantially failed to perform the Executive's material duties and specifies the manner in which the Executive may substantially perform his material duties in the future; (iii) an act of fraud or gross or willful material misconduct by the Executive; (iv) a willful and material violation of the material provisions of the Company's Code of Conduct or the Company's Code of Ethics for CEO and Senior Financial Officers; or (v) the Executive's material breach of Sections 7(a) and 7(b). Anything herein to the contrary notwithstanding, the Executive shall not be terminated for "Cause" hereunder unless (A) written notice stating the basis for the termination is provided to the Executive, (B) as to clauses (ii), (iv) or (v) of this paragraph, he fails to cure such neglect or conduct within thirty (30) days following receipt of such notice, (C) he has an opportunity (represented by counsel) to address a meeting of the Board, and (D) after such meeting (or if the Executive declines to meet), there is a 75% vote of the Board (not counting the Executive) to terminate his employment for Cause.

(c) “Change in Control” means:

(i) A “change in the ownership of the Company” which shall occur on the date that any one person, or more than one person acting as a group, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company as of the Effective Date; however, if any one person or more than one person acting as a group is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a “change in the ownership of the Company” (or to cause a “change in the effective control of the Company” within the meaning of paragraph (ii) below) and an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, further, however, that for purposes of this paragraph (i), any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company shall not constitute a Change in Control. This paragraph (i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction;

(ii) A “change in the effective control of the Company” which shall occur on the date that either (A) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 30% or more of the total voting power of the stock of the Company, except for any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company; or (B) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of a “change in the effective control of the Company,” if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this paragraph (ii) after the Effective Date, the acquisition of additional control of the Company by the same person or persons is not considered a “change in the effective control of the Company,” or to cause a “change in the ownership of the Company” within the meaning of paragraph (i) above; or

(iii) A “change in the ownership of a substantial portion of the Company’s assets” which shall occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the stockholders of the Company immediately after the transfer, as provided in guidance issued pursuant to Code Section 409A, shall not constitute a Change in Control.

For purposes of the definition of Change in Control, the provisions of Section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided, that, stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option.

(d) “Company Affiliate” means any entity controlled by, in control of, or under common control with, the Company.

(e) “Competitive Enterprise” means (i) a business enterprise that engages in nitrogen and climate control in competition with the Company or its subsidiaries (the “Company’s Business”) (a) in the United States of America, or (b) in any other country where the Company or its subsidiaries operates facilities or sells such products. Notwithstanding the foregoing, in the event a business enterprise (including, without limitation, any entity, or private equity or hedge fund) has one or more lines of business that do not involve the Company’s Business, the Executive shall be permitted to associate with such business enterprise if, and only if, the Executive does not participate in, or have supervisory authority with respect to, any line of business involving the Company’s Business.

(f) “Confidential Information” means all non-public information concerning trade secrets, know-how, software, developments, inventions, processes, technology, designs, financial data, strategic business plans or any proprietary or confidential information, documents or materials in any form or media, including any of the foregoing relating to research, operations, finances, current and proposed products and services, vendors, customers, advertising and marketing, and other non-public, proprietary, and confidential information of the Company or the Company Affiliates. Notwithstanding anything to the contrary contained herein, the general skills, knowledge and experience gained during the Executive’s employment with the Company, information publicly available or generally known within the industry or trade in which the Company competes and information or knowledge possessed by the Executive prior to his employment by the Company, shall not be considered Confidential Information.

(g) “Date of Termination” means (i) if the Executive’s employment is terminated by the Executive’s death, the date of the Executive’s death; (ii) if the Executive’s employment is terminated because of the Executive’s Disability pursuant to Section 9(a)(ii)(A), thirty (30) days after Notice of Termination, provided that the Executive shall not have returned to the performance of the Executive’s duties on a full-time basis during such thirty (30)-day period; (iii) if the Executive’s employment is terminated during the Term by the Company pursuant to Section 9(a)(ii)(B) or by the Executive pursuant to Section 9(a)(iii), the date specified in the Notice of Termination consistent with this Agreement; or (v) if the Executive’s employment is terminated upon the expiration of the Term pursuant to Section 1, the last day of the applicable Term.

(h) “Disability” means the inability of the Executive to perform the Executive’s material duties hereunder due to a physical or mental injury, infirmity or incapacity, which is expected to exceed one hundred eighty (180) days (including weekends and holidays) in any three hundred sixty-five (365)-day period, as determined by the Executive’s treating physician in his or her reasonable discretion.

(i) “Good Reason” means (i) any material diminution in the Executive’s job duties, authorities or responsibilities (including, without limitation, the removal of the Executive as Executive Vice President, General Counsel and Secretary of the Company, the Executive failing to be the Executive Vice President, General Counsel and Secretary of any surviving or successor entity, including the ultimate parent, or the Company’s stock (or following a Change in Control, the surviving or successor entity’s stock) no longer being (or not being) publicly traded on the New York Stock Exchange or NASDAQ); (ii) a reduction in the Executive’s Base Salary or Target Bonus as a percentage of Base Salary; (iii) the failure of the Executive to report solely and directly to the Chief Executive Officer of the Company (including any successor entity); (iv) the assignment of duties substantially inconsistent with the Executive’s status as Executive Vice President, General Counsel and Secretary of the Company; (v) a relocation of the Executive’s primary place of employment to a location more than fifty (50) miles from the current location of the Company’s offices in Oklahoma City, Oklahoma; (vi) any other material breach of this Agreement by the Company, including, without limitation, Exhibit A; (vii) the failure of the Company to obtain the assumption in writing of its obligations under the Agreement by any successor to all or substantially all of the assets of the Company after a merger, consolidation, sale or similar transaction in which such Agreement is not assumed by operation of law or (viii) on or following a Change in Control, the failure of the surviving or successor entity to provide the Executive with an Equity Award with terms no less favorable to the Executive, and with a grant date value equal to or greater than the aggregate grant date value of the equity awards granted to the Executive by the Company during the 12-month period immediately prior to the Change in Control. In order to invoke a termination for Good Reason, (A) the Executive must provide written notice to the Company within ninety (90) days of the later of the occurrence, or the Executive’s knowledge, of any event of “Good Reason,” (B) the Company must fail to cure such event within thirty (30) days of the giving of such notice and (C) the Executive must provide a Notice of Termination within thirty (30) days following the expiration of the Company’s cure period.

(j) “Non-Compete Period” means the period commencing on the Effective Date and ending twenty four (24) months after the Executive’s Date of Termination.

(k) “Term” shall have the meaning ascribed to such term in Section 10(f) of this Agreement.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Agreement, or have caused this Agreement to be duly executed and delivered on their behalf.

LSB INDUSTRIES, INC.

By: _____
Name: Mark T. Behrman
Title: President and Chief Executive Officer

EXECUTIVE

Michael J. Foster

Exhibit A

(Equity Vesting Terms)

Exhibit A

Equity Vesting Terms Through December 31, 2020

For the avoidance of doubt, terms used herein with initial capitalization not otherwise defined herein shall have the meanings ascribed to such terms in the Employment Agreement to which this Exhibit is attached.

