

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

**Form 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-7677

**LSB Industries, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**3503 NW 63<sup>rd</sup> Street, Suite 500, Oklahoma City, Oklahoma**  
(Address of principal executive offices)

**73-1015226**  
(I.R.S. Employer  
Identification No.)

**73116**  
(Zip Code)

**(405) 235-4546**

(Registrant's telephone number, including area code)

**Not applicable**

(Former name, former address and former fiscal year, if changed since last report.)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, Par Value \$.10</b>	<b>LXU</b>	<b>New York Stock Exchange</b>
<b>Preferred Stock Purchase Rights</b>	<b>N/A</b>	<b>New York Stock Exchange</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The number of shares outstanding of the registrant's common stock was 71,922,085 shares as of April 24, 2026.

FORM 10-Q OF LSB INDUSTRIES, INC.

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**PART I  
FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**LSB INDUSTRIES, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Information at March 31, 2026 is unaudited)**

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	(In Thousands)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 20,641	\$ 19,511
Short-term investments	161,042	128,960
Accounts receivable	52,864	57,609
Allowance for doubtful accounts	(363)	(401)
Accounts receivable, net	52,501	57,208
Inventories:		
Finished goods	20,906	16,705
Raw materials	2,334	1,605
Total inventories	23,240	18,310
Supplies, prepaid items and other:		
Prepaid insurance	8,953	12,588
Precious metals	15,793	14,538
Supplies	34,080	33,399
Other	4,051	5,380
Total supplies, prepaid items and other	62,877	65,905
Assets held for sale	1,000	3,400
Total current assets	321,301	293,294
Property, plant and equipment, net	825,572	833,525
Other assets:		
Operating lease assets	43,416	45,571
Intangible and other assets, net	1,068	1,149
Total other assets	44,484	46,720
Total assets	<u>\$ 1,191,357</u>	<u>\$ 1,173,539</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	62,465	64,514
Short-term financing	7,186	10,686
Accrued and other liabilities	34,143	29,551
Current portion of long-term debt	770	760
Total current liabilities	104,564	105,511
Long-term debt, net	440,433	440,295
Noncurrent operating lease liabilities	35,774	37,668
Other noncurrent accrued and other liabilities	535	535
Deferred income taxes	67,102	69,557
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Common stock, \$.10 par value per share; 150 million shares authorized, 91.2 million shares issued	9,117	9,117
Capital in excess of par value	507,655	506,821
Retained earnings	251,960	232,275
	768,732	748,213
Less treasury stock, at cost:		
Common stock, 19.3 million shares (19.5 million shares at December 31, 2025)	225,783	228,240
Total stockholders' equity	542,949	519,973
Total liabilities and stockholders' equity	<u>\$ 1,191,357</u>	<u>\$ 1,173,539</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

**LSB INDUSTRIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

	Three Months Ended March 31,	
	2026	2025
	(In Thousands, Except Per Share Amounts)	
Net sales	\$ 169,487	\$ 143,432
Cost of sales	133,693	129,048
Gross profit	35,794	14,384
Selling, general and administrative expense	13,825	10,153
Other income, net	(1,187)	(237)
Operating income	23,156	4,468
Interest expense, net	7,117	8,064
Non-operating other income, net	(1,516)	(1,673)
Income (loss) before income taxes	17,555	(1,923)
Benefit for income taxes	(2,130)	(283)
Net income (loss)	\$ 19,685	\$ (1,640)
Net income (loss) per common share:		
Basic:		
Net income (loss)	\$ 0.27	\$ (0.02)
Diluted:		
Net income (loss)	\$ 0.27	\$ (0.02)

See accompanying notes to the unaudited condensed consolidated financial statements.

**LSB INDUSTRIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(Unaudited)**

	Common Stock Shares	Treasury Stock- Common Shares	Common Stock Par Value	Capital in Excess of Par Value  (In Thousands)	Retained Earnings	Treasury Stock- Common	Total
Balance at December 31, 2025	91,168	(19,505)	\$ 9,117	\$ 506,821	\$ 232,275	\$ (228,240)	\$ 519,973
Net income					19,685		19,685
Stock-based compensation				4,788			4,788
Vesting of equity compensation		338		(3,954)		3,954	—
Shares withheld upon vesting of equity compensation		(152)				(1,497)	(1,497)
Balance at March 31, 2026	<u>91,168</u>	<u>(19,319)</u>	<u>\$ 9,117</u>	<u>\$ 507,655</u>	<u>\$ 251,960</u>	<u>\$ (225,783)</u>	<u>\$ 542,949</u>
Balance at December 31, 2024	91,168	(19,528)	\$ 9,117	\$ 504,578	\$ 207,662	\$ (229,717)	491,640
Net (loss)					(1,640)		(1,640)
Stock-based compensation				1,733			1,733
Vesting of equity compensation		369		(4,344)		4,344	—
Shares withheld upon vesting of equity compensation		(133)				(1,170)	(1,170)
Balance at March 31, 2025	<u>91,168</u>	<u>(19,292)</u>	<u>\$ 9,117</u>	<u>\$ 501,967</u>	<u>\$ 206,022</u>	<u>\$ (226,543)</u>	<u>\$ 490,563</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

**LSB INDUSTRIES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
	(In Thousands)	
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ 19,685	\$ (1,640)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Deferred income taxes	(2,455)	(336)
Depreciation and amortization of property, plant and equipment	20,919	20,152
Stock-based compensation	4,788	1,733
Other	(1,215)	159
Cash provided (used) by changes in operating assets and liabilities:		
Accounts receivable	4,745	(13,112)
Inventories	(4,322)	(338)
Prepaid insurance	3,635	4,229
Supplies, prepaid items and other	(1,846)	(1,552)
Accounts payable	1,994	(16,836)
Accrued interest	6,470	7,208
Customer deposits	28	10,211
Other assets and other liabilities	(629)	(3,042)
Net cash provided by operating activities	51,797	6,836
<b>Cash flows from investing activities</b>		
Expenditures for property, plant and equipment	(16,976)	(20,867)
Proceeds from short-term investments	73,819	64,561
Purchases of short-term investments	(105,745)	(49,037)
Other investing activities	3,422	72
Net cash used by investing activities	(45,480)	(5,271)
<b>Cash flows from financing activities</b>		
Payments on other long-term debt	—	(1,624)
Payments on short-term financing	(3,500)	(3,971)
Taxes paid on equity awards	(1,497)	(1,170)
Other financing activities	(190)	—
Net cash used by financing activities	(5,187)	(6,765)
Net increase (decrease) in cash and cash equivalents	1,130	(5,200)
Cash and cash equivalents at beginning of period	19,511	20,230
Cash and cash equivalents at end of period	\$ 20,641	\$ 15,030

See accompanying notes to the unaudited condensed consolidated financial statements.

**LSB INDUSTRIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**1. Summary of Significant Accounting Policies**

All references to “LSB Industries,” “LSB,” the “Company,” “we,” “us,” and “our” refer to LSB Industries, Inc. and its subsidiaries on a consolidated basis, except where the context makes clear that the reference is only to LSB Industries, Inc. itself and not its subsidiaries. The accompanying unaudited condensed consolidated interim financial statements and notes of LSB have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Pursuant to such rules and regulations, certain disclosures normally included in financial statements prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”) have been omitted. The accompanying unaudited condensed consolidated interim financial statements and notes should be read in conjunction with the financial statements and notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 (our “2025 Form 10-K”), filed with the SEC on February 26, 2026. The accompanying unaudited interim financial statements in this report reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the Company’s results of operations and cash flows for the three months ended March 31, 2026 and 2025 and the Company’s financial position as of March 31, 2026.

**Basis of Consolidation** – LSB Industries, Inc. and its subsidiaries are consolidated in the accompanying unaudited condensed consolidated interim financial statements. All intercompany accounts and transactions have been eliminated. Certain prior period amounts reported in our unaudited condensed consolidated interim financial statements and notes thereto have been reclassified to conform to current period presentation.

**Nature of Business** – We are engaged in the manufacture and sale of chemical products. The chemical products we primarily manufacture, market and sell are (i) ammonia and urea ammonia nitrate (“UAN”) for agricultural applications, and (ii) high purity and commercial grade ammonia, high purity ammonium nitrate, sulfuric acids, concentrated, blended and regular nitric acid, mixed nitrating acids, carbon dioxide, and industrial grade ammonium nitrate (“LDAN”) and ammonium nitrate (“AN”) solutions for industrial applications. We manufacture and distribute products in four facilities; three of which we own and are located in El Dorado, Arkansas (the “El Dorado Facility”); Cherokee, Alabama (the “Cherokee Facility”); and Pryor, Oklahoma (the “Pryor Facility”); and one of which we operate on behalf of Covestro LLC in Baytown, Texas.

Our customers include farmers, ranchers, fertilizer dealers and distributors primarily in the ranch land and grain production markets in the United States; industrial users of acids throughout the United States and parts of Canada; and explosives manufacturers in United States and other parts of North America.

**Seasonality** – These interim results are not necessarily indicative of results for a full year due, in part, to the seasonality of our sales of agricultural products and the timing of performing our major plant maintenance activities. Our selling seasons for agricultural products are primarily during the spring and fall planting seasons, which typically extend from March through June and from September through November.

**Use of Estimates** – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Equity Awards** – Equity award transactions with employees are measured based on the estimated fair value of the equity awards issued. For equity awards with only a service condition, the grant date fair value is based on the market price of our common stock and compensation is recognized so long as the service condition is met. For equity awards with simultaneous service, market and performance conditions, the grant date fair value is based on a Monte Carlo simulation, and compensation is recognized so long as the service condition is met and it is probable the performance condition will be achieved without regard to the outcome of the market condition. For equity awards with a service and market condition, the grant date fair value is based on a Monte Carlo simulation, and compensation cost is recognized so long as the service condition is met, without regard to the outcome of the market condition. For equity awards with service conditions that have a graded vesting period, we recognize compensation cost on a straight-line basis over the requisite service period for the entire award. Forfeitures are accounted for as they occur.

On February 10, 2026, we entered into a side letter agreement (the “Side Letter”) with our Chief Executive Officer, Mark T. Behrman, which modifies all of Mr. Behrman’s outstanding equity awards to incorporate qualifying retirement provisions. Pursuant to the Side Letter, upon a qualifying retirement, all of Mr. Behrman’s outstanding time-based restricted stock units (“RSU”) will accelerate and vest in full. Additionally, all outstanding performance-based RSUs will accelerate and vest at the greater of (i) target or (ii) actual performance through the retirement date, as determined by our Compensation Committee of the Board of Directors. For the purposes of the Side Letter, a “qualifying retirement” is defined as a voluntary retirement occurring (i) on or after age 63 with at least five years of service, (ii) more than one year after the applicable grant date, and (iii) absence of any determination by us of grounds for termination for cause. All future equity awards granted to Mr. Behrman shall also include the same qualifying retirement provisions, unless otherwise agreed in writing by us and Mr. Behrman.

**LSB INDUSTRIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

Upon the execution of the Side Letter, Mr. Behrman met the criteria for a qualifying retirement with respect to his equity awards granted in 2024 and 2025. As a result of the shortened amount of time that Mr. Behrman would be required to serve in order to be eligible for vesting, we accelerated recognition of the remaining compensation cost associated with those grants in the amount of \$3.1 million during the first quarter of 2026. The modification impacted the timing of expense recognition for the impacted awards by bringing it forward but did not increase total compensation cost.

**Cash and Cash Equivalents** – Investments, which consist of highly liquid investments with original maturities of three months or less, are considered cash equivalents.

**Short-Term Investments** – Investments, which consist of U.S. treasury securities with remaining maturity at the time of purchase greater than three months but less than 12 months, are considered short-term investments and are classified as Level 1 under the fair value hierarchy. These investments are classified as held to maturity, consistent with our intent to hold these investments to maturity. U.S. treasury bills with remaining maturity at the time of purchase of three months or less are included in cash and cash equivalents. Due to the nature of these investments as U.S. treasury securities, no impairment is anticipated. See “Note 6. Financial Instruments” for more information regarding our short-term investments.

**Accounts Receivable** – Substantially all of our accounts receivable consists of trade receivables from customers. We have recognized an appropriate allowance for estimated uncollectible accounts to reflect any estimate of expected credit losses. Our estimate is based on historical experience and periodic assessment, particularly on accounts that are past due (based upon the terms of the sale). Our periodic assessment is based on our best estimate of amounts that are not recoverable, which includes a present collectability review and forward-looking assessment, where applicable. We write off accounts receivable when we deem them uncollectible and record recoveries of accounts receivable previously written off when received.

**Impairment of Long-Lived Assets** – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (asset group) may not be recoverable. An asset’s fair value must be determined when the carrying amount of an asset (asset group) exceeds the estimated undiscounted future cash flows expected to result from the use of the asset (asset group) and/or its eventual disposition. If assets to be held and used are considered to be impaired, the impairment to be recognized is the amount by which the carrying amounts of the assets exceed the fair values of the assets as measured by the present value of future net cash flows expected to be generated by the assets or their appraised value. In general, our asset groups are reviewed for impairment on a facility-by-facility basis (such as the Cherokee, El Dorado or Pryor Facility) unless it is determined that the asset being evaluated will generate cash flows that are independent from the rest of the facility.

In addition, if the event or change in circumstance relates to the probable sale of an asset (or group of assets), the specific asset (or group of assets) is reviewed for impairment.

For the three months ended March 31, 2026, we recorded asset write-downs in the amount of \$0.3 million. For the three months ended March 31, 2025, we recorded asset write-downs in the amount of \$0.1 million. These asset write-downs are included in “Other (income) expense, net” on our condensed consolidated statements of operations.

**Assets Held For Sale** – In general, assets held for sale are reported at the lower of the carrying amounts of the assets or fair values less costs to sell.

During the third quarter of 2025, we entered into purchase and sale agreements for the disposition of real estate and tangible property for two former agricultural retail locations that had ceased operations. We closed on the sale of the first location on October 20, 2025, and closed on the sale of the second location on February 2, 2026. The aggregate purchase price for the real estate and tangible personal property at both locations was approximately \$4.2 million.

In December 2025, we received an offer with respect to another parcel of land we own, for which we are currently negotiating a purchase and sale agreement. As the offer price was less than the carrying value of the land at the time, we recorded an impairment of \$1.5 million on the parcel of land.

Assets classified as held for sale on the condensed consolidated balance sheet as of March 31, 2026, reflect the net book value of the parcel of land for which a sale is pending.

**Short-Term Financing** – Our short-term financing represents the short-term note related to financing of our insurance premium, which is renewed annually.

**Contingencies** – Certain conditions may exist which may result in a loss, but which will only be resolved when future events occur. We assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. If the assessment of a contingency indicates that it is probable that a loss has been incurred, we accrue for such contingent loss when such loss can be reasonably estimated. If the assessment indicates that a potentially material loss contingency is not probable but reasonably possible, or is probable but cannot be estimated, the nature of the contingent liability, together with an estimate of the range of possible loss if

**LSB INDUSTRIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

determinable and material, would be disclosed. Estimates of potential legal fees and other directly related costs associated with contingencies are not accrued but rather are expensed as incurred. Loss contingency liabilities are included in current and noncurrent accrued and other liabilities and are based on current estimates that may be revised in the near term. In addition, we recognize contingent gains when such gains are realized or when the contingencies have been resolved (generally at the time a settlement has been reached).