I. Restricted Stock Awards:

With respect to any restricted stock award granted on or after the Effective Date and on or before December 30, 2020 and shares of restricted stock awarded thereunder ("Restricted Stock"):

- A. In the event of a Change in Control, the Restricted Stock may be assumed or substituted with a substantially equivalent award by the surviving or successor company or a parent or subsidiary of such successor company (in each case, the "Successor Company") upon consummation of the transaction provided that the Restricted Stock is assumed or substituted with a substantially equivalent award of restricted shares of publicly traded common stock with substantially equivalent terms and conditions, including vesting terms and dividend rights (each such assumed or substantially equivalent award, a "Replacement Award"). If an award of Restricted Stock is not assumed or substituted by the Successor Company in connection with the Change in Control in the manner set forth in the preceding sentence and there is no Replacement Award for the Restricted Stock, all such shares of Restricted Stock shall automatically vest in full immediately prior to the Change in Control in time for the Executive to fully participate as a shareholder with respect to such shares as of the Change in Control. If there is a Replacement Award and following the Change in Control, the common stock underlying the Replacement Award ceases to be publicly traded, all such shares of the Replacement Award shall vest in full immediately prior to such common stock ceasing to be publicly traded.
- B. The Replacement Award shall automatically vest in full upon the Date of Termination if the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or by the Company providing a notice of non-renewal of the Term in a manner which complies with Section 1 of the Employment Agreement ("Company Notice of Non-Renewal") and the Date of Termination occurs upon or after a Change in Control. In addition, the Restricted Stock shall automatically vest in full upon a Change in Control if the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason or there is a Company Notice of Non-Renewal and the Date of Termination occurs either (a) within 90 days prior to the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed or (b) on or within 180 days after the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed.

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- C. If the Restricted Stock has been awarded on or following a Change in Control and the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal and the Date of Termination occurs upon or within twenty-four months after a Change in Control, the Restricted Stock shall automatically vest in full upon the Date of Termination unless there is a subsequent Change in Control which would result in earlier vesting under clause (A) above.
 - D. Those shares of Restricted Stock (but not including any Replacement Award which is covered by clause (B) above) that are scheduled to vest in normal course within the eighteen-month period following the Date of Termination shall automatically vest upon the Date of Termination if Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal and the vesting provisions of clauses (B) and (C) above do not apply.
 - E. A pro-rata portion of Restricted Stock (or the Replacement Award) shall automatically vest upon the Executive's termination of employment by reason of death or Disability with such pro-rata portion calculated by multiplying the number of shares of Restricted Stock (or shares underlying the Replacement Award) scheduled to vest on the next vesting date in the normal course immediately succeeding the Date of Termination by a fraction, the numerator of which is the number of days that have elapsed from the last vesting date (or if the Date of Termination occurs prior to the first vesting date, then the number of days that have elapsed from the Grant Date) through the Date of Termination and the denominator of which shall be the number of days in the period from the last vesting date (or if the Date of Termination occurs prior to the first vesting date, Grant Date) to the next vesting date in the normal course immediately succeeding the Date of Termination.

II. Performance-Based Awards:

With respect to any equity performance-based awards granted on or after the Effective Date and on or before December 31, 2020 ("Performance-Based Award"):

- A. If a Change in Control occurs prior to the end of the performance period under Performance-Based Awards ("Performance Period"), then, the number of earned shares of stock under the Performance-Based Awards ("Performance Shares") for the Performance-Based Award shall be determined by the Committee immediately prior to the Change in Control and shall equal the greater of (x) the Target Performance Shares and (y) the Performance Shares earned based on actual performance, as determined in good faith by the Committee prior to the Change in Control, by (a) shortening the Performance Period to end on the date of the Change in Control, (b) adjusting the applicable performance goals as appropriate based on the shortened Performance Period, and (c) determining the level of achievement of such performance goals based on such shortened Performance Period (the "Change in Control Calculated Performance Shares"). Such Change in Control Calculated Performance Shares may be assumed or substituted by the Successor Company upon consummation of the transaction if the Change in Control Calculated Performance Shares are assumed or substituted as of the Change in Control with a restricted stock or restricted stock unit award of publicly traded stock of the Successor Company equal in value on the date of the Change in Control to the value of the Change in Control Calculated Performance Shares and with substantially the same terms and conditions, including rights to dividend payments, as the original Performance-Based Award provided that such restricted stock or

restricted stock units shall vest based solely on the continued service or employment of the Executive through the last day of the original Performance Period, except as otherwise provided herein ("Performance Replacement Award"). If the Change in Control Calculated Performance Shares are not assumed or substituted by the Successor Company in connection with the Change in Control in the manner set forth in the preceding sentence and there is no Performance Replacement Award for the Performance-Based Award, all the Change in Control Calculated Performance Shares shall automatically vest in full immediately prior to the Change in Control in time for the Executive to fully participate as a shareholder with respect to such shares as of the Change in Control or may be paid to the Executive in cash (if such payment is intended to comply with Section 409A) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A. If there is a Performance Replacement Award and following the Change in Control, the common stock underlying the Performance Replacement Award ceases to be publicly traded, all such shares of the Performance Replacement Award shall vest in full immediately prior to such common stock ceasing to be publicly traded.

- B. The Performance Replacement Award shall automatically vest in full upon the Date of Termination if the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal and the Date of Termination occurs upon or following a Change in Control. In addition, the Executive shall be entitled to receive all the Change in Control Calculated Performance Shares as of the Change in Control (without any forfeiture of such shares) if the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal and the Date of Termination occurs either (a) within 90 days prior to the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed or (b) on or within 180 days after the date a definitive agreement is executed which results in a Change in Control within 180 days after the date such definitive agreement is executed and the full value of such shares may be paid to the Executive in cash (if such payment is intended to comply with Section 409A) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A.
- C. With respect to the Performance Replacement Award, if the Executive's employment terminates upon death or Disability on or after a Change in Control, the Executive (or his estate) shall vest at the end of the Performance Period (or if earlier upon a subsequent Change in Control if such vesting complies with Section 409A) in the pro rata portion of the shares underlying the Performance Replacement Award, such portion determined by multiplying the total number of shares underlying the Performance Replacement Award by a fraction, the numerator of which is the number of days that have elapsed from the beginning of the Performance Period through the Date of Termination and the denominator of which shall be the total number of days in the Performance Period.
- D. If the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal prior to a Change in Control and the vesting provisions of clause (B) above or clause (F) below do not apply, the Executive shall vest at the end of the Performance Period (or the date of a Change in Control, if earlier, where there is no Replacement Award) in a pro-rata portion of the

shares underlying the Performance-Based Award, such portion determined by multiplying (x) the number of Performance Shares earned, if any, based on actual performance, determined at the end of the Performance Period (or the date of the Change in Control, if earlier) by the Committee in good faith based on the level of achievement of the performance goals (as adjusted as a result of the Change in Control pursuant to clause (A) above) for the Performance Period, by (y) a fraction, the numerator of which is the number of days that have elapsed from the beginning of the Performance Period through the Date of Termination and the denominator of which shall be the total number of days in the Performance Period (or, if a Change in Control occurs prior to the end of the Performance Period and there is no Replacement Award, the total number of days from the beginning of the Performance Period through the date of the Change in Control). In the case of earlier vesting under this clause (D) upon a Change in Control where there is no Replacement Award, the value of the vested Performance Shares may be paid to the Executive in cash (if such payment is intended to comply with Section 409A) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A.

- E. If the Executive's employment terminates upon death or Disability prior to a Change in Control, the Executive shall vest at the end of the Performance Period (or the date of a Change in Control, if earlier, if there is no Replacement Award) in a pro-rata portion of the Performance Shares earned based on actual performance, determined by the Committee in good faith at the end of the Performance Period (or the date of the Change in Control, if earlier) based on the level of achievement of the performance goals (as adjusted as a result of the Change in Control pursuant to clause (A) above) for the Performance Period, with such pro-rata portion calculated by multiplying the number of such earned Performance Shares, if any, by a fraction, the numerator of which is the number of days that have elapsed from the beginning of the Performance Period through the Date of Termination and the denominator of which shall be the total number of days in the Performance Period (or, if a Change in Control occurs prior to the end of the Performance Period and there is no Replacement Award, the total number of days from the beginning of the Performance Period through the date of the Change in Control). In the case of earlier vesting under this clause (E) upon a Change in Control where there is no Replacement Award, the value of the vested Performance Shares may be paid to the Executive in cash (if such payment is intended to comply with Section 409A) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A.
- F. If the Performance-Based Award has been awarded on or following a Change in Control and, except with respect to earlier vesting for a subsequent Change in Control under clauses (A) or (B) above, the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason, or there is a Company Notice of Non-Renewal and the Date of Termination occurs upon or within twenty-four months after a Change in Control, the Executive shall be entitled to fully vest at the end of the Performance Period in a number of shares equal to the greater of (x) the Target Performance Shares and (y) the number of Performance Shares earned, if any, based on actual performance, determined by the Committee in good faith, at the end of the Performance Period based on the level of achievement of the performance goals for the Performance Period.

Exhibit B

(Form of Release)

EXHIBIT B

GENERAL RELEASE

I, Michael J. Foster, in consideration of and subject to the performance by LSB Industries, Inc. (together with its affiliated companies and subsidiaries and its successors and assigns, the "Company"), of its obligations under Section 10 of the Employment Agreement, dated as of December 30, 2018 (the "Agreement"), do hereby release and forever discharge as of the date hereof the Company and its respective affiliates and subsidiaries and all present, former and future directors, officers, agents, representatives, employees, successors and assigns of the Company and/or its respective affiliates and subsidiaries and direct or indirect owners (collectively, the "Released Parties") to the extent provided herein (this "General Release"). Terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

1. I understand that, other than the Accrued Benefits, the payments or benefits paid or granted to me under Section 10 of the Agreement represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive the payments and benefits specified in Section 10 of the Agreement, other than the Accrued Benefits, unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.

2. Except as provided in paragraph 4 below and except for the provisions of the Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company and/or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, ever had, now have, or hereafter may have, by reason of any matter, cause, or thing whatsoever, from the beginning of my initial dealings with the Company to the date of this General Release, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to my employment relationship with Company, the terms and conditions of that employment relationship, and the termination of that employment relationship (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act), the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any

applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation, or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the "Claims"). I understand and intend that this General Release constitutes a general release of all claims and that no reference herein to a specific form of claim, statute or type of relief is intended to limit the scope of this General Release.

3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by paragraph 2 above.

4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967). Notwithstanding anything herein to the contrary, I am not waiving any of the following (and definition of "Claims" shall not include these claims or rights): (i) any claim or right to enforce the Agreement or this General Release; (ii) any claims which arise after the date of this General Release; (iii) my rights as a shareholder of the Company; and (iv) my rights to be indemnified and/or defended and/or advanced expenses, including pursuant to the Company's corporate governance documents or the Indemnification Agreement (as defined in the Agreement) or, if greater, applicable law and my rights to be covered under any applicable directors' and officers' insurance liability policies.

5. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever with respect to claims released by me herein, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the foregoing, I acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however, that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding.

6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that

without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event that I should bring a Claim seeking damages against the Company, or in the event that I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. I further agree that I am not aware of any pending Claim, or of any facts that could give rise to a Claim, of the type described in paragraph 2 as of the execution of this General Release.

7. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

8. I agree that I will forfeit all amounts payable by the Company pursuant to the Agreement if I challenge the validity of this General Release. I also agree that if I violate this General Release by suing the Company or the other Released Parties with respect to Claims released by me herein, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees, and return all payments received by me pursuant to the Agreement on or after the termination of my employment. I further agree that if I materially violate any of my post-employment obligations under Sections 6 or 7 of the Agreement, I will also forfeit any cash severance amounts payable by the Company pursuant to either Section 10(d) or Section 10(e) of the Agreement, as applicable, other than the Accrued Benefits, and will return any such sums already paid, on an after-tax basis, to the Company; provided that no such payments shall be subject to forfeiture and/or repayment unless the Company has provided me with written notice of the events giving rise to such forfeiture and/or repayment and I have not ceased to engage in such activities within fifteen (15) days of my receipt of such written notice.

9. I agree that this General Release is confidential and agree not to disclose any information regarding the terms of this General Release, except to my immediate family and any tax, legal or other counsel that I have consulted regarding the meaning or effect hereof (and I will instruct each of the foregoing not to disclose the same to anyone) or as required by law or to the extent reasonably necessary in connection with any dispute between me and the Company regarding this General Release or the Agreement.

10. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or any other self-regulatory organization or governmental entity.

11. I hereby acknowledge that Sections 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 23, 24 and 25 of the Agreement shall survive my execution of this General Release.

12. I represent that I am not aware of any Claim by me, and I acknowledge that I may hereafter discover Claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 2 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it.

13. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.

14. Whenever possible, each provision of this General Release shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. This General Release constitutes the complete and entire agreement and understanding among the parties, and supersedes any and all prior or contemporaneous agreements, commitments, understandings or arrangements, whether written or oral, between or among any of the parties, in each case concerning the subject matter hereof.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

- (i) I HAVE READ IT CAREFULLY;
- (ii) I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED, THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990 AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;
- (iii) I VOLUNTARILY CONSENT TO EVERYTHING IN IT;
- (iv) I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION,
- (v) I HAVE HAD AT LEAST [21][45] DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT AND THE CHANGES MADE SINCE MY RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT RESTART THE REQUIRED [21][45]-DAY PERIOD;

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- (vi) I UNDERSTAND THAT I HAVE SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED; AND
 - (vii) I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT.

SIGNED: _____

DATE: _____

LSB INDUSTRIES, INC.

(2016 Long Term Incentive Plan)RESTRICTED STOCK AGREEMENT

THIS RESTRICTED STOCK AGREEMENT (this “**Agreement**”) is effective as of _____, 20____ (the “**Grant Date**”), by and between LSB INDUSTRIES, INC., a Delaware corporation (the “**Company**”), and _____ (the “**Participant**”). For valuable consideration, the Company and the Participant agree as follows.

1. **Background.** The Participant is an employee, officer or director of the Company or an Affiliate pursuant to that certain Employment Agreement, by and between the Company and the Participant, dated as of _____ (the “**Employment Agreement**”), whom the Committee has selected to receive an award under the Company’s 2016 Long Term Incentive Plan (as may be amended from time to time, the “**Plan**”). The purpose of the award is to retain and motivate the Participant by providing the Participant the opportunity to acquire a proprietary interest in the Company and to link the Participant’s interests and efforts to the long-term interests of the Company’s shareholders.

2. **Restricted Stock Grant.** Subject to the terms of the Plan and of this Agreement, the Company hereby grants to the Participant _____ shares of the Company’s Stock, subject to certain restrictions thereon (the “**Restricted Stock**”).

3. **Restrictions; Forfeiture.** The Restricted Stock is restricted in that it may not be sold, transferred or otherwise alienated or hypothecated until the restrictions enumerated in this Agreement and the Plan are removed or expire as contemplated in Section 4 of this Agreement. The Restricted Stock is also restricted in the sense that it may be forfeited to the Company (the “**Forfeiture Restrictions**”). Except as otherwise provided in Section 4, if the Participant’s service relationship with the Company or any of its subsidiaries is terminated for any reason, then those shares of Restricted Stock for which the restrictions have not lapsed as of the Participant’s Date of Termination (as defined in the Employment Agreement) shall become null and void and those shares of Restricted Stock shall be forfeited to the Company. The Restricted Stock for which the restrictions have lapsed as of the Participant’s Date of Termination shall not be forfeited to the Company. The Participant hereby agrees that if the Restricted Stock is forfeited, the Company shall have the right to deliver the Restricted Stock to the Company’s transfer agent for, at the Company’s election, cancellation or transfer to the Company.