**Derivatives, Hedges and Financial Instruments** – In order to mitigate a portion of the commodity price risk associated with natural gas, which we utilize in our manufacturing process, we periodically enter into natural gas forward contracts or volume purchase commitments. Such contracts are required to be accounted for as derivatives under applicable accounting guidance unless they are eligible for and we elect the normal purchase normal sale (“NPNS”) exception. We are eligible for the NPNS exception when these contracts provide for the purchase of natural gas that will be delivered in quantities expected to be used over a reasonable period of time in the normal course of business and are documented as such. In the event that we have natural gas derivatives that we do not elect or do not qualify for the NPNS exception, we would account for such contracts as derivatives by recognizing them in the balance sheet at fair value with changes in fair value recognized in the statement of operations. Such derivatives are not designated as hedges for accounting purposes.

Assets and liabilities measured at fair value are classified using the following hierarchy, which is based upon the transparency of inputs to the valuation as of the measurement date:

**Level 1** - Valuations of contracts classified as Level 1 are based on quoted prices in active markets for identical contracts.

**Level 2** - Valuations of contracts classified as Level 2 are based on quoted prices for similar contracts and valuation inputs other than quoted prices that are observable for these contracts.

**Level 3** - Valuations of assets and liabilities classified as Level 3 are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

**Leases** – We are the lessee in most of the lease arrangements we enter into. We determine if an arrangement is a lease at inception or modification of a contract and classify each lease as either an operating or finance lease based on the terms of the contract. We reassess lease classification subsequent to commencement upon a change to the expected lease term or a modification to the contract. A contract contains a lease if the contract conveys the right to control the use of the identified property or equipment, explicitly or implicitly, for a period of time in exchange for consideration. Control of an underlying asset is conveyed if we obtain the rights to direct the use of and obtain substantially all of the economic benefit from the use of the underlying asset.

An operating lease asset represents our right to use the underlying asset as a lessee for the lease term and an operating lease liability represents our obligation to make lease payments arising from the lease. Currently, most of our leases are classified as operating leases and primarily relate to railcars, other equipment and office space. Our leases that are classified as finance leases primarily relate to railcars. Variable payments are excluded from the present value of lease payments and are recognized in the period in which the payment is made. Our current leases do not contain residual value guarantees. Most of our leases do not include options to extend or terminate the lease prior to the end of the term. Leases with a term of 12 months or less are not recognized in the balance sheet.

As a lessee, we use our incremental borrowing rate based on the lease term and other information available at the commencement date in determining the present value of lease payments. Lease expense is recognized on a straight-line basis over the applicable lease term.

From time to time when we have excess freight capacity, we may sublease a portion of our railcars fleet on a short-term basis to other parties. The income from these subleases is recorded as a component of “Other income, net” in our condensed consolidated statements of operations. For the three months ended March 31, 2026 and 2025, sublease income was not material.

As of March 31, 2026, we had an executed operating lease for railcars with a lease that has not yet commenced. The lease has a term greater than one year, with aggregate lease payments of approximately \$10.2 million.

**Recently Adopted Accounting Pronouncements**

**ASU 2025-05** - In July 2025, the Financial Accounting Standards Board (“FASB”) issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurements of Credit Losses for Accounts Receivable and Contract Assets* (“ASU 2025-05”). The amendments in this ASU provide a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from our sales transactions. The practical expedient permits us to assume current conditions as of the balance sheet date that do not change for the remaining life of the current accounts receivable and current contract assets. Public business entities are not permitted to elect the optional accounting policy to consider subsequent cash collections. We adopted ASU 2025-05 on January 1, 2026, on a prospective basis. The adoption did not have a material impact on our condensed consolidated financial statements. No changes were made to our credit-loss estimation methodologies.

**LSB INDUSTRIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**Recently Issued Accounting Pronouncements**

**ASU 2024-03** - In November 2024, the FASB issued Accounting Standards Update (“ASU”) 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires an entity to disclose the amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each relevant expense caption. It also requires an entity to include certain amounts that are already required to be disclosed under current U.S. GAAP in the same disclosure. Additionally, it requires an entity to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and to disclose the total amount of selling expenses and, in annual reporting periods, an entity’s definition of selling expenses. The amendments in the ASU are effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. An entity may apply the amendments prospectively for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. While we are currently evaluating the effect of adopting this ASU on the disclosures in our financial statements, we do not expect this ASU to impact our financial condition and results of operations.

**ASU 2025-11** - In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*. The update provides clarifications intended to improve the consistency and usability of interim disclosure requirements, including a comprehensive listing of required interim disclosures and a new disclosure principle for reporting material events occurring after the most recent annual period. The amendments do not change the underlying objectives of interim reporting but are designed to enhance clarity in application. The guidance is effective for us beginning in the fiscal year ending December 31, 2027, including interim periods within those fiscal years. While we are currently evaluating the effect of adopting this ASU on the disclosures in our financial statements, we do not expect this ASU to impact our financial condition and results of operations.

Changes to U.S. GAAP are established by the FASB in the form of ASUs to the FASB’s Accounting Standards Codification. We considered all ASUs issued and outstanding or that became effective since January 1, 2026 through the date of these financial statements and determined them not to be applicable or materially impact our financial statements other than those ASUs specifically addressed above.

**2. Net Income (Loss) per Common Share**

	Three Months Ended March 31,	
	2026	2025
	(In Thousands, Except Per Share Amounts)	
<b>Numerator:</b>		
Net income (loss)	\$ 19,685	\$ (1,640)
Numerator for basic and diluted net income (loss) per common share	\$ 19,685	\$ (1,640)
<b>Denominator:</b>		
Denominator for basic net income (loss) per common share - adjusted weighted-average shares	72,077	71,837
Effect of dilutive securities:		
Unvested restricted stock and stock units	988	—
Dilutive potential common shares	988	—
Denominator for diluted net income (loss) per common share - adjusted weighted-average shares	73,065	71,837
Basic net income (loss) per common share	\$ 0.27	\$ (0.02)
Diluted net income (loss) per common share	\$ 0.27	\$ (0.02)

**LSB INDUSTRIES, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

The following securities were not included in the computation of diluted net income (loss) per common share as their effect would have been antidilutive:

	Three Months Ended March 31,	
	2026	2025
Restricted stock and stock units	263,446	2,030,647
	<u>263,446</u>	<u>2,030,647</u>

**3. Accrued and Other Liabilities**

	March 31, 2026	December 31, 2025
	(In Thousands)	
Accrued interest	\$ 12,563	\$ 5,711
Current portion of operating lease liabilities	7,716	7,976
Accrued payroll and benefits	6,980	9,896
Other	7,419	6,503
	<u>34,678</u>	<u>30,086</u>
Less noncurrent portion	535	535
Current portion of accrued and other liabilities	<u>\$ 34,143</u>	<u>\$ 29,551</u>

**4. Long-Term Debt**

Our long-term debt consists of the following:

	March 31, 2026	December 31, 2025
	(In Thousands)	
Revolving Credit Facility (A)	\$ —	\$ —
Senior Secured Notes due 2028, with an interest rate of 6.25% (B)	438,580	438,580
Finance Leases (C)	6,046	6,233
Unamortized debt issuance costs <sup>(1)</sup>	(3,423)	(3,758)
	<u>441,203</u>	<u>441,055</u>
Less current portion of long-term debt	770	760
Long-term debt due after one year, net	<u>\$ 440,433</u>	<u>\$ 440,295</u>

(1) Debt issuance costs as of March 31, 2026 and December 31, 2025 of approximately \$0.4 million and \$0.5 million, respectively, relating to our Revolving Credit Facility (defined below) are not included in Unamortized debt issuance costs. Such costs are included in our condensed consolidated balance sheet in "Intangible and other assets, net."

(A) The revolving credit facility pursuant to a credit agreement, dated December 21, 2023, between us, the lenders identified on the signature pages thereof and JPMorgan Chase Bank, N.A, as administrative agent (the "Revolving Credit Facility"), provides for borrowings up to an initial maximum of \$75 million, with an option to increase the maximum by an additional \$25 million (which amount is uncommitted). Availability under the Revolving Credit Facility is subject to a borrowing base and is also subject to an availability block of \$7.5 million (which can be removed by us at our sole discretion, subject to the satisfaction of certain conditions) (the "Availability Block"). The Availability Block is applied against the \$75 million maximum. The Revolving Credit Facility provides for a sub-facility for the issuance of letters of credit in an aggregate amount not to exceed \$10 million, with the outstanding amount of any such letters of credit reducing availability for borrowings. As of March 31, 2026, our Revolving Credit Facility was undrawn and had approximately \$59 million of availability, based on our eligible collateral.

The Revolving Credit Facility matures on December 21, 2028, subject to springing maturity to the date that is 90 days prior to the stated maturity date of our existing Senior Secured Notes (defined below), which is currently October 15, 2028 (unless such Senior Secured Notes have been repaid or redeemed in full prior thereto). Borrowings outstanding under the Revolving Credit Facility will bear interest at a rate per annum equal to, at our option, either (a) term Secured Overnight Financing Rate ("SOFR") for a period of one month (with a fallback to the prime rate if such rate is unavailable), plus 0.10%, plus an applicable margin of 1.625% or (b) term SOFR for a period of one, three or six months (at our election), plus 0.10%, plus an applicable margin of 1.625%, in each case with a floor of 0.00%.

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LSB Industries, Inc. and all of its subsidiaries (collectively, the “Borrowers”) are co-borrowers under the Revolving Credit Facility. Obligations under the Revolving Credit Facility are secured by a first priority security interest in substantially all of our current assets, including accounts receivable and inventory, subject to certain exceptions.

The Revolving Credit Facility contains a financial covenant, which requires that, solely if we elect to remove the Availability Block, then the Borrowers must maintain a minimum fixed charge coverage ratio of not less than 1.00:1.00. The financial covenant, if triggered, is tested monthly. The financial covenant was not triggered as of March 31, 2026.

- (B) We previously issued at par an aggregate total of \$700 million principal value of our Senior Secured Notes due 2028 (“Senior Secured Notes”). The Senior Secured Notes, which mature in October 2028, bear interest at a rate of 6.25% paid in arrears on May 15 and October 15 of each year. From time to time, we have engaged in open market repurchases to extinguish a portion of the outstanding balance. We did not repurchase any of our Senior Secured Notes during the three months ended March 31, 2026 or 2025.
- (C) Finance leases consist primarily of leases on railcars.

## 5. Commitments and Contingencies

**Outstanding Natural Gas Purchase Commitments** – Certain of our natural gas contracts qualify for the NPNS exception under U.S. GAAP and thus are not financial instruments for which we mark-to-market. At March 31, 2026, these contracts included volume purchase commitments with fixed prices of approximately 0.7 million MMBtus of natural gas that cover a period from April 2026 through June 2026. The weighted-average fixed price of the natural gas covered by these contracts was \$2.84 per MMBtu, for a total of \$1.9 million. Based on market prices at March 31, 2026, the weighted-average price of the fixed contracts was \$2.64 per MMBtu, for a total of \$1.7 million. From time to time, when we exceed the funding threshold in our natural gas purchase commitments, we are required to fund cash collateral to our counterparty. As of March 31, 2026, we had no counterparty cash collateral funding requirements.

**Legal Matters** - The following is a summary of certain legal matters involving the Company:

### A. Environmental Matters

Our facilities and operations are subject to numerous federal, state and local environmental laws and to other laws regarding health and safety matters (collectively, the “Environmental and Health Laws”), many of which provide for certain performance obligations, substantial fines and criminal sanctions for violations. Certain Environmental and Health Laws impose strict liability as well as joint and several liability for costs required to remediate and restore sites where hazardous substances, hydrocarbons or solid wastes have been stored or released. We may be required to remediate contaminated properties currently or formerly owned or operated by us or facilities of third parties that received waste generated by our operations regardless of whether such contamination resulted from the conduct of others or from consequences of our own actions that were in compliance with all applicable laws at the time those actions were taken.

In addition, claims for damages to persons or property, including natural resources, may result from the environmental, health and safety effects of our operations.

There can be no assurance that we will not incur material costs or liabilities in complying with such laws or in paying fines or penalties for violation of such laws. Our insurance may not cover all environmental risks and costs or may not provide sufficient coverage if an environmental claim is made against us. The Environmental and Health Laws and related enforcement policies have in the past resulted and could in the future result, in significant compliance expenses, cleanup costs (for our sites or third-party sites where our wastes were disposed of), penalties or other liabilities relating to the handling, manufacture, use, emission, discharge or disposal of hazardous or toxic materials at or from our facilities or the use or disposal of certain of its chemical products. Further, a number of our facilities are dependent on environmental permits to operate, the loss or modification of which could have a material adverse effect on their operations and our financial condition.

Historically, significant capital expenditures have been incurred by our subsidiaries in order to comply with the Environmental and Health Laws and significant capital expenditures are expected to be incurred in the future. We will also be obligated to manage certain discharge water outlets and monitor groundwater contaminants at our facilities should we discontinue the operations of a facility.

As of March 31, 2026, our accrued liabilities for environmental matters totaled approximately \$0.4 million relating primarily to the matters discussed below. Estimates of the most likely costs for our environmental matters are generally based on preliminary or completed assessment studies, preliminary results of studies, or our experience with other similar matters. It is reasonably possible that a change in the estimate of our liability could occur in the near term.

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**1. Discharge Water Matters**

Each of our manufacturing facilities generates process wastewater, which may include cooling tower and boiler water quality control streams, contact storm water and miscellaneous spills and leaks from process equipment. The process water discharge, storm-water runoff and miscellaneous spills and leaks are governed by various permits generally issued by the respective state environmental agencies as authorized and overseen by the United States Environmental Protection Agency (the “EPA”). These permits limit the type and volume of effluents that can be discharged and control the method of such discharge.

In 2017, the Company filed a Permit Renewal Application for its Non-Hazardous Injection Well Permit at the Pryor Facility. Although the Injection Well Permit expired in 2018, we continue to operate the injection well in accordance with an executed November 2023 Consent Order with the Oklahoma Department of Environmental Quality (“ODEQ”) that allows for the continued use of the injection well until a wastewater treatment process is designed, built and operational. The Company continues to work with the ODEQ under the terms of the Consent Order. We have identified and selected a wastewater treatment technology using biological processes that can and will treat the nitrogen-containing wastewater streams at our Pryor Facility. We are unable to estimate the costs related to the replacement of the disposal well at this time as we are in the early stages of design for the wastewater treatment process with a wastewater process design engineering firm. We have also commenced preliminary discussions with the ODEQ on permitting the treated wastewater discharges but have not received any confirmation from the ODEQ on their preliminary acceptance of our treated wastewater stream.

In 2006, the Company entered into a Consent Administrative Order (“CAO”) that recognizes the presence of nitrate contamination in the shallow groundwater at our El Dorado Facility. The CAO required us to perform semi-annual groundwater monitoring, continue operation of a groundwater recovery system, submit a human health and ecological risk assessment and submit a remedial action plan. The risk assessment was submitted in 2007. In 2015, the Arkansas Department of Environmental Quality (“ADEQ”) stated that the El Dorado Facility was meeting the requirements of the CAO and should continue semi-annual monitoring. A CAO was signed in 2018, which required an Evaluation Report of the data and effectiveness of the groundwater remedy for nitrate contamination. During 2019, the Evaluation Report was submitted to the ADEQ and the ADEQ approved the report. In August 2023, the Company received a Notice of Violation (“NOV”) for wastewater discharges from our El Dorado Facility. We have been in discussions with the ADEQ about our response to the NOV. The ADEQ provided notice of the cash penalty amount related to the NOV, which amount was not material and was paid in the third quarter of 2025.

**2. Other Environmental Matters**

In 2002, certain of our subsidiaries sold substantially all of their operating assets relating to a Kansas chemical facility (the “Hallowell Facility”) but retained ownership of the real property where the facility is located. Our subsidiary retained the obligation to be responsible for and perform the activities under a previously executed consent order to investigate the surface and subsurface contamination at the real property, develop a corrective action strategy based on the investigation and implement such strategy. In addition, certain of our subsidiaries agreed to indemnify the buyer of such assets for these environmental matters.

As the successor to a prior owner of the Hallowell Facility, Chevron Environmental Management Company (“Chevron”) agreed in writing, within certain limitations, to pay and has been paying one-half of the costs of the investigation and interim measures relating to this matter as approved by the Kansas Department of Health and Environment (the “KDHE”), subject to reallocation.

During this process, our subsidiary and Chevron retained an environmental consultant that prepared and performed a corrective action study work plan as to the appropriate method to remediate the Hallowell Facility. During 2020, the KDHE selected a remedy of annual monitoring and the implementation of an Environmental Use Control (“EUC”). This remedy primarily relates to long-term surface and groundwater monitoring to track the natural decline in contamination and is subject to a periodic review with the KDHE. At this time there is no review scheduled.

The final remedy, including the EUC, the finalization of the cost estimates and any required financial assurances remains under discussion with the KDHE. Pending the results from our discussions regarding the final remedy, we continue to accrue our allocable portion of costs primarily for the additional testing, monitoring and risk assessments that could be reasonably estimated, which amount is included in our accrued liabilities for environmental matters discussed above. The estimated amount is not discounted to its present value. As more information becomes available, our estimated accrual will be refined, as necessary.

**B. Other Pending, Threatened or Settled Litigation**

We are also involved in various other claims and legal actions (including matters involving gain contingencies) in the ordinary course of our business. While it is possible that the actual claims results could differ from our estimates, after consultation with legal counsel, we believe that any such differences will not have a material effect on our business, financial condition, results of operations or cash flows.

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**6. Financial Instruments**

**Natural Gas Contracts**

Periodically, we enter into certain forward natural gas contracts or volume purchase commitments, which are derivatives. We utilize these natural gas contracts as economic hedges for risk management purposes, but the contracts are not designated as hedging instruments. At March 31, 2026 and December 31, 2025, we had no outstanding forward natural gas contracts or volume purchase commitments accounted for as derivatives. When present in the past, the valuations of the natural gas contracts were classified as a Level 2 fair value measurement.

**Financial Instruments**

At March 31, 2026 and December 31, 2025, we did not have any financial instruments with fair values materially different from their carrying amounts (which excludes issuance costs, if applicable) except for our Senior Secured Notes. Fair value of our Senior Secured Notes is classified as a Level 2 fair value measurement while the treasury securities that comprise our cash equivalents and short-term investments are a Level 1 fair value measurement. The fair value of financial instruments is not indicative of the overall fair value of our assets and liabilities since financial instruments do not include all assets, including intangibles, and all liabilities.

	March 31, 2026		December 31, 2025	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(In Millions)			
Senior Secured Notes <sup>(1)</sup>	\$ 439	\$ 435	\$ 439	\$ 436
Short-Term Investments	\$ 161	\$ 161	\$ 129	\$ 129

(1) Based on a quoted price of 99.2 at March 31, 2026 and 99.5 at December 31, 2025. Also see discussion in Note 4 (B).

**7. Income Taxes**

Benefit for income taxes is as follows:

	Three Months Ended March 31,	
	2026	2025
	(In Thousands)	
<b>Current:</b>		
Federal	\$ —	\$ —
State	325	53
Total Current	\$ 325	\$ 53
<b>Deferred:</b>		
Federal	\$ 3,998	\$ (208)
State	(6,453)	(128)
Total Deferred	\$ (2,455)	\$ (336)
Benefit for income taxes	\$ (2,130)	\$ (283)

The income tax benefit for the three months ended March 31, 2026, was \$2.1 million (12.1 % benefit on pre-tax income). The income tax benefit for the three months ended March 31, 2025, was \$0.3 million (14.7% benefit on pre-tax loss). For 2026, the effective tax rate was lower than the statutory tax rate primarily due to the release of state valuation allowances described below, partially offset by nondeductible compensation expense. For 2025, the effective tax rate was lower than the statutory tax rate primarily due to change in valuation allowance and nondeductible compensation, partially offset by state taxes.

We considered both positive and negative evidence in our determination of the need for valuation allowances for deferred tax assets. Information evaluated includes our financial position and results of operations for the current and preceding years, the availability of deferred tax liabilities and tax carrybacks, as well as an evaluation of currently available information about future years. Valuation allowances are reflective of our quarterly analysis of the four sources of taxable income, including the calculation of the reversal of existing tax assets and liabilities, the impact of financing activities and our quarterly results. Based on our analysis, we have determined that it is more-likely-than-not that all of our federal deferred tax assets and a portion of our state deferred tax assets will be utilized.

During the first quarter of 2026, our results of operations and expected results for the remainder of 2026 and future years significantly improved compared to our prior year-end forecast, primarily due to a favorable shift in pricing conditions across our product portfolio resulting from global supply constraints. This improvement supported the inclusion of future taxable income in our quarterly analysis

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of the four sources of taxable income and represented a change in the weight of positive evidence relative to the negative evidence that had existed at year-end. As a result of this change, we recognized a discrete income tax benefit of \$6.2 million during the first quarter of 2026, representing the release of a portion of our beginning-of-year state valuation allowances. Our remaining state valuation allowance of \$7.7 million relates to net operating loss carryforwards and interest expense limitation carryforwards in certain states.

We will continue to evaluate both the positive and negative evidence on a quarterly basis in determining the need for a valuation allowance with respect to our deferred tax assets. Changes in positive and negative evidence, including differences between estimated and actual results, could result in changes in the valuation of our deferred tax assets that could have a material impact on our condensed consolidated financial statements. Changes in existing tax laws could also affect actual tax results and the realization of deferred tax assets over time.

LSB Industries, Inc. and certain of its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state jurisdictions. With few exceptions, the 2022-2025 years remain open for all purposes of examination by the U.S. Internal Revenue Service and other major tax jurisdictions. Additionally, the 2015-2020 years remain subject to examination for determining the amount of net operating loss and other carryforwards.

**8. Net Sales**

***Disaggregated Net Sales***

We primarily derive our revenues from the sales of various chemical products. The Company's net sales disaggregation is consistent with other financial information utilized or provided outside of our condensed consolidated financial statements. Accordingly, this approach is reflected in disaggregated net sales, mirroring how the Company manages its net sales by product through contracts with customers.

The following table presents our net sales disaggregated by our products, which disaggregation is consistent with other financial information utilized or provided outside of our condensed consolidated financial statements:

	Three Months Ended March 31,	
	2026	2025
	(In Thousands)	
Net sales:		
AN & Nitric Acid	\$ 75,347	\$ 57,618
Urea ammonium nitrate (UAN)	49,171	43,865
Ammonia	36,814	33,272
Other	8,155	8,677
Total net sales	\$ 169,487	\$ 143,432

***Other Information***

For our contracts with a duration greater than one year at contract inception, the average remaining expected duration was approximately 36 months at March 31, 2026.

Liabilities associated with contracts with customers (contract liabilities) primarily relate to deferred revenue and customer deposits associated with cash payments received in advance from customers for product shipments.

Our contract liabilities were minimal as of March 31, 2026 and December 31, 2025. For the three months ended March 31, 2026 and 2025, deferred revenues recognized were minimal which were included in the balances as of December 31, 2025 and 2024. Our contract assets consist of unconditional rights to payment from our customers, which are reflected as accounts receivable in our condensed consolidated balance sheets.

For most of our contracts with customers, the transaction price from the inception of a contract is constrained to a short period of time (generally one month) as these contracts contain terms with variable consideration related to both price and quantity. At March 31, 2026, we had remaining performance obligations with certain customer contracts, excluding contracts with original durations of less than one year and for service contracts for which we have elected the practical expedient for consideration recognized in revenue as invoiced. As of March 31, 2026, the remaining performance obligations totaled approximately \$156.2 million, of which approximately 68% relates to 2026 through 2028, approximately 19% relates to 2029 through 2030, with the remainder thereafter.

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**9. Supplemental Cash Flow Information**

The following provides additional information relating to cash flow activities:

	Three Months Ended March 31,	
	2026	2025
	(In Thousands)	
Cash payments (refunds/reduction) for:		
Interest on long-term debt and other	\$ 288	\$ 465
Capitalized interest	\$ (399)	\$ (284)
Income taxes, net	\$ (54)	\$ —
Noncash investing and financing activities:		
Property, plant and equipment acquired and not yet paid at end of period	\$ 20,306	\$ 18,891

**10. Segment**

The Company is managed on a consolidated basis with a single reportable segment, chemical manufacturing, which is not an aggregation of individual operating segments. There have been no changes in the basis of segmentation or in the basis of measurement of segment profit or loss since the filing of our 2025 Form 10-K. Information about reported segment revenue, measures of a segment's profit or loss, significant segment expenses, and measure of a segment's assets:

	Three Months Ended March 31,	
	2026	2025
	(In Thousands)	
Net sales	\$169,487	\$143,432
Less:		
Cost of sales excluding depreciation, amortization and turnaround expense	108,952	106,990
Depreciation and amortization	20,847	20,063
Turnaround expense	3,894	1,995
Total cost of sales	133,693	129,048
Selling, general and administrative		
Wages and benefits	10,335	6,219
Other selling general and administrative	3,490	3,934
Total selling general and administrative	13,825	10,153
Interest expense	7,117	8,064
(Gain) loss from asset write-down and disposals	(1,061)	71
Income tax benefit	(2,130)	(283)
Other segment (income) expense, net (a)	(1,642)	(1,981)
Segment net income (loss)	19,685	(1,640)
Reconciliation of profit or loss		
Adjustments and reconciling items	—	—
Consolidated net income (loss)	\$19,685	\$(1,640)

(a) For the periods presented, amount consisted primarily of interest and sublease income.

The measure of our chemical manufacturing segment assets is reported on the condensed consolidated balance sheet as total assets. Expenditures for long-lived chemical manufacturing segment assets are reported on our condensed consolidated statement of cash flows.

## 11. Subsequent Events

### *Partial Settlement of Global Industrial Matter and Related Claims*

As previously disclosed, since 2016, the Company has been involved in litigation with respect to engineering and procurement contracts related to the construction of the ammonia plant at the El Dorado Facility. On April 2, 2026, the Company, certain of the Company's wholly owned subsidiaries, and Benham Constructors, LLC (f/k/a Leidos Constructors, LLC, f/k/a SAIC Constructors, LLC) ("Benham") entered into a Settlement and Mutual Release Agreement (the "Settlement Agreement"), effective March 26, 2026 ("Settlement Effective Date"), to settle certain claims asserted in the following matters: *Global Industrial, Inc. d/b/a Global Turnaround (Plaintiff) v. Benham Constructors, LLC, et al (Defendants)*, and *LSB Industries, Inc. et al. (Cross-Claimants and Counter Cross-Defendants) v. Benham Constructors, LLC, et al. (Cross-Defendants and Counter Cross-Claimants)*, Union County Circuit Court, Civil Division, Case No. 70CV-16-76 (collectively, the "Action").

Pursuant to the terms of the Settlement Agreement, Benham agreed to pay the Company approximately \$20.9 million within 60 days of the Settlement Effective Date. Subject to the terms of the Settlement Agreement, the Company and Benham agreed to dismiss their respective claims in the Action against each other, with prejudice. In addition to the cash component, the dismissal allows us to reverse \$2.9 million of payables related to this matter. The Settlement Agreement does not include any admission of liability by any party. The settlement is expected to be recorded in the second quarter of 2026 as a reduction in the carrying value of plant, property and equipment, which will reduce depreciation expense on a prospective basis.

The Settlement Agreement does not release or otherwise discharge any claims, rights or remedies the Company has, may have had or may have in the future against Leidos Inc. (f/k/a Science Applications International Corporation) or Leidos Engineering, LLC ("Leidos Engineering"), including its claims for fraud and breach of contract. The Company plans to continue its vigorous prosecution of its filed claims against Leidos Inc. and Leidos Engineering and continues to seek actual and punitive damages in excess of \$300 million. The trial for the Company's claims against Leidos Inc. and Leidos Engineering is scheduled to begin in October 2026. We can provide no assurance as to the ultimate outcome of the pending litigation.

### *Chief Executive Officer One-Time Retention Award*

On April 24, 2026, the Compensation Committee of our Board of Directors approved a one-time retention grant of 706,880 time-based RSUs to Mr. Behrman, under our 2025 Long-Term Incentive Plan, pursuant to an RSU Award Agreement, dated April 24, 2026 (the "Award Agreement"). The Award Agreement is intended to further align Mr. Behrman's interests with those of the Company's stockholders and to incentivize his continued contribution to the Company's growth. Each RSU represents the right to receive one share of the Company's common stock (or a cash amount equal to its fair market value) upon vesting.

The RSUs are subject to cliff vesting and will vest and become payable on March 31, 2029, subject to Mr. Behrman's continued service with the Company.

The Award Agreement provides for accelerated vesting of the RSUs upon certain events. In the event of a Qualifying Separation from Service (as defined in the Award Agreement to mean a termination by the Company without cause, including a non-renewal of Mr. Behrman's employment agreement, or a resignation by Mr. Behrman for good reason), all RSUs will vest in full, provided that such Qualifying Separation from Service does not occur in connection with a change in control of the Company. All outstanding RSUs will be forfeited if a Qualifying Separation from Service occurs in connection with a change in control that triggers a lump sum payment to Mr. Behrman and other benefits pursuant to Section 10(e) of his employment agreement.

In the event of Mr. Behrman's death or total and permanent disability occurring on or after a change in control, all outstanding RSUs will immediately vest. If such termination occurs prior to a change in control, a pro-rata portion of the RSUs will vest, calculated based on the number of days elapsed from the date of grant relative to the total vesting period, and the remaining RSUs will be forfeited.

Each RSU will be credited with dividend equivalents and such dividend equivalents will be distributed upon settlement of the related RSU and will be forfeited if the underlying RSU is forfeited.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

This discussion is intended to provide a reader of our financial statements with management’s perspective on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. Investors should read the following discussion and analysis in conjunction with the consolidated financial statements and related notes included in “*Item 1. Financial Statements.*” Notes referenced in this discussion and analysis refer to the notes to consolidated financial statements that are found in “*Item 1. Financial Statements—Notes to Condensed Consolidated Financial Statements.*” Certain statements contained in this discussion may be deemed to be forward-looking statements. See “*Special Note Regarding Forward-Looking Statements.*” Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of various factors, including those discussed below and in our Annual Report on Form 10-K for the year ended December 31, 2025, particularly in the section entitled “*Risk Factors.*” Unless we state otherwise or the context otherwise requires, the terms “LSB,” “we,” “us,” “our” and the “Company” refer to LSB Industries, Inc. and its consolidated subsidiaries.