4. **Vesting.**

4.1 The restrictions on the Restricted Stock granted pursuant to this Agreement will expire, and the Restricted Stock will become transferable, and nonforfeitable as to one-third of the Restricted Stock on each of the first three anniversaries of the Grant Date, such that 100% of the shares of Restricted Stock shall be vested on the third anniversary of the Grant Date; provided, however, that, except as otherwise provided in Section 4.2 of this Agreement, the Restricted Stock will vest on such dates only if the Participant remains in the employ of or a service provider to the Company or its subsidiaries continuously from the Grant Date through the applicable vesting date.

4.2 Notwithstanding Section 4.1 of this Agreement, provided that (i) the Participant remains in the employ of or as a service provider to the Company or its subsidiaries continuously from the Grant Date until immediately prior to the occurrence of any of the events listed below and (ii) the Participant holds Restricted Stock granted pursuant to this Agreement at such time, then:

- 4.2.1 in connection with a Change of Control, the Restricted Stock granted hereunder may be assumed or substituted pursuant to Section 8(f)(v)(x) of the Plan for a Replacement Award (as defined below), in which case the Restricted Stock will continue to vest in

accordance with Section 4.1 of this Agreement, subject to the terms of this Section 4.2; provided that if a Replacement Award is issued hereby and following such Change of Control, the equity securities underlying the Replacement Award cease to be publicly traded on an established securities market, all such Replacement Awards shall vest in full immediately prior to such equity securities ceasing to be publicly traded on an established securities market;

- 4.2.2 if the Restricted Stock granted hereunder is not assumed or substituted in connection with a Change of Control for a Replacement Award, all shares of Restricted Stock shall automatically vest in full upon a Change of Control;
- 4.2.3 all shares of Restricted Stock shall automatically vest in full if the Participant's employment or service is terminated by the Company without Cause, by the Participant for Good Reason or upon a Company Notice of Non-Renewal (each as defined in the Employment Agreement) and such Date of Termination occurs either (x) within 90 days prior to the date a definitive agreement is executed which results in a Change of Control within 180 days after the date such definitive agreement is executed or (y) on or within 180 days after the date a definitive agreement is executed which results in a Change of Control within 180 days after the date such definitive agreement is executed;
- 4.2.4 all shares of Restricted Stock (other than the Replacement Awards) that are scheduled to vest pursuant to the vesting schedule set forth in Section 4.1 of this Agreement during the 18-month period following the Participant's Date of Termination shall automatically vest in full upon a termination of the Participant's employment by the Company without Cause, by the Participant for Good Reason or upon a Company Notice of Non-Renewal, in each case, that occurs prior to a Change of Control, and all remaining shares of Restricted Stock shall remain outstanding and eligible to vest pursuant to Section 4.2.3 of this Agreement, but shall be immediately forfeited when, under the terms of Section 4.2.3 of this Agreement, vesting can no longer occur;
- 4.2.5 a pro-rata portion of the Restricted Stock or the Replacement Awards, as applicable, shall automatically vest upon the Participant's Date of Termination by reason of death or Disability (as defined in the Employment Agreement) with such pro-rata portion calculated by multiplying the number of shares of Restricted Stock or Replacement Awards scheduled to vest on the anniversary of the Grant Date immediately succeeding such Date of Termination by a fraction, the numerator of which is the number of days that have elapsed from the last anniversary of the Grant Date (or if such Date of Termination occurs prior to the first anniversary of the Grant Date, then the number of days that have elapsed from the Grant Date) through the Participant's Date of Termination and the denominator of which shall be 365; and/or
- 4.2.6 all shares of Replacement Awards shall automatically vest in full upon a termination of the Participant's employment or service by the Company without Cause, by the Participant for Good Reason or upon a Company Notice of Non-Renewal.

The occurrence of any of the events listed in this Section 4.2 shall be determined by the Committee in its sole and absolute discretion.

For purposes of this Agreement, "**Replacement Award**" means a substantially equivalent award of restricted stock of common stock that is publicly traded on an established securities market with substantially equivalent terms and conditions as the Restricted Stock, including vesting terms and dividend rights, as determined by the Committee, issued by the surviving or successor company or a parent or subsidiary of such company.

5. Escrow of Restricted Stock. The Company shall evidence the Restricted Stock in the manner that it deems appropriate, including, without limitation, certificating the Restricted Stock or evidencing the Restricted Stock in book entry form, electronic or otherwise. The Company may issue in the Participant's name a certificate or certificates representing the Restricted Stock and retain that certificate or those certificates until the restrictions on such Restricted Stock expire, as contemplated in Section 4 of this Agreement, or the Restricted Stock is forfeited, as described in Section 3 of this Agreement. If the Company certificates the Restricted Stock, the Participant shall execute one or more stock powers in blank for those certificates and deliver those stock powers to the Company. The Company shall hold the Restricted Stock and the related stock powers pursuant to the terms of this Agreement, if applicable, until such time as (a) a certificate or certificates for the Restricted Stock are delivered to the Participant, (b) the Restricted Stock is otherwise transferred to the Participant free of restrictions, or (c) the Restricted Stock is canceled and forfeited pursuant to this Agreement.

6. Ownership of Restricted Stock. From and after the Grant Date, the Participant will be entitled to all the rights of absolute ownership of the Restricted Stock granted under this Agreement, including the right to vote those shares; provided, however, that any dividends paid by the Company with respect to the Restricted Stock prior to the expiration of the Forfeiture Restrictions shall be held in escrow by the Company and paid to the Participant, if at all, at the time the Forfeiture Restrictions expire on the Restricted Stock for which the dividend accrued; provided, further, that in no event shall dividends be settled later than 45 days following the date on which the Forfeiture Restrictions expire with respect to the Restricted Stock for which the dividends were accrued. For purposes of clarity, if the Restricted Stock is forfeited by the Participant pursuant to the terms of this Agreement then the Participant shall also forfeit the dividends, if any, accrued with respect to such forfeited Restricted Stock. No interest will accrue on the dividends between the declaration and settlement of the dividends.

7. Delivery of Stock. Promptly following the expiration of the restrictions on the Restricted Stock as contemplated in Section 4 of this Agreement, the Company shall cause to be issued and delivered to the Participant or the Participant's designee a certificate or other evidence of the number of whole shares of Restricted Stock as to which restrictions have lapsed, free of any restrictive legend relating to the lapsed restrictions, upon receipt by the Company of any tax withholding as may be requested pursuant to Section 8 of this Agreement. The value of such Restricted Stock shall not bear any interest, and the Company shall not have any liability to the Participant other than to deliver the Restricted Stock and associated dividends, if any, because of the passage of time or any delay in delivery.

8. Payment of Taxes. The Company may require the Participant to pay to the Company (or the Company's subsidiary if the Participant is an employee of a subsidiary of the Company), an amount the Company deems necessary to satisfy its (or its subsidiary's) current or future obligation to withhold federal, state and local income or other taxes that the Participant incurs as a result of the vesting of the Restricted Stock. With respect to any required tax withholding, the Participant may (a) direct the Company to withhold from the shares of Stock to be issued to the Participant under this Agreement the number of shares necessary to satisfy the Company's obligation to withhold taxes, which determination will be based on the shares' Fair Market Value at the time such determination is made; (b) deliver to the Company shares of Stock sufficient to satisfy the Company's tax withholding obligations, based on the shares' Fair Market Value at the time such determination is made; (c) deliver cash to the Company sufficient to satisfy its tax withholding obligations; or (d) satisfy such tax withholding through any combination of (a), (b) and (c). If the Participant desires to elect to use the stock withholding option described in subparagraph (a), the Participant must make the election at the time and in the manner the Company prescribes. If such tax obligations are satisfied under subparagraph (a) or (b), the maximum number of shares of Stock that may be so withheld or surrendered shall be the number of shares of Stock that have an aggregate Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state and local tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment with respect to such Award. The Company, in its discretion, may deny the Participant's request to satisfy its tax withholding obligations using a method described under subparagraph (a), (b), or (d). In the event the Company determines that the aggregate Fair Market Value of the shares of Stock withheld as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then the Participant must pay to the Company, in cash, the amount of that deficiency immediately upon the Company's request.

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9. Leave of Absence. With respect to the Restricted Stock, the Company may, in its sole discretion, determine that if the Participant is on leave of absence for any reason, the Participant will be considered to still be in the employ of, or providing services to, the Company, provided that rights to the Restricted Stock during a leave of absence will be limited to the extent to which those rights were earned or vested when the leave of absence began.
10. Compliance with Securities Law. Notwithstanding any provision of this Agreement to the contrary, the issuance of Stock (including Restricted Stock) will be subject to compliance with all applicable requirements of federal, state, or foreign law with respect to such securities and with the requirements of any stock exchange or market system upon which the Stock may then be listed. No Stock will be issued hereunder if such issuance would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, Stock will not be issued hereunder unless (i) a registration statement under the Securities Act, is at the time of issuance in effect with respect to the shares issued or (ii) in the opinion of legal counsel to the Company, the shares issued may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. **THE PARTICIPANT IS CAUTIONED THAT ISSUANCE OF UNRESTRICTED STOCK UPON THE VESTING OF RESTRICTED STOCK GRANTED PURSUANT TO THIS AGREEMENT MAY NOT OCCUR UNLESS THE FOREGOING CONDITIONS ARE SATISFIED.** The inability of the Company to obtain from any regulatory body having jurisdiction or the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of the Restricted Stock, or unrestricted Stock (upon vesting), will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance hereunder, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company. From time to time, the Committee and appropriate officers of the Company are authorized to take the Securities Actions necessary and appropriate to file required documents with governmental authorities, stock exchanges, and other appropriate Persons to make shares of Stock available for issuance.
11. Certain Defined Terms. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.
12. Anti-dilution. In the event of a stock dividend, stock split, spin-off, combination or exchange of shares, recapitalization, merger, consolidation, distribution to shareholders (other than a normal cash dividend) or other change in the Company's corporate or capital structure, then the Committee shall make proportional adjustments to the Restricted Stock and/or the Plan as described in Section 8 of the Plan.
13. The Plan. The Participant acknowledges receipt of a copy of the Plan, which is attached hereto as Exhibit A, and represents that the Participant is familiar with the terms and provisions of the Plan and hereby accepts the Restricted Stock subject to all such terms and provisions.
14. Employment or Service. Nothing in the Plan or in this Agreement shall confer upon the Participant any right to continued employment or service with the Company or its Affiliates or interfere in any way with the right of the Company and its Affiliates to terminate the Participant's employment or service at any time.
15. Binding Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, trustees, successors and assigns.
16. No Liability for Good Faith Determinations. The Company and the members of the Committee and the Board shall not be liable for any act, omission or determination taken or made in good faith with respect to this Agreement or the Restricted Stock granted hereunder.
17. Execution of Receipts and Releases. Any payment of cash or any issuance or transfer of Stock or property to the Participant or the Participant's legal representative, heir, legatee, or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such Persons hereunder. The Company may require the Participant or the Participant's legal representative, heir, legatee or distributee, as a condition precedent to such payment or issuance, to execute a release and receipt therefor in such form as it shall reasonably determine.

18. Governing Law and Consent to Jurisdiction and Venue. All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Oklahoma, without giving any effect to any conflict of law provisions thereof, except to the extent Oklahoma state law is preempted by federal law. Further, the Participant hereby consents and agrees that state courts located in Oklahoma City, Oklahoma and the United States District Court for the Western District of Oklahoma each shall have personal jurisdiction and proper venue with respect to any dispute between the Participant and the Company arising in connection with the Restricted Shares or this Agreement. In any dispute with the Company, the Participant will not raise, and the Participant hereby expressly waives, any objection or defense to such jurisdiction as an inconvenient forum.

19. Clawback. This Agreement and the Restricted Stock granted hereunder is subject to any written clawback policies of the Company, whether in effect on the Grant Date or adopted, with the approval of the Board, following the Grant Date and either (i) applicable to all senior executives of the Company and their restricted stock awards or (ii) adopted to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and rules promulgated thereunder by the Securities and Exchange Commission or any other applicable laws (whether or not the rights of the Participant may be adversely affected). Any such policy may subject the Restricted Stock and amounts paid or realized with respect to the Restricted Stock to reduction, cancelation, forfeiture or recoupment if certain specified events or wrongful conduct occur, including but not limited to an accounting restatement due to the Company's material noncompliance with financial reporting regulations or other events or wrongful conduct specified in any such clawback policy that the Company determines should apply to the Restricted Stock.

20. Electronic Delivery. The Participant consents to receive documents from the Company and any plan administrator by means of electronic delivery, provided that such delivery complies with applicable law. This consent shall be effective for the entire time that the Participant holds awards granted under the Plan.

21. Entire Agreement. This Agreement constitutes the entire agreement between the Company and the Participant relating to the Restricted Stock. Any previous agreement with respect to this matter is superseded by this Agreement. Unless otherwise provided in the Plan, no term, provision or condition of this Agreement may be modified in any respect except by a writing executed by both of the parties hereto. No Person has any authority to make any representation or promise not set forth in this Agreement. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

[Signature Page Follows]

EXECUTED effective as of the Grant Date.

LSB INDUSTRIES, INC., a Delaware corporation

By: _____
Name: Mark T. Behrman
Title: President and Chief Executive Officer

Participant

LSB INDUSTRIES, INC.

(2016 Long Term Incentive Plan)RESTRICTED STOCK AGREEMENT

THIS RESTRICTED STOCK AGREEMENT (this “**Agreement**”) is effective as of _____, 20____ (the “**Grant Date**”), by and between LSB INDUSTRIES, INC., a Delaware corporation (the “**Company**”), and _____ (the “**Participant**”). For valuable consideration, the Company and the Participant agree as follows.