### **Overview**

#### **General**

LSB is headquartered in Oklahoma City, Oklahoma and we manufacture and sell chemical products for the agricultural and industrial markets. We own and operate three multi-plant facilities in Cherokee, Alabama (the “Cherokee Facility”), El Dorado, Arkansas (the “El Dorado Facility”) and Pryor, Oklahoma (the “Pryor Facility”) and operate a facility on behalf of Covestro LLC in Baytown, Texas. Our products are sold through distributors and directly to end customers primarily throughout the United States and other parts of North America.

#### **Key Operating Initiatives for 2026**

We expect our future results of operations and financial condition to benefit from the following key initiatives:

- *Invest to improve Environmental, Health & Safety at our Facilities.* We prioritize high safety standards that not only enable us to protect what matters, which is the well-being of our employees, but also translates into improved plant performance. We remain focused on our safety programs to move closer to attaining zero injuries. We continue to invest additional capital across our facilities to build upon the progress we have made in implementing enhanced safety programs during the last several years.
- *Improve the Reliability at our Facilities while Supplying our Customers with Products of the Highest Quality.* Improving the reliability of our facilities while supplying customers with high-quality products remains a key operational focus. We have several initiatives underway aimed at increasing production volumes of ammonia and downstream products through improved operational execution and asset reliability. Progress in these areas is expected to support higher available production and improved unit cost performance over time, while we continue to maintain a strong focus on product quality and customer requirements.
  - *Turnaround Excellence:* We will continue to focus on the safe and effective execution of scheduled Turnarounds, with an emphasis on schedule adherence, cost control, and minimizing operational risk. We will continue to apply our standardized Turnaround management practices across all sites, including our revised Turnaround standardization, to support consistent execution and long-term asset reliability.
  - *Mechanical Integrity:* We will continue to enhance mechanical integrity through ongoing refinement of our inspection programs, with the objective of reducing fixed equipment failures and unplanned downtime.
  - *Asset Care Strategies:* We will continue to advance our machinery and asset care strategies, with a focus on reducing unplanned downtime, optimizing the scope and duration of planned outages, and improving the effectiveness of startup operations.
  - *Culture of Excellence:* We will continue to strengthen operational discipline and accountability across the organization, supporting improved productivity and overall operational reliability.
- *Advance Productivity Improvement.* We are accelerating productivity improvements through a comprehensive focus on fixed and variable cost optimization, procurement-driven savings, automation, and process changes with multiple initiatives underway to identify, assess, and pursue cost-reduction opportunities.
- *Continued Optimization and Increase the Breadth of Distribution of our Product Mix.* We have initiatives underway to increase the distribution of our products within our industrial and agricultural end markets, among other product mix optimization strategies. We believe that these initiatives and strategies, combined with continued expansion of our customer relationships, the robust market analysis capabilities we have developed, and the establishment of in-market tank storage and distribution terminals, will make us more effective in identifying and capitalizing on the most profitable distribution opportunities for our products, while making our financial results more stable and predictable. Additionally,

we have completed and are advancing several capital improvement projects with the intention of increasing our sales volumes of higher value downstream products resulting in improvements in our overall profit margins.

- *Grow Our Platform.* We continue to evaluate opportunities across all our facilities to increase production capacity through the implementation of several potential debottlenecking and other margin enhancement projects. Additionally, from time to time, we evaluate opportunities to acquire strategic assets or companies where we believe those acquisitions will enhance our value and provide attractive returns to our stockholders. We also consider assets and companies that can provide us with geographic expansion, extend an existing product line, add one or more new product lines, leverage our existing ammonia production capabilities, or complement our existing business lines, among other accretive opportunities.

### **Summary of Low Carbon Ammonia Initiatives**

In May 2024, we announced an agreement to supply, for a five-year period commencing January 1, 2025, up to 150,000 short tons per year of low carbon ammonium nitrate solution (“ANS”) to Freeport Minerals Corporation (“Freeport”). In early 2025 we began supplying conventional ANS to Freeport from our El Dorado Facility and expect to phase in the low carbon contracted volume in late 2026. Freeport intends to use the low carbon ANS purchased from us for its United States copper mining operations.

In April 2022, we entered into an agreement with Lapis Carbon Solutions (“Lapis”) to develop a project to capture and sequester CO<sub>2</sub> at our El Dorado Facility. Lapis, backed by Cresta Fund Management, a Dallas-based middle-market infrastructure investment firm, will invest the majority of the capital required for project development. The project is expected to be completed and operational late in the fourth quarter of 2026 or the first quarter of 2027, subject to the approval of a Class VI permit, at which time CO<sub>2</sub> injections are expected to begin. Once operational, the project at the El Dorado site will initially capture and sequester approximately 400,000 to 500,000 metric tons of CO<sub>2</sub> per year in underground saline aquifers.

The sequestered CO<sub>2</sub> generated from the facility’s ammonia production is expected to qualify for federal tax credits under Internal Revenue Code Section 45Q, which are \$85 per metric ton of CO<sub>2</sub> captured and sequestered. Lapis, as the majority owner of the carbon capture and sequestration equipment, will earn the 45Q tax credits and will pay us a fee for each ton of CO<sub>2</sub> captured and sequestered. Once in operation, the sequestered CO<sub>2</sub> is expected to reduce our overall scope 1 GHG emissions by approximately 25% from current levels. In addition, sequestering approximately 400,000 to 500,000 metric tons of CO<sub>2</sub> annually is expected to enable us to produce approximately 305,000 to 380,000 metric tons of low carbon ammonia annually, a product that could potentially be sold at higher price levels than conventional ammonia. In February 2023, a key milestone was achieved in the advancement of our low carbon ammonia project at El Dorado by filing a pre-construction Class VI permit application with the United States Environmental Protection Agency (the “EPA”). The EPA recognized the application as complete in March 2023 and is currently in the review process. In June 2025, Lapis completed the drilling of a stratigraphic injection well at the El Dorado site and has been gathering data to support the EPA in its continuing technical review of our Class VI application. Lapis resubmitted the pre-construction Class VI permit application to the EPA in December 2025. Once the project receives EPA approval, we intend to use this well for CO<sub>2</sub> injections.

### **Market Outlook**

Demand for our industrial products remains consistent, including demand for AN for use in mining applications, which is robust across all commodities, particularly with copper and gold miners as they maximize production to take advantage of strong supply and demand fundamentals. Supply of AN is constrained in North America due, in part, to producer outages. These factors should continue to support AN demand well into 2026. Demand for nitric acid is robust domestically, where it is supported by tariffs and countervailing duties on imports of methylene diphenyl diisocyanate (MDI) for five years, which was recently finalized on April 8, 2026.

While economic uncertainty remains a risk due to tariffs, the U.S.-Iran conflict, higher oil prices, and concerns about inflation, we believe that we have a meaningful degree of downside protection in our industrial business. A significant portion of our volumes are already contracted, our customer base is diverse and almost entirely located in the U.S., and we have the ability to optimize our product mix. In addition, we expect European marginal cost of production to be higher throughout the remainder of 2026, driven by elevated natural gas costs and a tight global market for nitrogen products, particularly as demand for fertilizers in India remains strong and export capacity from China and other sources continues to be limited.

Ammonia prices currently reflect significantly reduced ammonia supplies due to ammonia carrying vessels being unable to transit through the Strait of Hormuz, higher costs of production in Europe, ongoing curtailment of ammonia production in Trinidad and new production outages in Australia, increased import demand in India and potential export controls in China, gas supply disruptions in North Africa reducing ammonia production and the slow ramp up in new U.S. production capacity which are constraining global supply availability.

Pricing for ammonia derivative fertilizer products remains strong. Urea Ammonium Nitrate (“UAN”) prices recently improved, reflecting increased demand during the application season and constrained supply and a strengthening in urea prices. Like ammonia,

urea prices have strengthened due to vessels being unable to transit through the Strait of Hormuz, leading to a tightening of urea supply and customers switching from urea to UAN, thereby driving up UAN demand.

Channel inventories remain on the tighter end of the range and are expected to remain so until late in the second quarter of 2026.

The outlook for U.S. corn calls for demand to keep stocks-to-use only modestly above historical levels. We are currently expecting approximately 95 million planted acres of corn for the 2027 season, underpinning nitrogen fertilizer demand levels in line with recent years.

## Key Industry Factors

### Supply and Demand

#### Industrial Products

Our industrial products sales volumes are dependent upon general economic conditions, primarily in the housing, automotive, mining and paper industries. Demand for our industrial products is robust across all commodities, particularly with copper and gold miners as they maximize production to take advantage of strong supply and demand fundamentals.

Our LDAN and AN solutions are primarily used to produce AN fuel oil and specialty emulsions for use in explosives in the quarry and the construction industries, for metals mining and to a lesser extent, for coal. AN demand for explosives for quarrying/aggregate production for infrastructure upgrade and expansion remains steady. Demand for nitric acid is robust domestically, supported in part by anticipated antidumping duties on imports of methylene diphenyl diisocyanate (MDI) from China, a downstream product of nitric acid. On April 8, 2026, the U.S. Department of Commerce issued a final affirmative antidumping determination on Chinese MDI, where duties were established for a period of five years. The International Trade Commission's final injury determination remains pending.

#### Fertilizer

The price at which our agricultural products are ultimately sold depends on numerous factors, including the supply and demand for nitrogen fertilizers which, in turn, depends upon world grain demand and production levels, the cost and availability of transportation and storage, weather conditions, competitive pricing and the availability of imports. Additionally, expansions or upgrades of competitors' facilities and international and domestic political and economic developments continue to play an important role in the global nitrogen fertilizer industry economics. These factors can affect, in addition to selling prices, the level of inventories in the market which can cause price volatility and affect product margins.

From a farmer's perspective, the demand for fertilizer is affected by the aggregate crop planting decisions including farm economics, weather and fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on prospective profitability of a harvest, while the specific varieties and amounts of fertilizer they apply depend on factors such as their financial resources, soil conditions, weather patterns and the types of crops planted.

Additionally, changes in corn prices, as well as soybean, cotton and wheat prices, can affect the number of acres of corn planted in a given year and the number of acres planted will drive the level of nitrogen fertilizer consumption, likely affecting fertilizer prices.

According to the World Agricultural Supply and Demand Estimates Report dated April 9, 2026 (the "April Report"), farmers planted approximately 98.8 million acres of corn in the 2025 planting season, up 8.7% compared to the 2024 planting season. According to the April Report, the U.S. Department of Agriculture ("USDA") estimates the U.S. ending stocks for the 2025 Harvest will be approximately 54.0 million metric tons, a 37.1% increase from the 2024 Harvest. The USDA's expected yield per acre for the 2025 Harvest is 186.5 bushels, up approximately 4.0% from a year ago.

The following April 2026 estimates are associated with the corn market:

	2026 Crop (2025 Harvest) April Report (1)	2025 Crop (2024 Harvest) April Report (1)	Percentage Change (2)	2024 Crop (2023 Harvest) April Report (1)	Percentage Change (3)
U.S. Area Planted (Million acres)	98.8	90.9	8.7%	94.6	4.4%
U.S. Yield per Acre (Bushels)	186.5	179.3	4.0%	177.3	5.2%
U.S. Production (Million bushels)	17,021	14,892	14.3%	15,341	11.0%
U.S. Ending Stocks (Million metric tons)	54.0	39.4	37.1%	44.8	20.5%
World Ending Stocks (Million metric tons)	294.8	296.3	(0.5%)	315.3	(6.5%)

- Information obtained from the April Report for the 2025/2026 ("2026 Crop"), 2024/2025 ("2025 Crop") and 2023/2024 ("2024 Crop") corn marketing years. The marketing year is the twelve-month period during which a crop normally is marketed. For example, the marketing year for the current corn crop is from September 1 of the current year to August 31 of the next year. The year begins at the harvest and continues until just before harvest of the following year.

2. Represents the percentage change between the 2026 Crop amounts compared to the 2025 Crop amounts.
3. Represents the percentage change between the 2026 Crop amounts compared to the 2024 Crop amounts.

The current USDA corn outlook for the U.S. is unchanged relative to the last month report. U.S. ending stocks remain at 54.0 million metric tons, up 14.3% from the 2024 harvest. Both acres planted and yields are up from the 2024 Harvest, 8.7% and 4.0%, respectively. Corn production for the 2025 Harvest is forecast at 17.0 billion bushels. If realized, harvested area would be the highest since 1933 and planted area of 98.8 million acres the highest since 1936.

### ***Natural Gas Prices***

Natural gas is the primary resource for conversion and manufacturing production of our nitrogen products. In recent years, U.S. natural gas reserves have increased significantly due to, among other factors, advances in extracting shale gas, which has reduced and stabilized natural gas prices, providing North America with a cost advantage over certain imports. As a result, our competitive position and that of other North American nitrogen fertilizer producers has been positively affected.

Historically, we have purchased natural gas either on the spot market, through forward purchase contracts, or a combination of both and have used forward purchase contracts to lock in pricing for a portion of our natural gas requirements. These forward purchase contracts are generally either fixed-price or index-price, short-term in nature and for a fixed supply quantity. We are able to purchase natural gas at competitive prices due to our connections to large distribution systems and their proximity to interstate pipeline systems.

Natural gas costs increased during the February settlement period primarily due to elevated market prices driven by Winter Storm Fern, which caused significant weather-related supply constraints and heightened regional demand, resulting in a higher average cost of natural gas for the period. Since that time, natural gas prices have moderated as market conditions normalized and weather-related constraints eased.

The following table shows the volume of natural gas utilized to produce the goods we sold and the associated average cost per MMBtu:

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Natural gas volumes (MMBtu in millions)	7.2	7.5
Natural gas average cost per MMBtu	\$ 5.26	\$ 3.78

### ***Transportation Costs***

Costs for transporting nitrogen-based products can be significant relative to their selling price. We continue to evaluate the rising costs of freight domestically. As a result of increases in demand for available rail, truck and barge options to transport product, primarily during the spring and fall planting seasons, higher transportation costs have and could continue to impact our margins, where we are unable to fully pass through these costs to our customers. Additionally, truck driver shortages could impact our ability to fulfill customer demand. As a result, we continue to evaluate supply chain efficiencies to reduce or counter the impact of higher logistics costs.

### **Key Operational Factors**

#### ***Facility Reliability***

Consistent, reliable and safe operations at our chemical plants are critical to our financial performance and results of operations. Planned downtime, including a planned major maintenance activity (each such activity, a “Turnaround”), and unplanned downtime can adversely affect results of operations through reduced sales volumes, lower fixed cost absorption, and increased repair and maintenance costs, which are expensed as incurred.

We performed major Turnaround activities at our Pryor Facility during the third quarter of 2024 and at our Cherokee Facility during the fourth quarter of 2024. Minor planned outages were executed at our El Dorado Facility in July 2024 to replace the ammonia primary reformer catalyst. We did not perform any major planned ammonia Turnaround events during 2025 at the El Dorado Facility, although a minor Turnaround was completed on our nitric acid plants at our El Dorado Facility during 2025.