1. Background. The Participant is an employee, officer or director of the Company or an Affiliate pursuant to that certain Employment Agreement, by and between the Company and the Participant, dated as of December 30, 2018 (the “**Employment Agreement**”), whom the Committee has selected to receive an award under the Company’s 2016 Long Term Incentive Plan (as may be amended from time to time, the “**Plan**”). The purpose of the award is to retain and motivate the Participant by providing the Participant the opportunity to acquire a proprietary interest in the Company and to link the Participant’s interests and efforts to the long-term interests of the Company’s shareholders.
2. Restricted Stock Grant. Subject to the terms of the Plan and of this Agreement, the Company hereby grants to the Participant a target number (“**Target Number**”) _____ shares of the Company’s Stock, subject to certain restrictions thereon (the “**Restricted Stock**”). The portion of the Target Number of Restricted Stock that vests shall be determined based upon the Company’s performance over the period from _____ through _____ (the “**Performance Period**”) evaluated based on the performance metrics and methodology set forth in Annex A.
3. Restrictions: Forfeiture. The Restricted Stock is restricted in that it may not be sold, transferred or otherwise alienated or hypothecated until the restrictions enumerated in this Agreement and the Plan are removed or expire as contemplated in Section 4 of this Agreement. The Restricted Stock is also restricted in the sense that it may be forfeited to the Company (the “**Forfeiture Restrictions**”). Except as otherwise provided in Section 4, if the Participant’s service relationship with the Company or any of its subsidiaries is terminated for any reason, then those shares of Restricted Stock for which the restrictions have not lapsed as of the Participant’s Date of Termination (as defined in the Employment Agreement) shall become null and void and those shares of Restricted Stock shall be forfeited to the Company. The Restricted Stock for which the restrictions have lapsed as of the Participant’s Date of Termination shall not be forfeited to the Company. The Participant hereby agrees that if the Restricted Stock is forfeited, the Company shall have the right to deliver the Restricted Stock to the Company’s transfer agent for, at the Company’s election, cancellation or transfer to the Company.
4. Vesting.
 - 4.1 The Restricted Stock will be subject to the Forfeiture Restrictions unless and until the conditions set forth in Annex A are achieved and the Restricted Stock become vested. Subject to the terms and conditions of this Agreement, the proportion of the Target Number that is earned under this Agreement shall be calculated in accordance with Annex A, as determined by the Committee in its sole discretion. In the event that no Restricted Stock vests pursuant to this Section 4 and the terms of Annex A, the shares of Restricted Stock shall become null and void and shall be forfeited to the Company as of the end of the Performance Period.

4.2 Notwithstanding Section 4.1 of this Agreement, provided that (i) the Participant remains in the employ of or as a service provider to the Company or its subsidiaries continuously from the Grant Date until immediately prior to the occurrence of any of the events listed below and (ii) the Participant holds Restricted Stock granted pursuant to this Agreement at such time, then:

- 4.2.1 if a Change of Control occurs prior to the end of the Performance Period, then the portion of the Target Number that is earned under this Agreement shall be determined by the Committee immediately prior to the Change of Control and shall equal the greater of (x) the Target Number of Restricted Stock and (y) the portion of the Target Number that is earned under this Agreement based on actual performance, as determined in good faith by the Committee prior to a Change of Control by (i) shortening the Performance Period to end on the date of the Change of Control, (ii) adjusting the applicable conditions set forth in Annex A as appropriate based on the shortened Performance Period, and (iii) determining the level of achievement of such conditions set forth in Annex A based on such shortened Performance Period (such earned shares of Restricted Stock, the “CoC Performance Shares”);
- 4.2.2 in connection with a Change of Control, the CoC Performance Shares may be assumed or substituted pursuant to Section 8(f)(v) (x) of the Plan for a Replacement Award (as defined below); provided that the Replacement Award shall vest solely based on the Participant’s continued employment or service through the last day of the original Performance Period; provided further, that if a Replacement Award is issued hereby and following such Change of Control, the equity securities underlying the Replacement Award cease to be publicly traded on an established securities market, all such Replacement Awards shall vest in full immediately prior to such equity securities ceasing to be publicly traded on an established securities market;
- 4.2.3 if the CoC Performance Shares are not assumed or substituted in connection with a Change of Control with a Replacement Award, all CoC Performance Shares shall automatically vest in full upon a Change of Control such that the Participant may participate as a stockholder of the Company in such Change of Control, or, if determined by the Committee in its sole discretion, the value of such CoC Performance Shares may be paid to the Participant in cash (if such payment is intended to comply with Section 409A of the Code) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A of the Code;
- 4.2.4 all shares of Replacement Awards shall automatically vest in full upon a termination of the Participant’s employment or service by the Company without Cause, by the Participant for Good Reason or upon a Company Notice of Non-Renewal (each as defined in the Employment Agreement);
- 4.2.5 the Participant shall be entitled to the CoC Performance Shares if the Participant’s employment or service is terminated by the Company without Cause, by the Participant for Good Reason or upon a Company Notice of Non-Renewal and such Date of Termination occurs either (a) within 90 days prior to the date a definitive agreement is executed which results in a Change of Control within 180 days after the date such definitive agreement is executed or (b) on or within 180 days after the date a definitive agreement is executed which results in a Change of Control within 180 days after the date such definitive agreement is executed, and the value of such CoC Performance Shares may be paid to the Participant in cash (if such payment is intended to comply with Section 409A of the Code) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A of the Code;
- 4.2.6 if the Participant’s employment or service is terminated by reason of death or Disability (as defined in the Employment Agreement) prior to a Change of Control, at the end of the Performance Period (or the date of the consummation of a Change of Control, if earlier, where there is no Replacement Award), the Participant shall vest in a pro-rata portion of the Target Number of Restricted Stock based on actual performance, as determined in good faith by the Committee at the end of the Performance Period (or the date of the consummation of a Change of Control, if earlier) based on the level of achievement of the applicable conditions set forth in Annex A for the Performance

Period, as adjusted pursuant to Section 4.2.1 of this Agreement, with such pro-rata portion calculated by multiplying the Target Number that is earned under this Agreement, if any, by a fraction, the numerator of which is the number of days that have elapsed from the beginning of the Performance Period through the Participant's Date of Termination and the denominator of which shall be the total number of days in the Performance Period (or, if a Change of Control occurs prior to the end of the Performance Period and there is no Replacement Award, the total number of days from the beginning of the Performance Period through the date of the Change of Control); provided, that if there is earlier vesting upon a Change in Control where there is no Replacement Award, the value of the vested Restricted Stock may be paid to the Participant in cash (if such payment is intended to comply with Section 409A of the Code) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A of the Code;

- 4.2.7 a pro-rata portion of the Replacement Awards shall vest upon the Participant's Date of Termination by reason of death or Disability at the end of the Performance Period (or, if earlier, upon a subsequent Change in Control if such vesting complies with Section 409A of the Code), with such pro-rata portion calculated by multiplying the number of Replacement Awards by a fraction, the numerator of which is the number of days that have elapsed from the beginning of the Performance Period through the Participant's Date of Termination and the denominator of which shall be the total number of days in the Performance Period; and/or
- 4.2.8 if the Participant's employment or service is terminated by the Company without Cause, by the Participant for Good Reason or upon a Company Notice of Non-Renewal, in each case, provided that a Change of Control has not occurred prior to such termination of employment or service, the Participant shall vest at the end of the Performance Period (or the date of a Change of Control, if earlier, where there is no Replacement Award) in a pro-rata portion of the Target Number of Restricted Stock, with such pro-rata portion calculated by multiplying (x) the Target Number that is earned under this Agreement, if any, based on actual performance, determined at the end of the Performance Period (or the date of the Change of Control, if earlier) by the Committee in good faith based on the level of achievement of the applicable conditions set forth in Annex A for the Performance Period, as adjusted pursuant to Section 4.2.1 of this Agreement, by (y) a fraction, the numerator of which is the number of days that have elapsed from the beginning of the Performance Period through the Participant's Date of Termination and the denominator of which shall be the total number of days in the Performance Period (or, if a Change of Control occurs prior to the end of the Performance Period and there is no Replacement Award, the total number of days from the beginning of the Performance Period through the date of the Change of Control); provided, that if there is earlier vesting upon a Change in Control where there is no Replacement Award, the value of the vested Restricted Stock may be paid to the Participant in cash (if such payment is intended to comply with Section 409A of the Code) or otherwise in a manner and at the earliest time that is intended to be compliant with Section 409A of the Code.

The occurrence of any of the events listed in this Section 4.2 shall be determined by the Committee in its sole and absolute discretion.