Based on our current maintenance schedule, Turnaround activities in 2026 are expected to include an ammonia plant Turnaround at our El Dorado Facility during the second quarter and a full-site Turnaround at our Pryor Facility during the third quarter. Additionally, a minor Turnaround on the urea plant at our Cherokee Facility is planned for the third quarter of 2026.

### ***Ammonia Production***

Ammonia is the basic product used to produce all of our upgraded products. The ammonia production rates of our plants affect the total cost per ton of each product produced and the overall sales of our products.

For 2026, we are targeting total ammonia production of approximately 780,000 tons to 810,000 tons, which reflects planned Turnaround work at our El Dorado and Pryor Facilities during 2026.

### ***Forward Sales Contracts***

In certain instances, we may use forward sales of our fertilizer products to optimize our asset utilization, planning process and production scheduling. These sales are made by offering customers the opportunity to purchase product on a forward basis at prices and delivery dates that are agreed upon, with dates typically occurring within 12 months. We use this program to varying degrees during the year depending on market conditions and our view of changing price environments. Fixing the selling prices of our products months in advance of their ultimate delivery to customers typically causes our reported selling prices and margins to differ from spot market prices and margins available at the time of shipment.

### **Consolidated Results of the First Quarter of 2026**

Our consolidated net sales for the first quarter of 2026 were \$169.5 million compared to \$143.4 million for the same period in 2025. Our consolidated operating income for the first quarter of 2026 was \$23.2 million compared to \$4.5 million for the same period in 2025. The items impacting our operating results are discussed in more detail below and under “Results of Operations.”

### **Items Affecting Comparability of Results of the First Quarter**

#### ***Stock Based Compensation***

During the first quarter of 2026, we modified certain equity awards held by our Chief Executive Officer to allow for accelerated vesting in the event of a qualifying retirement. As a result, we accelerated recognition of the remaining compensation cost associated with those grants in the amount of \$3.1 million during the quarter. See our discussion in “Equity Awards” in Note 1.

#### ***Shift in Production Mix***

In 2025, we transitioned our production from fertilizer grade ammonium nitrate (“HDAN”), an agricultural product, to ANS, a product used in industrial and mining applications. The transition was completed during the third quarter of 2025, at which time we ceased production of HDAN. This shift in production mix is consistent with our strategy to transition a portion of our sales from agricultural sales made at spot market pricing, which can be volatile, to sales under multi-year contracts that provide the pass-through of natural gas feedstock costs.

#### ***Selling Prices***

For the first quarter of 2026, average selling prices for all of our major products increased compared to the first quarter of 2025.

### **Results of Operations**

The following is a discussion and analysis of our condensed consolidated results of operations for the three months ended March 31, 2026 and 2025.

Net sales to unaffiliated customers are reported in the condensed consolidated financial statements and gross profit represents net sales less cost of sales. Net sales are reported on a gross basis with the cost of freight being recorded in cost of sales.

### Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025

The following table sets forth certain financial information for the three months ended March 31, 2026 and 2025, the increase or decrease between those periods, and the percentage increase or decrease between those periods with respect to each line item:

	<u>Three Months Ended March 31,</u>		<u>Change</u>	<u>Percentage Change</u>
	<u>2026</u>	<u>2025</u>		
(Dollars In Thousands)				
Net sales:				
AN & Nitric Acid	\$ 75,347	\$ 57,618	\$ 17,729	31 %
Urea ammonium nitrate (UAN)	49,171	43,865	5,306	12 %
Ammonia	36,814	33,272	3,542	11 %
Other	8,155	8,677	(522)	(6)%
Total net sales	<u>\$ 169,487</u>	<u>\$ 143,432</u>	<u>\$ 26,055</u>	18 %
Gross profit	\$ 35,794	\$ 14,384	\$ 21,410	149 %
Depreciation and amortization <sup>(1)</sup>	20,847	20,063	784	4 %
Turnaround expense	3,894	1,995	1,899	95 %
Adjusted gross profit <sup>(2)</sup>	<u>\$ 60,535</u>	<u>\$ 36,442</u>	<u>\$ 24,093</u>	66 %
Selling, general and administrative expense	\$ 13,825	\$ 10,153	3,672	36 %
Other income, net	(1,187)	(237)	(950)	401 %
Operating income	23,156	4,468	18,688	418 %
Interest expense, net	7,117	8,064	(947)	(12)%
Non-operating other income, net	(1,516)	(1,673)	157	(9)%
Benefit for income taxes	(2,130)	(283)	(1,847)	653 %
Net income (loss)	<u>\$ 19,685</u>	<u>\$ (1,640)</u>	<u>\$ 21,325</u>	N/M
Other information:				
Gross profit percentage <sup>(3)</sup>	<u>21.1 %</u>	<u>10.0 %</u>	<u>11.1 %</u>	
Adjusted gross profit percentage <sup>(3)</sup>	<u>35.7 %</u>	<u>25.4 %</u>	<u>10.3 %</u>	
Property, plant and equipment expenditures	<u>\$ 16,976</u>	<u>\$ 20,867</u>	<u>\$ (3,891)</u>	

N/M-Not meaningful.

(1) Represents amount classified as cost of sales.

(2) Represents a non-GAAP measure since the amount excludes unallocated depreciation, amortization and Turnaround expenses.

(3) As a percentage of the total net sales.

The following tables provide key operating metrics for the fertilizer and major industrial products, the increase or decrease between those periods, and the percentage increase or decrease between those periods with respect to each line item:

Product (tons sold)	<u>Three Months Ended March 31,</u>		<u>Change</u>	<u>Percentage Change</u>
	<u>2026</u>	<u>2025</u>		
AN & Nitric Acid	177,862	150,531	27,331	18 %
Urea ammonium nitrate (UAN)	128,623	148,565	(19,942)	(13)%
Ammonia	66,040	73,403	(7,363)	(10)%
Total	<u>372,525</u>	<u>372,499</u>	<u>26</u>	0 %

Gross Average Selling Prices (price per ton)	<u>Three Months Ended March 31,</u>		<u>Change</u>	<u>Percentage Change</u>
	<u>2026</u>	<u>2025</u>		
AN & Nitric Acid	\$ 424	\$ 383	\$ 41	11 %
Urea ammonium nitrate (UAN)	\$ 382	\$ 295	\$ 87	29 %
Ammonia	\$ 557	\$ 453	\$ 104	23 %

Average Benchmark Prices (price per ton)	Three Months Ended March 31,			Change	Percentage Change
	2026	2025			
Tampa Ammonia Benchmark	\$ 621	\$ 491	\$ 130	26 %	
NOLA UAN	\$ 347	\$ 276	\$ 71	26 %	

### ***Net Sales***

We recorded net sales of \$169.5 million during the first quarter of 2026 compared to \$143.4 million for the first quarter of 2025, representing an increase of \$26.1 million. The increase was primarily driven by higher sales prices on all our products. Decreases in ammonia and UAN sales volumes were offset by an increase in AN and Nitric Acid volumes as part of our product mix strategy, which includes upgrading ammonia to maximize higher value downstream products.

### ***Gross Profit***

We recognized a gross profit of \$35.8 million for the first quarter of 2026 compared to \$14.4 million for the same period in 2025, or a \$21.4 million increase. Overall, our gross profit percentage for the first quarter of 2026 was 21.1% compared to 10.0% for the same period in 2025. Our adjusted gross profit percentage increased to 35.7% for the first quarter of 2026 from 25.4% for the first quarter of 2025. Our gross profit for the first quarter of 2026 was higher compared to the same period of 2025 primarily due to higher selling prices and improved product mix partially offset by increased cost of sales stemming from higher natural gas and sulfur costs.

### ***Selling, General and Administrative***

Our SG&A expenses were higher for the first quarter of 2026 compared to the same period of 2025, primarily due to an increase in stock based compensation from the acceleration of expense recognition for certain executive grants (see "Equity Awards" in Note 1) and an increase in short-term incentive compensation, which were partially offset by decreases in insurance and other miscellaneous expenses.

### ***Other income, net***

Other income, net for the first quarter of 2026 includes gains from the sale of real estate and tangible property for a former agricultural retail location that had ceased operations, partially offset by asset write-downs. Other income, net, was higher in 2026 compared to 2025 due to the disposal gain discussed above.

### ***Interest Expense***

Interest expense for the first quarter of 2026 was \$7.1 million compared to \$8.1 million for the same period in 2025. The decrease was primarily due to a lower outstanding balance on our Senior Secured Notes as a result of repurchases in the second and fourth quarters of 2025.

### ***Non-operating Other Income, net***

Non-operating other income, net for the first quarter of 2026 was \$1.5 million compared to \$1.7 million for the same period of 2025, primarily related to interest income earned during both periods from our short-term investments. Our average short-term investments balance including cash equivalents, was higher during the first quarter of 2026 but interest rates were lower during this period compared to the first quarter of 2025.

### ***Benefit for Income Taxes***

The benefit for income taxes for the first quarter of 2026 was \$2.1 million compared to a benefit for income taxes of \$0.3 million for the same period of 2025. The resulting effective tax rate for the first quarter of 2026 was a benefit on pre-tax income of 12.1% compared to a benefit on pre-tax loss of 14.7% for the same period of 2025. For the first quarter of 2026, the effective tax rate was lower than the statutory rate primarily due to the release of state valuation allowances, partially offset by nondeductible compensation expense. For the first quarter of 2025, the effective tax rate was lower than the statutory rate primarily due to changes in valuation allowance and nondeductible compensation, partially offset by state taxes. See discussion in Note 7.

## **LIQUIDITY AND CAPITAL RESOURCES**

The following table summarizes our cash flow activities for the three months ended March 31:

	<u>2026</u>	<u>2025</u>	<u>Change</u>
	<b>(In Thousands)</b>		
Net cash flows from operating activities	\$ 51,797	\$ 6,836	\$ 44,961
Net cash flows from investing activities	\$ (45,480)	\$ (5,271)	\$ (40,209)
Net cash flows from financing activities	\$ (5,187)	\$ (6,765)	\$ 1,578

### **Net Cash Flow from Operating Activities**

Net cash provided by operating activities was \$51.8 million for the first three months of 2026 compared to \$6.8 million for the same period of 2025, a change of \$45.0 million. The increase was primarily a result of improved operating income and changes in working capital.

### **Net Cash Flow from Investing Activities**

Net cash used by investing activities was \$45.5 million for the first three months of 2026 compared to \$5.3 million for the same period of 2025, a change of \$40.2 million.

For the first three months of 2026, the net cash used by investing activities primarily related to purchases of short-term investments of \$105.7 million and expenditures for property, plant and equipment of \$17.0 million partially offset by proceeds from short-term investments and proceeds from sales of property, plant and equipment totaling \$77.2 million.

For the first three months of 2025, the net cash used by investing activities primarily related to purchases of short-term investments of \$49.0 million and expenditures for property, plant and equipment of \$20.9 million, partially offset by proceeds from short-term investments of \$64.5 million.

### **Net Cash Flow from Financing Activities**

Net cash used by financing activities was \$5.2 million for the first three months of 2026 compared to \$6.8 million for the same period of 2025, a change of \$1.6 million.

For the first three months of 2026, the net cash used by financing activities primarily consisted of payments on short-term financing and finance leases of \$3.7 million and \$1.5 million for tax withholding obligations related to the vesting of equity awards.

For the first three months of 2025, the net cash used by financing activities primarily consisted of payments on other long-term debt and short-term financing of \$5.6 million and \$1.2 million for tax withholding obligations related to the vesting of equity awards.

### **Capitalization**

The following table summarizes our total cash and cash equivalents, short-term investments, long-term debt and stockholders' equity as of March 31, 2026 and December 31, 2025:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	<b>(In Millions)</b>	
Cash and cash equivalents	\$ 20.6	\$ 19.5
Short-term investments	161.0	129.0
Total cash, cash equivalents and short-term investments	\$ 181.6	\$ 148.5
Long-term debt:		
Revolving Credit Facility	\$ —	\$ —
Senior Secured Notes due 2028 (1)	438.6	438.6
Finance Leases	6.0	6.2
Unamortized debt issuance costs (2)	(3.4)	(3.8)
Total long-term debt, including current portion, net	\$ 441.2	\$ 441.0
Total stockholders' equity	\$ 542.9	\$ 520.0

(1) See discussion contained in Note 4.

- (2) Debt issuance costs as of March 31, 2026 and December 31, 2025 of approximately \$0.4 million and \$0.5 million, respectively, relating to our Revolving Credit Facility are not included in Unamortized debt issuance costs. These costs are included in our condensed consolidated balance sheets in Intangible and other assets, net.

We currently have a revolving credit facility pursuant to a credit agreement, dated December 21, 2023, between us and the lenders identified on the signature pages thereof and JPMorgan Chase Bank, N.A, as administrative agent (the “Revolving Credit Facility”), with a borrowing base up to an initial maximum of \$75 million, with an option to increase the maximum by an additional \$25 million (which amount is uncommitted). Availability under the Revolving Credit Facility is subject to a borrowing base and an availability block of \$7.5 million which is applied against the \$75 million initially reducing the maximum (which can be removed by us at our sole discretion, subject to the satisfaction of certain conditions). The Revolving Credit Facility provides for a sub-facility for the issuance of letters of credit in an aggregate amount not to exceed \$10 million, with the outstanding amount of any such letters of credit reducing availability for borrowings. As of March 31, 2026, our Revolving Credit Facility was undrawn and had approximately \$59 million of availability. See Note 4 for further discussion of the Revolving Credit Facility.

For the full year of 2026, we expect capital expenditures to be approximately \$75 million, of which \$55 million is expected to be spent on sustaining production with the remainder spent on growth initiatives.

As of March 31, 2026, we had approximately \$181.6 million of cash and short-term investments. From time to time, we may seek to deploy capital through common stock repurchases or the repurchase of outstanding debt. Such repurchases may be made in open market purchases, privately negotiated transactions or otherwise and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

We believe that the combination of our cash and cash equivalents, short-term investments, the availability under our Revolving Credit Facility and our cash flow from operations will be sufficient to fund our anticipated liquidity needs for the next twelve months. Additionally, we expect our long-term liquidity position will be sufficient to meet our long-term liquidity needs with cash flows from operations and financing arrangements. However, in the event of changes in business conditions or other developments, including a sustained market deterioration, unanticipated regulatory developments, significant acquisitions, competitive pressures, or to the extent our liquidity needs prove to be greater than expected or cash generated from operations is less than anticipated, we may need additional liquidity. To the extent we elect to finance our long-term liquidity needs, we believe that the potential financing capital available to us in the future will be sufficient.

#### **Compliance with Long-Term Debt Covenants**

As discussed in Note 4, the Revolving Credit Facility does not include financial covenant requirements unless a defined covenant trigger event has occurred and is continuing. As of March 31, 2026, no trigger event had occurred.

#### **Loan Agreements**

**Senior Secured Notes due 2028** – We had \$438.6 million aggregate principal amount of Senior Secured Notes outstanding as of March 31, 2026. Interest is to be paid semiannually in arrears on May 15<sup>th</sup> and October 15<sup>th</sup>. The Senior Secured Notes mature on October 15, 2028.

**Revolving Credit Facility** – At March 31, 2026, our Revolving Credit Facility was undrawn and had approximately \$59 million of availability, based on our eligible collateral, less outstanding letters of credit as of that date. Also see discussion above under “Compliance with Long-Term Debt Covenants.”

**Finance Leases** – Our finance leases consist primarily of leases on railcars. Most of our railcar leases are classified as operating leases.

#### **Capital Expenditures – First Three Months of 2026**

For the first three months of 2026, capital expenditures relating to property, plant and equipment were \$17.0 million. Of the expenditures for the first three months of 2026, approximately \$14.8 million was spent on projects to sustain our production capacity while approximately \$2.2 million was spent on growth initiatives. The capital expenditures were funded primarily from cash and working capital.

See discussion above under “Capitalization” for our total expected capital expenditures for the remainder of 2026.

#### **Expenses Associated with Environmental Regulatory Compliance**

We are subject to specific federal and state environmental compliance laws, regulations and guidelines. As a result, our expenses were \$1.5 million for the first three months ended March 31, 2026 in connection with environmental projects. For the remainder of 2026, we expect to incur expenses ranging from \$4.0 million to \$4.4 million in connection with additional environmental projects. However, it is possible that the actual costs could be significantly different than our estimates.

## Seasonality

We believe sales of fertilizer products to the agricultural industry are seasonal, while sales into the industrial sectors generally are less susceptible to seasonal fluctuations. The selling seasons for fertilizer products are primarily during the spring and fall planting seasons, which typically extend from March through June and from September through November in the geographical markets where we distribute the majority of our fertilizer products. As a result, we typically increase our inventory of fertilizer products prior to the beginning of each planting season in order to meet the demand for our products. In addition, the amount and timing of sales to the agricultural markets depend upon weather conditions and other circumstances beyond our control.

## Performance and Payment Bonds

We are contingently liable to sureties in respect of insurance bonds issued by the sureties in connection with certain contracts entered into by subsidiaries in the normal course of business. These insurance bonds primarily represent guarantees of future performance of our subsidiaries. As of March 31, 2026, we have agreed to indemnify the sureties for payments, up to \$10.2 million, made by them in respect of such bonds.

## New Accounting Pronouncements

Refer to Note 1 for recently issued accounting standards.

## Critical Accounting Policies and Estimates

See “Critical Accounting Policies and Estimates,” Item 7 of our Form 10-K for the year ended December 31, 2025, filed with the SEC on February 26, 2026 (the “2025 Form 10-K”). In addition, the preparation of financial statements requires us to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosures of contingencies and fair values, including, but not limited to, various environmental and legal matters, including matters discussed under footnote A of Note 5.

**Income Taxes** - Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those differences are expected to be recovered or settled. We establish valuation allowances if we believe it is more-likely-than-not that some or all of deferred tax assets will not be realized. Significant judgment is applied in evaluating the need for and the magnitude of appropriate valuation allowances against deferred tax assets.

It is also reasonably possible that the estimates and assumptions utilized as of March 31, 2026, could change in the near term. Actual results could differ materially from these estimates and judgments, as additional information becomes known.

## Non-GAAP Financial Measures

Management uses adjusted gross profit as a supplemental measure to review and assess the performance of our core business operations and for planning purposes. We define adjusted gross profit as gross profit (loss) excluding depreciation and amortization and Turnaround expenses included in our cost of sales, which we believe are not reflective of our operating performance in a given period.

Adjusted gross profit is a metric that provides investors with greater transparency to the information used by management in its financial and operational decision-making. We believe this metric is useful to investors because it facilitates comparisons of our core business operations across periods on a consistent basis. Management believes that the non-GAAP measure presented in this Form 10-Q, when viewed in combination with our results prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”), provides a more complete understanding of the factors and trends affecting our business and performance.

Adjusted gross profit is not a measure of financial performance under U.S. GAAP, and should not be considered a substitute for gross profit, which we consider to be the most directly comparable U.S. GAAP measure. Adjusted gross profit has limitations as an analytical tool, and when assessing our operating performance, investors should not consider adjusted gross profit in isolation, or as a substitute for gross profit prepared in accordance with U.S. GAAP. Adjusted gross profit may not be comparable to similarly titled measures of other companies and other companies may not calculate such measure in the same manner as we do.

The following table reconciles gross profit to adjusted gross profit.

	Three Months Ended March 31,	
	2026	2025
	(In Thousands)	
Reconciliation of Gross Profit to Adjusted Gross Profit:		
Gross profit	\$35,794	\$14,384
Depreciation and amortization	20,847	20,063
Turnaround expenses	3,894	1,995
Adjusted gross profit	<u>\$60,535</u>	<u>\$36,442</u>

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

#### **General**

Our results of operations and operating cash flows are impacted by changes in market prices of ammonia and natural gas and changes in market interest rates.

#### **Forward Sales Commitments Risk**

Periodically, we enter into forward firm sales commitments for products to be delivered in future periods. As a result, we could be exposed to embedded losses should our product costs exceed the firm sales prices at the end of a reporting period. At March 31, 2026, we had no embedded losses associated with sales commitments with firm sales prices.

#### **Commodity Price Risk**

A substantial portion of our products and raw materials are commodities whose prices fluctuate as market supply and demand fundamentals change. Since we are exposed to commodity price risk, we periodically enter into contracts to purchase natural gas for anticipated production needs to manage risk related to changes in prices of natural gas commodities. Generally, these contracts are considered normal purchases because they provide for the purchase of natural gas that will be delivered in quantities expected to be used over a reasonable period of time in the normal course of business, and as such, are exempt from derivative accounting requirements. At March 31, 2026, we had no outstanding natural gas contracts which are subject to derivative accounting requirements.

#### **Interest Rate Risk**

We may be exposed to variable interest rate risk with respect to our Revolving Credit Facility when there are outstanding borrowings. As of March 31, 2026, we had no outstanding borrowings on this credit facility and no other variable rate borrowings and, as a result, we currently do not hedge our interest rate risk associated with any variable interest rate loan.

### **Item 4. Controls and Procedures**

The Company maintains disclosure controls and procedures as defined in Rule 13a-15 under the Exchange Act designed to provide reasonable assurance that the information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. These include controls and procedures designed to ensure that this information is accumulated and communicated to the Company’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures as of March 31, 2026. Based on this evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures were effective as of March 31, 2026, at the reasonable assurance level. There were no changes to our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements contained within this report may be deemed “Forward-Looking Statements” within the meaning of U.S. federal securities laws. All statements in this report other than statements of historical fact are Forward-Looking Statements that are subject to known and unknown risks, uncertainties and other factors, many of which are difficult to predict or outside of the Company’s control, which could cause actual results and performance of the Company to differ materially from those expressed in, or implied or projected by, such statements. Any such Forward-Looking Statements are not guarantees of future performance. The words “believe,” “expect,” “anticipate,” “intend,” “plan,” “may,” “could,” and similar expressions identify Forward-Looking Statements. All Forward-Looking Statements speak only as of the date on which they are made. Forward-Looking Statements contained herein, and the associated risks, uncertainties, assumptions and other important factors include, but are not limited to, the following:

- our ability to invest in projects that will generate the best returns for our stockholders;
- our future liquidity outlook;
- the outlook of our chemical products and related markets;
- our ability to successfully leverage our existing business platform and portfolio of assets to produce low carbon products and execute our strategy to become a leader in the energy transition in the chemical industry;
- the amount, timing and effect on the nitrogen market from current nitrogen expansion projects;
- the effect from the lack of non-seasonal volume;
- our belief that competition is based upon service, price, location of production and distribution sites, and product quality and performance;
- the outlook for the industrial end markets;
- the availability of raw materials;
- our ability to broaden the distribution of our products, including our ability to leverage our nitric acid production capacity at our El Dorado Facility;
- our ongoing initiatives to increase the distribution of our products within our industrial end markets;
- the execution and success of our advanced low carbon ammonia initiatives;
- our expectations regarding future ammonia pricing;
- the result of our product and market diversification strategy;
- changes in domestic fertilizer production;
- the increasing output and capacity of our existing production facilities;
- production volumes at our production facilities;
- our ability to moderate risk inherent in agricultural markets;
- the sources to fund our cash needs and how this cash will be used;
- the ability to enter into the additional borrowings;
- the anticipated cost and timing of our capital projects;
- certain costs covered under warranty provisions;
- our ability to pass to our customers cost increases in the form of higher prices;
- our belief as to whether we have sufficient sources for materials and components;
- our belief regarding our estimates and contingencies with respect claims and legal actions in the ordinary course of our business and their effect on our business, financial condition, results of operations or cash flows;
- annual natural gas requirements;
- the development of the market and demand for low carbon ammonia;
- compliance by our facilities with the terms of our permits;
- the costs of compliance with environmental laws, health laws, security regulations and transportation regulations;
- our belief as to when Turnarounds will be performed and completed;
- expenses in connection with environmental projects;
- the effect of litigation and other contingencies;
- the increase in interest expense;
- our ability to comply with debt servicing and covenants;
- our ability to meet debt maturities or redemption obligations when due;
- the impact of our repurchase program on our stock price and cash reserves; and
- our belief as to whether we can meet all required covenant tests for the next twelve months.

While we believe the expectations reflected in such Forward-Looking Statements are reasonable, we can give no assurance such expectations will prove to have been correct. There are a variety of factors which could cause future outcomes to differ materially from those described in this report, including, but not limited to, the following:

- changes in general economic conditions, both domestic and foreign;
- material reductions in revenues;
- material changes in interest rates;
- our ability to collect in a timely manner a material amount of receivables;
- increased competitive pressures;
- adverse effects of increases in prices of raw materials;
- changes in federal, state and local laws and regulations, or in the interpretation of such laws and regulations;
- changes in laws, regulations or other issues related to climate change;
- releases of pollutants into the environment exceeding our permitted limits;
- material increases in equipment, maintenance, operating or labor costs not presently anticipated by us;
- the requirement to use internally generated funds for purposes not presently anticipated;
- the inability to secure additional financing for planned capital expenditures or financing obligations due in the near future;
- our substantial existing indebtedness;
- material changes in the cost of natural gas and certain precious metals;
- limitations due to financial covenants;
- changes in competition;
- the loss of any significant customer;
- increases in cost to maintain internal control over financial reporting;
- changes in operating strategy or development plans;
- an inability to fund the working capital and expansion of our businesses;
- changes in the production efficiency of our facilities;
- adverse results in our contingencies including pending litigation;
- unplanned downtime at one or more of our chemical facilities;
- changes in production rates at any of our chemical plants;
- an inability to obtain necessary raw materials and purchased components;
- material increases in cost of raw materials;
- material changes in our accounting estimates;
- significant problems within our production equipment;
- fire or natural disasters;
- an inability to obtain or retain our insurance coverage;
- difficulty obtaining necessary permits;
- difficulty obtaining third-party financing;
- risks associated with proxy contests initiated by dissident stockholders;
- changes in fertilizer production;
- reduction in acres planted for crops requiring fertilizer;
- decreases in duties for products we sell resulting in an increase in imported products into the United States;
- adverse effects from regulatory policies, including tariffs;
- geopolitical concerns;
- volatility of natural gas prices;
- price increases resulting from increased inflation;
- weather conditions, including the effects of climate change;
- increases in imported agricultural products;
- global supply chain disruptions;
- other factors described in *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in this report; and
- other factors described in *Item 1A. Risk Factors* in our 2025 Form 10-K.

Given these uncertainties, all parties are cautioned not to place undue reliance on such Forward-Looking Statements. Except to the extent required by law, we disclaim any obligation to update any such factors or to publicly announce the result of any revisions to any of the Forward-Looking Statements contained herein to reflect future events or developments.

## PART II OTHER INFORMATION

### **Item 1. Legal Proceedings**

We are from time to time subject to various legal proceedings and claims arising in the ordinary course of business. For further discussion of our legal matters, see “Note 5. Commitments and Contingencies—Legal Matters” in the notes to the condensed consolidated financial statements in this report.

### **Item 1A. Risk Factors**

Reference is made to Item 1A of our 2025 Form 10-K filed with the SEC on February 26, 2026. Except as set forth below, there were no material changes from the risk factors disclosed in our 2025 Form 10-K.

**Geopolitical conditions, including political turmoil and volatility, regional conflicts, terrorism and war have negatively affected and could negatively affect United States and foreign companies, the financial markets, the industries where we operate, our operations and our profitability and could increase the volatility of our stock price.**

Geopolitical events, including political turmoil, regional conflicts, instability and terrorist attacks in the United States and elsewhere have in the past, and can in the future negatively affect our operations and could increase the volatility of our stock price. For example, Russia’s invasion of Ukraine and the ongoing conflict in the Middle East, including the military conflict between Iran and the United States, have impacted our financial results. These conflicts have had an effect on commodity prices and fertilizer supply, and there is no guarantee that such conflicts will not draw military intervention from other countries or further retaliation, which, in turn, could lead to a much larger conflict. Furthermore, such military conflicts and the resulting geopolitical instability have caused, and may continue to cause, (i) disruptions to international shipping routes (including through the Strait of Hormuz and other critical transit corridors), (ii) disruptions in global energy markets and significant fluctuations in the prices of oil, natural gas and fertilizer and (iii) substantial disruption to global financial markets, leading to heightened investor uncertainty, reduced risk tolerance and increased market volatility.

It is possible that production volumes, supply chain and trade routes for our products that are traded globally, and the markets we currently serve, could be further adversely affected, which, in turn, could materially, adversely affect our business operations and financial performance. In addition, the market prices of our common stock have recently experienced, and may continue to experience, volatility.

Further, like other companies with major industrial facilities, we may be targets of terrorist activities. Many of our plants and facilities store significant quantities of ammonia and other materials that can be dangerous if mishandled. Any damage to infrastructure facilities, such as electric generation, transmission and distribution facilities, or injury to employees, who could be direct targets or indirect casualties of an act of terrorism, may affect our operations. Any disruption of our ability to produce or distribute our products could result in a significant decrease in revenues and significant additional costs to replace, repair or insure our assets, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

### **Item 3. Defaults upon Senior Securities**

Not applicable

### **Item 4. Mine Safety Disclosures**

Not applicable

## **Item 5. Other Information**

### **Adoption of 10b5-1 Trading Plans by Our Officers and Directors**

*Kristy D. Carver, Senior Vice President and Treasurer*

On March 9, 2026, Kristy D. Carver, our Senior Vice President and Treasurer, entered into a Rule 10b5-1 trading plan that is intended to satisfy the affirmative defense of Rule 10b5-1(c) and provides that Ms. Carver, acting through a broker, may sell up to an aggregate of 29,554 shares of our common stock, subject to adjustments for stock splits, stock combinations, stock dividends and other similar changes to our common stock. Sales of shares under the plan may only occur from June 8, 2026 to February 26, 2027. The plan is scheduled to terminate on February 26, 2027, subject to earlier termination upon the sale of all shares subject to the plan or the expiration of all sale orders under the plan, upon termination by Ms. Carver or the broker, or as otherwise provided in the plan.