For purposes of this Agreement, "**Replacement Award**" means a substantially equivalent award of restricted stock or restricted stock unit of common stock that is publicly traded on an established securities market with substantially equivalent terms and conditions as the CoC Performance Shares, including vesting terms and dividend rights, as determined by the Committee, issued by the surviving or successor company or a parent or subsidiary of such company.

5. Escrow of Restricted Stock. The Company shall evidence the Target Number of Restricted Stock in the manner that it deems appropriate, including, without limitation, certificating the Restricted Stock or evidencing the Restricted Stock in book entry form, electronic or otherwise. The Company may issue in the Participant's name a certificate or certificates representing the Restricted Stock and retain that certificate or those certificates until the restrictions on such Restricted Stock expire, as contemplated in Section 4 of this Agreement, or the Restricted Stock is forfeited, as described in Section 3 of this Agreement. If the Company certificating the Restricted Stock, the Participant shall execute one or more stock powers in blank for those certificates and deliver those stock powers to the Company. The Company shall hold the Restricted Stock and the related stock powers pursuant to the terms of this Agreement, if applicable, until such time as (a) a certificate or certificates for the Restricted Stock are delivered to the Participant, (b) the Restricted Stock is otherwise transferred to the Participant free of restrictions, or (c) the Restricted Stock is canceled and forfeited pursuant to this Agreement.

6. Ownership of Restricted Stock. From and after the Grant Date, the Participant will be entitled to all the rights of absolute ownership of the Target Number of Restricted Stock granted under this Agreement, including the right to vote those shares; provided, however, that any dividends paid by the Company with respect to the Target Number of Restricted Stock prior to the expiration of the Forfeiture Restrictions shall be held in escrow by the Company and paid to the Participant, if at all, at the time the Forfeiture Restrictions expire on the Restricted Stock for which the dividend accrued; provided, further, that in no event shall dividends be settled later than 45 days following the date on which the Forfeiture Restrictions expire with respect to the Restricted Stock for which the dividends were accrued. For purposes of clarity, if the Restricted Stock is forfeited by the Participant pursuant to the terms of this Agreement then the Participant shall also forfeit the dividends, if any, accrued with respect to such forfeited Restricted Stock. No interest will accrue on the dividends between the declaration and settlement of the dividends.

7. Delivery of Stock. Promptly following the expiration of the restrictions on the Restricted Stock as contemplated in Section 4 of this Agreement, the Company shall cause to be issued and delivered to the Participant or the Participant's designee a certificate or other evidence of the number of whole shares of Restricted Stock, as determined pursuant to Section 4.1, as to which restrictions have lapsed, free of any restrictive legend relating to the lapsed restrictions, upon receipt by the Company of any tax withholding as may be requested pursuant to Section 8 of this Agreement. The value of such Restricted Stock shall not bear any interest, and the Company shall not have any liability to the Participant other than to deliver the Restricted Stock and associated dividends, if any, because of the passage of time or any delay in delivery.

8. Payment of Taxes. The Company may require the Participant to pay to the Company (or the Company's subsidiary if the Participant is an employee of a subsidiary of the Company), an amount the Company deems necessary to satisfy its (or its subsidiary's) current or future obligation to withhold federal, state and local income or other taxes that the Participant incurs as a result of the vesting of the Restricted Stock. With respect to any required tax withholding, the Participant may (a) direct the Company to withhold from the shares of Stock to be issued to the Participant under this Agreement the number of shares necessary to satisfy the Company's obligation to withhold taxes, which determination will be based on the shares' Fair Market Value at the time such determination is made; (b) deliver to the Company shares of Stock sufficient to satisfy the Company's tax withholding obligations, based on the shares' Fair Market Value at the time such determination is made; (c) deliver cash to the Company sufficient to satisfy its tax withholding obligations; or (d) satisfy such tax withholding through any combination of (a), (b) and (c). If the Participant desires to elect to use the stock withholding option described in subparagraph (a), the Participant must make the election at the time and in the manner the Company prescribes. If such tax obligations are satisfied under subparagraph (a) or (b), the maximum number of shares of Stock that may be so withheld or surrendered shall be the number of shares of Stock that have an aggregate Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state and local tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment with respect to such Award. The Company, in its discretion, may deny the Participant's request to satisfy its tax withholding obligations using a method described under subparagraph (a), (b), or (d). In the event the Company determines that the aggregate Fair Market Value of the shares of Stock withheld as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then the Participant must pay to the Company, in cash, the amount of that deficiency immediately upon the Company's request.

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9. Leave of Absence. With respect to the Restricted Stock, the Company may, in its sole discretion, determine that if the Participant is on leave of absence for any reason, the Participant will be considered to still be in the employ of, or providing services to, the Company, provided that rights to the Restricted Stock during a leave of absence will be limited to the extent to which those rights were earned or vested when the leave of absence began.
10. Compliance with Securities Law. Notwithstanding any provision of this Agreement to the contrary, the issuance of Stock (including Restricted Stock) will be subject to compliance with all applicable requirements of federal, state, or foreign law with respect to such securities and with the requirements of any stock exchange or market system upon which the Stock may then be listed. No Stock will be issued hereunder if such issuance would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, Stock will not be issued hereunder unless (i) a registration statement under the Securities Act, is at the time of issuance in effect with respect to the shares issued or (ii) in the opinion of legal counsel to the Company, the shares issued may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. **THE PARTICIPANT IS CAUTIONED THAT ISSUANCE OF UNRESTRICTED STOCK UPON THE VESTING OF RESTRICTED STOCK GRANTED PURSUANT TO THIS AGREEMENT MAY NOT OCCUR UNLESS THE FOREGOING CONDITIONS ARE SATISFIED.** The inability of the Company to obtain from any regulatory body having jurisdiction or the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of the Restricted Stock, or unrestricted Stock (upon vesting), will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance hereunder, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company. From time to time, the Committee and appropriate officers of the Company are authorized to take the Securities Actions necessary and appropriate to file required documents with governmental authorities, stock exchanges, and other appropriate Persons to make shares of Stock available for issuance.
11. Certain Defined Terms. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.
12. Anti-dilution. In the event of a stock dividend, stock split, spin-off, combination or exchange of shares, recapitalization, merger, consolidation, distribution to shareholders (other than a normal cash dividend) or other change in the Company's corporate or capital structure, then the Committee shall make proportional adjustments to the Restricted Stock and/or the Plan as described in Section 8 of the Plan.
13. The Plan. The Participant acknowledges receipt of a copy of the Plan, which is attached hereto as Exhibit A, and represents that the Participant is familiar with the terms and provisions of the Plan and hereby accepts the Restricted Stock subject to all such terms and provisions.
14. Employment or Service. Nothing in the Plan or in this Agreement shall confer upon the Participant any right to continued employment or service with the Company or its Affiliates or interfere in any way with the right of the Company and its Affiliates to terminate the Participant's employment or service at any time.
15. Binding Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, trustees, successors and assigns.
16. No Liability for Good Faith Determinations. The Company and the members of the Committee and the Board shall not be liable for any act, omission or determination taken or made in good faith with respect to this Agreement or the Restricted Stock granted hereunder.
17. Execution of Receipts and Releases. Any payment of cash or any issuance or transfer of Stock or property to the Participant or the Participant's legal representative, heir, legatee, or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such Persons hereunder. The Company may require the Participant or the Participant's legal representative, heir, legatee or distributee, as a condition precedent to such payment or issuance, to execute a release and receipt therefor in such form as it shall reasonably determine.