*Michael J. Foster, Executive Vice President, General Counsel and Secretary*

On March 11, 2026, Michael J. Foster, our Executive Vice President, General Counsel and Secretary, entered into a Rule 10b5-1 trading plan that is intended to satisfy the affirmative defense of Rule 10b5-1(c) and provides that Mr. Foster, acting through a broker, may sell up to an aggregate of 29,800 shares of our common stock, subject to adjustments for stock splits, stock combinations, stock dividends and other similar changes to our common stock. Sales of shares under the plan may only occur from June 10, 2026 to July 30, 2027. The plan is scheduled to terminate on July 30, 2027, subject to earlier termination upon the sale of all shares subject to the plan or the expiration of all sale orders under the plan, upon termination by Mr. Foster or the broker, or as otherwise provided in the plan.

*Lynn F. White, Member of the Board of Directors*

On March 11, 2026, Lynn F. White, a member of our board of directors, entered into Rule 10b5-1 trading plan that is intended to satisfy the affirmative defense of Rule 10b5-1(c) and provides that Mr. White, acting through a broker, may sell up to an aggregate of 40,000 shares of our common stock, subject to adjustments for stock splits, stock combinations, stock dividends and other similar changes to our common stock. Sales of shares under the plan may only occur from June 10, 2026 to June 10, 2027. The plan is scheduled to terminate on June 10, 2027, subject to earlier termination upon the sale of all shares subject to the plan or the expiration of all sale orders under the plan, upon termination by Mr. White or the broker, or as otherwise provided in the plan.

*Cheryl A. Maguire, Executive Vice President and Chief Financial Officer,*

On March 12, 2026, Cheryl A. Maguire, our Executive Vice President and Chief Financial Officer, entered into a Rule 10b5-1 trading plan that is intended to satisfy the affirmative defense of Rule 10b5-1(c) and provides that Ms. Maguire, acting through a broker, may sell up to an aggregate of 20,000 shares of our common stock, subject to adjustments for stock splits, stock combinations, stock dividends and other similar changes to our common stock. Sales of shares under the plan may only occur from June 11, 2026 to June 11, 2027. The plan is scheduled to terminate on June 11, 2027, subject to earlier termination upon the sale of all shares subject to the plan or the expiration of all sale orders under the plan, upon termination by Ms. Maguire or the broker, or as otherwise provided in the plan.

Other than as described above, during the three months ended March 31, 2026, none of the Company's directors or executive officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

## Item 6. Exhibits

See “Index to Exhibits” on page 33.

### Index to Exhibits Item 6.

Exhibit Number	Exhibit Title	Incorporated by Reference to the Following
3(i).1	<a href="#">Restated Certificate of Incorporation of LSB Industries, Inc., dated January 21, 1977, as amended August 27, 1987</a>	Exhibit 3(i).1 to the Company’s Form 10-K filed on February 28, 2013
3(i).2	<a href="#">Certificate of Amendment to the Restated Certificate of Incorporation of LSB Industries, dated September 23, 2021</a>	Exhibit 3(i).2 to the Company’s Registration Statement on Form S-3 filed on November 16, 2021
3(ii).1(a)	<a href="#">Third Amended and Restated Bylaws of LSB Industries, Inc.</a>	
10.1	Severance and Change in Control Agreement, dated January 14, 2026, by and between LSB Industries, Inc. and Damien J. Renwick	Exhibit 10.1 to the Company’s Form 8-K filed on January 21, 2026
10.2	Severance and Change in Control Agreement, dated January 14, 2026, by and between LSB Industries, Inc. and Scott D. Bemis	Exhibit 10.2 to the Company’s Form 8-K filed on January 21, 2026
10.3	<a href="#">Side Letter Agreement, dated February 10, 2026, by and between LSB Industries, Inc. and Mark T. Behrman</a>	
10.4	<a href="#">Form of Restricted Stock Unit Agreement (Executive Officers – 2026) under the LSB Industries, Inc. 2025 Long-Term Incentive Plan</a>	
31.1(a)	<a href="#">Certification of Mark T. Behrman, Chief Executive Officer, pursuant to Sarbanes-Oxley Act of 2002, Section 302</a>	
31.2(a)	<a href="#">Certification of Cheryl A. Maguire, Chief Financial Officer, pursuant to Sarbanes-Oxley Act of 2002, Section 302</a>	
32.1(a)(b)	<a href="#">Certification of Mark T. Behrman, Chief Executive Officer, furnished pursuant to Sarbanes-Oxley Act of 2002, Section 906</a>	
32.2(a)(b)	<a href="#">Certification of Cheryl A. Maguire, Chief Financial Officer, furnished pursuant to Sarbanes-Oxley Act of 2002, Section 906</a>	
101.INS(a)	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	
101.SCH(a)	Inline XBRL Taxonomy Extension Schema Document	
101.CAL(a)	Inline XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF(a)	Inline XBRL Taxonomy Extension Definition Linkbase Document	
101.LAB(a)	Inline XBRL Taxonomy Extension Labels Linkbase Document	
101.PRE(a)	Inline XBRL Taxonomy Extension Presentation Linkbase Document	
104(a)	Cover Page Interactive Data File (embedded within the Inline XBRL document)	

(a) Filed herewith or furnished herewith.

(b) The certifications attached as Exhibits 32.1 and 32.2 are not deemed “filed” with the SEC and are not to be incorporated by reference into any filing of LSB Industries, Inc. under the Securities Act of 1933, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

**SIGNATURES**

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

LSB INDUSTRIES, INC.

Date: April 30, 2026

/s/ Cheryl A. Maguire

Cheryl A. Maguire

Executive Vice President and Chief Financial Officer  
(Principal Financial and Accounting Officer)

**LSB INDUSTRIES, INC.****(a Delaware Corporation)****THIRD AMENDED AND RESTATED BYLAWS**

(as amended through April 2, 2026)

**ARTICLE I****Offices**

**Section 1.** The principal office of the Corporation shall be in Oklahoma City, County of Oklahoma, State of Oklahoma, and the Corporation may also have offices at such other places as the Board of Directors may from time to time appoint or at such other places as the business of the Corporation requires.

**ARTICLE II****Seal**

**Section 1.** The corporate seal shall be in such form as the Board of Directors may from time to time prescribe. Said seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or reproduced or otherwise.

**ARTICLE III****Stockholders; Business to be Conducted at Annual or Special Meeting  
of Stockholders; and Stockholder Access to Corporation's Proxy Statement**

**Section 1. Place.** All meetings of the stockholders shall be held at such place, if any, either within or without the State of Delaware, or by means of remote communication, as shall be designated from time to time by resolution of the Board of Directors and stated in the notice of meeting.

**Section 2. Annual Meeting.** An annual meeting of stockholders shall be held each calendar year on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice of such meeting. At such meeting, the stockholders shall elect directors and transact such other business as may properly be brought before the meeting.

**Section 3. Quorum.** The holders of record of a majority of the stock issued and outstanding, and entitled to vote thereat, present in person, or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, but in the absence of a quorum the holders of record, present in person or represented by proxy at such meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite amount of voting stock shall be present. A quorum, once established, shall not be broken by the subsequent withdrawal of enough votes to leave less than a quorum. At such adjourned meeting at which the requisite amount of voting stock shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

**Section 4. Voting; Proxies.** Except as otherwise provided by the laws of the State of Delaware or the Certificate of Incorporation of the Corporation or these Bylaws:

(a) At every meeting of the stockholders every shareholder having the right to vote shall be entitled to one vote for each share of capital stock having voting rights held by him.

(b) Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

(c) Each matter properly presented to any meeting shall be decided by a majority of the votes cast on the matter.

(d) Election of directors and the vote on any other matter presented to a meeting need not be by written ballots, but written ballots may be used if ordered by the chairman of the meeting or if so requested by any stockholder present or represented by proxy at the meeting entitled to vote in such election or on such matter, as the case may be.

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(e) Any stockholder directly or indirectly soliciting proxies from other stockholders may use any proxy card color other than white, which shall be reserved for exclusive use of the Board.

Section 5. Notice of Meeting. For each meeting of stockholders written notice shall be given stating the place, date and hour, and, in the case of a special meeting, the purpose or purposes for which the meeting is called and, if the list of stockholders required by Section 6 is to be made available on a reasonably accessible electronic network, the information required to gain access to such list. Except as otherwise provided by Delaware law, the written notice of any meeting shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation. Without limiting the manner by which notices of meetings otherwise may be given effectively to stockholders, any such notice may be given by electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any stockholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the stockholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

Section 6. List of Stockholders Entitled to Vote. The Corporation shall prepare a complete list of the stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting, for a period of at least 10 days ending on the day before the meeting date, (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list was provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation.

Section 7. Special Meetings. A special meeting of stockholders may be called at any time by the Chairman of the Board of Directors or by a majority of the directors then in office, and shall be called by the Chairman of the Board of Directors upon receipt of a written request to do so specifying the matter or matters, appropriate for action at such meeting, proposed to be presented at the meeting and signed by holders of record of two-thirds of the shares of stock that would be entitled to be voted on such matter or matters if the meeting was held on the day such request is received and the record date for such meeting was the close of business on the preceding day. Any such meeting shall be held at such time and at such place, within or without the State of Delaware, as shall be determined by the body or person calling such meeting and as shall be stated in the notice of such meeting.

Section 8. Chairman and Secretary at Meeting. At each meeting of stockholders, the Chairman of the Board of Directors or, in the absence or inability to serve by the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors or, in the absence or inability to serve by both the Chairman of the Board of Directors and the Vice Chairman of the Board of Directors, the President or, in the absence or inability to serve by the Chairman of the Board of Directors, Vice Chairman of the Board of Directors and the President, the person designated in writing by the President or, if no person is so designated, then a person designated by the Board of Directors shall preside as chairman of the meeting; if no person is so designated, then the Board of Directors shall choose a chairman by plurality vote. The Secretary or in his absence a person designated by the chairman of the meeting shall act as secretary of the meeting. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations, and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations, or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (c) rules and procedures for maintaining order at the meeting and the safety of those present; (d) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies, or such other persons as the chairman of the meeting shall determine; (e) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (f) limitations on the time allotted to questions or comments by participants.

Section 9. Adjourned Meetings. A meeting of stockholders may be adjourned to another time or place, and, notice need not be given of any such adjourned meeting if the time, place, if any, thereof and the means of remote communication, if any, are provided in accordance with applicable law. Unless the Board of Directors fixes a new record date, stockholders of record for an adjourned meeting shall be as originally determined for the meeting from which the adjournment was taken. If the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote. At the adjourned meeting any business may be transacted that might have been transacted at the meeting as originally called.

Section 10. Consent of Stockholders in Lieu of Meeting.

10.1 Action by Written Consent. Any action which is required to be or may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if consents in writing, setting forth the action so taken, shall have been signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or to take such action at a meeting at which all shares entitled to vote thereon were present and voted; provided however, that prompt notice of the taking of the corporate action without a meeting and by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

10.2 Determination of Record Date of Action by Written Consent. The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting shall be fixed as follows:

(a) Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent without a meeting shall deliver written notice to the Secretary requesting that the Board of Directors fix a record date, which notice shall describe the action proposed to be taken by consent.

(b) Upon receipt of a valid request under subsection (a), or upon a determination by the Board of Directors that the Corporation should seek corporate action by written consent, the Board of Directors shall fix as the record date the 10th day following such receipt or determination (or such later date as may be specified by the requesting stockholder or by the Board of Directors, as applicable). If such date falls on a Saturday, Sunday or legal holiday, the record date shall be the first day next following such date that is not a Saturday, Sunday or legal holiday.

(c) Any record date determined pursuant to this Subsection 10.2 shall be announced by a press release prior to the opening of trading on the principal exchange on which the Corporation's securities are listed for trading on the next trading day following receipt of a stockholder request under subsection (a) or a Board determination under subsection (b).

10.3 Duration and Revocation of Consents. Stockholders of the Corporation shall be given at least 20 days from the record date to deliver or revoke written consents. Consents to corporate action shall remain valid for a maximum of 60 days after the record date, after which any undelivered consents shall expire. A consent may be revoked by written notice delivered (i) to the Corporation, (ii) to the stockholder or stockholders soliciting consents (or soliciting revocations in opposition thereto) (the "Soliciting Stockholders"), or (iii) to any proxy solicitor engaged by the Corporation or the Soliciting Stockholder(s).

10.4 Retention and Duties of Inspectors of Election. Within two business days after receipt of a stockholder request under Section 10.2(a) or a Board determination under Section 10.2(b), the Secretary of the Corporation shall engage a nationally recognized independent inspector of elections to perform the functions described in this Section 10.4. The inspector shall review all consents and revocations delivered to the Corporation, maintain a confidential count of valid and unrevoked consents, determine whether the requisite number of valid and unrevoked consents has been obtained to authorize or take the action specified therein, and forthwith certify such determination for entry in the records of the Corporation kept for the purpose of recording the proceedings of meetings of stockholders. The cost of retaining an inspector of elections shall be borne by the party proposing the action by consent.

10.5 Procedures for Counting and Challenging Consents. Consents and revocations shall be delivered to the inspectors upon receipt by the Corporation, the Soliciting Stockholders or their proxy solicitors or other designated agents. As soon as consents and revocations are received, the inspectors shall review the consents and revocations and shall maintain a count of the number of valid and unrevoked consents. The inspectors shall keep such count confidential and shall not reveal the count to the Corporation, the Soliciting Stockholders or their representatives. As soon as practicable after the earlier of (i) 60 days after the record date for the consents or (ii) a request therefore by the Corporation or the Soliciting Stockholders (whichever is soliciting consents) made after expiration of the period for giving or revoking consents under Subsection 10.3 above, notice of which request shall be given to the party opposing the solicitation of consents, which request shall state that the Corporation or Soliciting Stockholder(s) (as the case may be) in good faith believe that it or they have received the requisite number of valid and unrevoked consents to authorize or take the action specified in the consents, the inspectors shall issue a preliminary report to the Corporation and the Soliciting Stockholders stating: (i) the number of valid consents; (ii) the number of valid revocations; (iii) the number of valid and unrevoked consents; (iv) the number of invalid consents; (v) the number of invalid revocations; and (vi) whether, based on their preliminary count, the requisite number of valid and unrevoked consents has been obtained to authorize or take the action specified in the consents. Unless the Corporation and the Soliciting Stockholder(s) shall agree to a shorter or longer period, the Corporation and the Soliciting Stockholder(s) shall have 48 hours to review the consents and revocations and to advise the inspectors and the opposing party in writing as to whether they intend to challenge the preliminary report of the inspectors. If no written notice of an intention to challenge the preliminary report is received within 48 hours after the inspector's issuance of the preliminary report, the inspectors shall issue to the Corporation and the Soliciting Stockholder(s) their final report containing the information from the inspectors' determination with respect to whether the requisite number of valid and unrevoked consents was obtained to authorize and take the action specified in the consents. If the Corporation or the Soliciting Stockholder(s) issue written notice of an intention to challenge the inspectors' preliminary report within 48 hours after the issuance of that report, a challenge session shall be scheduled by the inspectors as promptly as practicable. A transcript of the challenge session shall be recorded by a certified court reporter. Following completion of the challenge session, the inspectors shall as promptly as practicable issue their final report to the Corporation and the Soliciting Stockholder(s) containing the information included in the preliminary report, plus all changes in the vote totals as a result of the challenges and a certification of whether the requisite number of valid and unrevoked consents was obtained to authorize or take the action specified in the consents.