18. Governing Law and Consent to Jurisdiction and Venue. All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Oklahoma, without giving any effect to any conflict of law provisions thereof, except to the extent Oklahoma state law is preempted by federal law. Further, the Participant hereby consents and agrees that state courts located in Oklahoma City, Oklahoma and the United States District Court for the Western District of Oklahoma each shall have personal jurisdiction and proper venue with respect to any dispute between the Participant and the Company arising in connection with the Restricted Shares or this Agreement. In any dispute with the Company, the Participant will not raise, and the Participant hereby expressly waives, any objection or defense to such jurisdiction as an inconvenient forum.

19. Clawback. This Agreement and the Restricted Stock granted hereunder is subject to any written clawback policies of the Company, whether in effect on the Grant Date or adopted, with the approval of the Board, following the Grant Date and either (i) applicable to all senior executives of the Company and their restricted stock awards or (ii) adopted to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and rules promulgated thereunder by the Securities and Exchange Commission or any other applicable laws (whether or not the rights of the Participant may be adversely affected). Any such policy may subject the Restricted Stock and amounts paid or realized with respect to the Restricted Stock to reduction, cancelation, forfeiture or recoupment if certain specified events or wrongful conduct occur, including but not limited to an accounting restatement due to the Company's material noncompliance with financial reporting regulations or other events or wrongful conduct specified in any such clawback policy that the Company determines should apply to the Restricted Stock.

20. Electronic Delivery. The Participant consents to receive documents from the Company and any plan administrator by means of electronic delivery, provided that such delivery complies with applicable law. This consent shall be effective for the entire time that the Participant holds awards granted under the Plan.

21. Entire Agreement. This Agreement constitutes the entire agreement between the Company and the Participant relating to the Restricted Stock. Any previous agreement with respect to this matter is superseded by this Agreement. Unless otherwise provided in the Plan, no term, provision or condition of this Agreement may be modified in any respect except by a writing executed by both of the parties hereto. No Person has any authority to make any representation or promise not set forth in this Agreement. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

[Signature Page Follows]

EXECUTED effective as of the Grant Date.

LSB INDUSTRIES, INC., a Delaware corporation

By: _____
Name: Mark T. Behrman
Title: President and Chief Executive Officer

Participant



FOR IMMEDIATE RELEASE

LSB INDUSTRIES, INC. ANNOUNCES CEO TRANSITION

Mark Behrman, Executive Vice President and CFO, named to CEO position

Cheryl Maguire, Vice President of Finance named CFO

OKLAHOMA CITY, OK — January 2, 2019 — LSB Industries, Inc. (NYSE:LXU) (“LSB” or the “Company”) today announced that Dan Greenwell elected not to enter into a new employment agreement and has stepped down from his role as Chairman and Chief Executive Officer. The Board of Directors has appointed Mark Behrman, LSB’s current Executive Vice President and Chief Financial Officer, to serve as the Company’s new President and Chief Executive Officer and join its Board of Directors, effective immediately.

Richard Roedel today was appointed Chairman of the Board of Directors. Additionally, Cheryl Maguire, LSB’s current Vice President of Finance, was promoted to Senior Vice President and Chief Financial Officer.

“We are pleased to welcome Mark and Cheryl into their new roles as CEO and CFO, respectively,” said Richard Roedel, LSB’s Chairman. “The Board of Directors has a strong focus on talent management, and the internal appointments of Mark and Cheryl demonstrate the strength of the existing team. We expect that the promotion of these two experienced company executives will help to ensure a smooth transition into these important leadership roles and drive the continued advancement of the Company’s initiatives to deliver improved financial performance through the increasing reliability of its chemical manufacturing facilities and the continued growth in product sales. Mark brought a wealth of experience when he joined LSB nearly five years ago and has been a critical part of the Company’s progress. He is a seasoned executive with excellent leadership skills, and has built strong relationships with LSB’s employees, customers and shareholders. Cheryl is highly regarded and has an extensive accounting and finance background. Both Mark and Cheryl have been extremely successful over the course of their careers, and they possess the commitment, vision and values to build on our solid foundation and to lead LSB Industries into the future.”

Mr. Roedel continued, “I want to thank Dan for his leadership over the past three years. He led many critical initiatives that have resulted in improved performance of the Company’s three facilities and have positioned LSB well for future improvement in profitability and cash flow. The Board appreciates the progress LSB Industries has made under Dan, and we wish him well in his future endeavors.”

“I’m excited to become LSB’s next CEO,” said Mr. Behrman. “The Company has good potential for profitable growth and I look forward to working with the Board and our talented and dedicated team to build on the solid foundation we have in place. We will continue to execute on our existing strategy to further enhance the value we provide to our customers and shareholders.”

Mr. Behrman continued, “I’ve worked closely with Cheryl for the past three years and am highly confident in her abilities as a talented finance professional with deep expertise and a strong commitment to operational excellence. I’m happy that the Board has endorsed this important promotion, and I look forward to a continued collaboration with Cheryl and other members of the senior leadership team.”

Mr. Behrman has been LSB’s Executive Vice President and Chief Financial Officer since June 2015. He joined LSB in April 2014 as Senior Vice President, Corporate Development. Mr. Behrman had more than 25 years of investment banking experience, prior to joining LSB, and started his career at Paine Webber, Inc. and Drexel Burnham Lambert, Inc. He has been involved with originating, structuring and financing many public and private equity and debt offerings, as well as numerous merger and acquisition and advisory assignments. His industry experience includes chemicals, manufacturing and distribution and business services, among others.

Ms. Maguire has been LSB’s Vice President of Finance since 2016. She joined LSB in November of 2015 as Vice President, Financial Planning and Accounting. She is a strong financial executive who knows the Company well, has worked side-by-side with Mr. Behrman, and is well known to the Board of Directors. As a Certified Public Accountant, Ms. Maguire has extensive experience living and working abroad for such global organizations as LyondellBasell, Petroplus and PricewaterhouseCoopers. She has strong experience in financial planning and analysis, external reporting and GAAP compliance.

About LSB Industries, Inc.

LSB Industries, Inc., headquartered in Oklahoma City, Oklahoma, manufactures and sells chemical products for the agricultural, mining, and industrial markets. The Company owns and operates facilities in Cherokee, Alabama, El Dorado, Arkansas and Pryor, Oklahoma, and operates a facility for a global chemical company in Baytown, Texas. LSB’s products are sold through distributors and directly to end customers throughout the United States. Additional information about the Company can be found on its website at www.lsbindustries.com.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identifiable by use of the words “may,” “believe,” “expect,” “intend,” “plan to,” “estimate,” “project” or similar expressions, and include but are not limited to: financial performance improvement; view on sales to mining customers; estimates of consolidated depreciation and amortization and future Turnaround expenses; our expectation of production consistency and enhanced reliability at our Facilities; our projections of trends in the fertilizer market; improvement of our financial and operational performance; our planned capital expenditures for; reduction of SG&A expenses; volume outlook and our ability to complete plant repairs as anticipated.

Investors are cautioned that such forward-looking statements are not guarantees of future performance and involve risk and uncertainties. Though we believe that expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectation will prove to be correct. Actual results may differ materially from the forward-looking statements as a result of various factors. These and other risk factors are discussed in the Company's filings with the Securities and Exchange Commission (SEC), including those set forth under "Risk Factors" and "Special Note Regarding Forward-Looking Statements" in our Form 10-K for the year ended December 31, 2017 and, if applicable, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. All forward-looking statements included in this press release are expressly qualified in their entirety by such cautionary statements. We expressly disclaim any obligation to update, amend or clarify any forward-looking statement to reflect events, new information or circumstances occurring after the date of this press release except as required by applicable law.

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The Equity Group Inc.