10.6 Notice of Results. The Corporation shall give prompt notice to the stockholders of the results of any consent solicitation or the taking of the corporate action without a meeting and by less than unanimous written consent.

Section 11. Fixing of Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the

Board of Directors may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action. Notwithstanding the foregoing, the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting shall be determined in accordance with Section 10.2 of Article III. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 12. Business to be Conducted at the Annual or Special Meeting of the Stockholders; Notice of Proposals. At any annual meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting (i) by or at the direction of the Board of Directors, or (ii) by any stockholder of the Corporation who is entitled to vote with respect thereto and who: (a) was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business as proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving notice provided for in this Section 12 and at the time of the meeting; and (b) complies with the notice procedures set forth in this Section 12.

Except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules as regulations, the "Exchange Act") and included in the notice of the meeting given by or at the direction of the Board of Directors, the foregoing clause (ii) will be the exclusive means for a stockholder to propose business (other than with respect to director nominations) to be brought before the annual meeting of stockholders.

For business to be properly brought before the annual meeting by a stockholder, the Proposing Person (as defined below) must have given timely notice thereof in writing to the Secretary of the Corporation. The Proposing Person's notice will be timely if delivered or mailed to and received at the principal executive offices at the Corporation not less than 120 nor more than 150 days before the date on which the Corporation first mailed its proxy materials for the prior year's annual meeting of stockholders; provided however, that if such annual meeting is to be held on a date that is more than 30 days before, or more than 60 days after, the anniversary of the prior year's annual meeting, notice by the Proposing Person, to be timely, must be so delivered, or mailed and received, not later than the 90th day prior to such annual meeting, or if later, the 10th day following the date on which public disclosure of the date of such annual meeting was made. Any adjournment or postponement of an annual meeting or the announcement thereof will not commence a new time period (or extend any notice time period) for giving the timely notice described above.

The Proposing Person's notice to the Secretary shall set forth as to each matter such stockholder proposes to bring before the annual meeting, the following:

- (i) the name and address, as they appear on the Corporation books, of the stockholder proposing such business;
- (ii) the class or series and number of shares of the Corporation's securities that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by the Proposing Person, except the Proposing Person will be deemed to beneficially own any shares or class or series of the Corporation's securities which the Proposing Person has a right to acquire beneficially ownership at any time in the future;
- (iii) as to each item of business that the stockholder proposes to bring before the annual meeting, (A) a reasonably brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any substantial interest (within the meaning of Item 5 of Schedule 14A under the Exchange Act) in such business of such Proposing Person, and (B) the text of the proposal or business (including the text of any resolutions proposed for consideration);
- (iv) a reasonably detailed description of all agreements, arrangements and understandings, oral or in writing (A) between or among any of the Proposing Persons or (B) between or among any Proposing Person and any other record or beneficial holder of the shares of any class or series of the Corporation (including their names) relating to the proposal of such business by such Proposing Person or (C) between or among any Proposing Person and any other persons or entities (including their names) acting in concert with the Proposing Person; and
- (v) a statement of whether or not the Proposing Stockholder (or any duly authorized person acting on behalf of such Proposing Stockholder) intends to solicit proxies with respect to such business proposal and, if so, the name of each participant in such solicitation; and a statement: (A) confirming whether the Proposing Stockholder (or duly authorized person acting on behalf of such Proposing Stockholder) intends, or is part of a group that intends to deliver a proxy statement and form of proxy and solicit at least the percentage of voting power of all of the shares of stock of the Corporation required under applicable law to approve the proposal; and (B) whether or not any such Proposing Stockholder (or duly authorized person acting on behalf of such Proposing Stockholder) intends to otherwise solicit proxies from stockholders in support of such business proposal.

For purposes of this Section 12 and Section 13, the term "Proposing Person" shall mean (x) the stockholder providing the notice of business proposed to be brought before an annual meeting or notice of a nomination of a person for election as a director, (y) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting or notice

of nomination is made, and (z) any affiliate or associate (each within the meaning of Rule 12b-2 under the Exchange Act for purposes of these Bylaws) of such stockholder or beneficial owner.

Notwithstanding anything in these Bylaws to the contrary, no business (other than nominations of directors, which must be made in compliance with, and shall be exclusively governed by, Article III, Section 13 of these Bylaws) shall be brought before or conducted at the annual meeting except in accordance with the provisions of this Section 12. The officer of the Corporation or other person presiding over the annual meeting shall, if the facts so warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 12 and, if he should so determine, he shall so declare to the meeting and any such business so determined to be not properly brought before the meeting shall not be transacted.

A stockholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, as needed, so that the information provided or required to be provided in such notice pursuant to this Section 12 shall be true and correct as of the record date for the meeting and as of the date that is 10 business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary of the Corporation at the principal executive offices of the Corporation not later than five business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight business days prior to the date for the meeting (in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment or postponement thereof).

This Section 12 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders; except this Section 12 shall not apply to any proposal made pursuant to Rule 14a-8 of the Exchange Act, or to the nomination of persons for election to the Corporation's Board of Directors at a meeting of stockholders at which directors are to be elected which shall be governed by Article III, Section 13 of these Bylaws. In addition to the requirements of this Section 12 with respect to any business proposed to be brought before an annual meeting, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Section 12 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

For purposes of these Bylaws, "public disclosure" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

The officer of the Corporation or other person presiding at the meeting shall, if the facts so warrant, determine that business was not properly brought before the meeting in accordance with the procedures set forth in this Section 12, and, if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

At any special meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting by or at the direction of the Board of Directors.

### Section 13. Election to the Board of Directors.

13.1 Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders at which directors are to be elected only:

- (i) by or at the direction of the Board of Directors; or
- (ii) by any stockholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in Subsection 13.2 below.

The foregoing clause (ii) will be the exclusive means by which a stockholder may nominate a person for election to the Board of Directors. Any proposed nominee shall not be eligible for election as a director unless such person has, within ten (10) days following any reasonable request therefor from the Board of Directors or the Nominating and Corporate Governance Committee, made himself or herself available for interviews by directors of the Corporation and/or other persons designated by the Board of Directors or the Nominating and Corporate Governance Committee and provided answers during such interviews that were accurate and reasonably complete in all material respects with respect to, among other things, the information about such person included in the notice from the Proposing Stockholder described in this Section 13 (if applicable), such person's qualifications to serve as a director and other matters relating to such person's candidacy or prospective service as a director of the Corporation.

13.2 Nominations of election as a director of the Corporation, other than those made by or at the direction of the Board of Directors, shall be made by timely notice in writing to the Secretary of the Corporation. To be timely, a Proposing Person's notice shall be delivered or mailed to and received at the principal executive offices of the Corporation not less than 120 nor more than 150 days prior to the anniversary date of the Corporation's immediately preceding annual meeting of stockholders; provided however, that if such annual meeting is to be held on a date that is more than 30 days before, or more than 60 days after, the anniversary of the prior year's annual meeting, notice by the Proposing Person,

to be timely, must be so delivered, or mailed and received, not later than the 90th day prior to such annual meeting, or if later, the 10th day following the date on which public disclosure of the date of such annual meeting was made. Any adjournment or postponement of an annual meeting or the announcement thereof will not commence a new time period (or extend any notice time period) for giving the timely notice described above. The number of nominees a Proposing Person may nominate for election at an annual meeting pursuant to this Section 13 shall not exceed the number of directors to be elected by stockholders generally at such annual meeting.

Such Proposing Person's notice shall set forth:

- (i) as to each person whom such Proposing Person proposes to nominate for election or reelection as a director:

(A) all information relating to such person that is required to be disclosed in a proxy statement soliciting proxies for the election of such person as a director in an election contest (even if an election contest is not involved) or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder;

(B) a written representation and agreement (in the form provided by the Secretary of the Corporation upon written request within three (3) business days after receiving such request) executed by the nominee acknowledging that such person:

(1) consents to being named in the proxy statement as a nominee and to serving as a director if elected;

(2) intends to serve as a director for the full term for which such person is standing for election; and

(3) makes the following representations and undertakings: (a) that the director nominee has read and agrees to adhere to all applicable rules of any securities exchanges upon which the Corporation's securities are listed, the Certificate of Incorporation, these Bylaws, the Corporation's Corporate Governance Guidelines and any other of the Corporation's policies or guidelines applicable to directors, including with regard to securities trading (which other policies and guidelines will be provided to such nominee within five (5) business days after the Secretary of the Corporation receives any written request therefor from such nominee), and will comply with all applicable fiduciary duties under Delaware law, (b) that the director nominee is not and will not become a party to any agreement, arrangement, or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any nomination or other business proposal, issue, or question (a "Voting Commitment") that has not been disclosed to the Corporation or any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (c) that the director nominee is not and will not become a party to any agreement, arrangement, or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement, or indemnification that has not been disclosed to the Corporation in connection with such person's nomination for director or service as a director, and (d) that the director nominee will provide facts, statements and other information in all communications with the Corporation and its stockholders that are and will be true and correct in all material respects and that do not and will not omit to state any fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in all material respects; and

(C) a representation that such nominee shall also provide any other information reasonably requested by the Corporation within 10 business days after such request);

- (ii) as to the Proposing Person giving the notice (A) the name and address, as they appear on the Corporation's books, of such Proposing Person, and (B) the class and number of shares of the Corporation's voting capital stock that are beneficially owned by such Proposing Person;

- (iii) a reasonably detailed description of all agreements, arrangements and understandings, oral or in writing (A) between or among any of the Proposing Persons or (B) between or among any Proposing Person and any other record or beneficial holder of the shares of any class or series of the Corporation (including their names) relating to the nomination by such Proposing Person or (C) between or among any Proposing Person and any other persons or entities (including their names) acting in concert with the Proposing Person; and

- (iv) a statement of whether or not the Proposing Stockholder (or any duly authorized person acting on behalf of such Proposing Stockholder) intends to solicit proxies with respect to such nomination and, if so, the name of each participant in such solicitation; and a statement: (A) confirming whether the Proposing Stockholder (or duly authorized person acting on behalf of such Proposing Stockholder) intends, or is part of a group that intends to solicit proxies or votes in support of such director nominees or nomination in accordance with Rule 14a-19 under the Exchange Act, including but not limited to delivering a proxy statement and form of proxy and soliciting at least the percentage of the voting power of all of the shares of the stock of the Corporation required under applicable law to elect the nominee; and (2) whether or not any such Proposing Stockholder (or duly authorized person acting on behalf of such Proposing Stockholder) intends to otherwise solicit proxies from stockholders in support of such nomination.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 13, and, if the Proposing Person desires or requests access to the Corporation's proxy statement with respect to the election of a director, Article III, Section 14 of these Bylaws.

The officer of the Corporation or other person presiding at the meeting shall, if the facts so warrant, determine that a nomination was not made in accordance with such provisions and, if he or she should so determine, he or she shall so declare to the meeting and the defective nomination shall be disregarded.

If any stockholder provides notice pursuant to Rule 14a-19 under the Exchange Act, such stockholder shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting, reasonable evidence that it has met all of the applicable requirements of Rule 14a-19 under the Exchange Act. Without limiting the other provisions and requirements of this Section 13, unless otherwise required by law, if any Proposing Person provides such notice and either (A) fails to comply with the requirements of Rule 14a-19 under the Exchange Act, or (B) fails to timely provide reasonable evidence of such compliance as required by this Section 13, then the Proposing Person's nomination of each such proposed nominee shall be disregarded, notwithstanding that the nominee is included as a nominee in the Corporation's proxy statement, notice of meeting, or other proxy materials for any annual meeting (or any supplement thereto) and the Corporation shall disregard any proxies or votes solicited for such stockholder's nominees.

#### Section 14. Stockholder Access to Corporation's Proxy Statement.

(a) Whenever the Corporation solicits proxies with respect to an election of directors at an annual meeting (an "Election"), it shall include in its proxy statement and on its proxy card, in addition to individuals nominated by the Board of Directors, up to the Permitted Number of individuals nominated in compliance with these Bylaws by one or more Eligible Stockholders (each, an "Access Nominee"). Any Eligible Stockholder seeking to have its nominee included in the Corporation's proxy statement and on the Corporation's proxy card shall comply with all provisions of these Bylaws otherwise applicable to stockholder nominations and furnish to the Secretary of the Corporation, no later than the last day on which stockholder nominations for consideration in the Election may be made under Article III, Section 13.2 of these Bylaws (the "Advance Notice Date"):

- (i) the information set forth in Sections 13.2 of these Bylaws;
- (ii) the written undertakings described in subsections (d) and (e) below; and
- (iii) any accompanying statement from the Eligible Stockholder to be included in the Corporation's proxy statement, which statement in order to be so included shall not exceed 500 words and must fully comply with Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, including without limitation Rule 14a-9.

Notwithstanding anything to the contrary contained in this Section 14, the Corporation may omit from its proxy materials any information or statement that it, in good faith, believes is untrue in any material respect (or omits a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading) or would violate any applicable law, rule, regulation, or listing standard. Additionally, nothing in this Section 14 shall limit the Corporation's ability to solicit against and include in its proxy statement its own statements relating to any Access Nominee.

(b) For purposes of this Section:

- (i) "Permitted Number" means one seat on the Corporation's Board of Directors to be filled in the Election; *provided, however*, that the Permitted Number shall be reduced, but not below zero, by the sum of (A) the number of such director candidates for which the Corporation shall have received from Eligible Stockholders by the Advance Notice Date one or more valid stockholder notices nominating director candidates, and (B) the number of directors in office and serving in the class of directors to be considered at the Election for whom access to the Corporation's proxy materials was provided pursuant to this Section ("Access Director"), other than any who has served as a director continuously for at least six years. In no event will the number of nominees nominated by an Eligible Stockholder for which access to the Corporation's proxy materials may be provided in the Election plus the number of Access Directors serving on the Board at the time of the Election exceed 25% of the total number of directors that shall constitute the whole board.
- (ii) An "Eligible Stockholder" means a stockholder of the Corporation that, together with its Affiliates, has continuously held Beneficial Ownership and Economic Interest of not less than the Required Interest for at least one year preceding the Advance Notice Date, and that complies with all applicable provisions of these Bylaws.
- (iii) "Beneficial Ownership" means the power to vote or direct the voting of, or to dispose or direct the disposition of, the securities in question.

- (iv) An “Economic Interest” in a security means having or sharing the opportunity, directly or indirectly, to profit or share in any profit (or loss) derived from a transaction in the security, including through options, swaps or other derivative securities or synthetic arrangements.
- (v) “Independent” with respect to a nominee for director pursuant to this Section 14 shall mean (A) that the nominee would be considered an independent director in accordance with the listing standards of the principal U.S. securities market in which the common stock of the Corporation trades or, if no such listing standards are applicable at the time, in accordance with the standards used by the Board of Directors or a duly authorized committee thereof in determining and disclosing the independence of the Corporation’s directors in accordance with the rules of the Securities and Exchange Commission and (B) the nominee is not an employee or officer of, or consultant to, the Eligible Stockholder or any of its Affiliates and has no other material association, by agreement, understanding or familial or other relationship, with the Eligible Stockholder or any of its Affiliates.
- (vi) The “Required Interest” means 5% of the voting power of the outstanding voting securities of the Corporation entitled to vote in the Election, based upon the number of outstanding voting securities of the Corporation most recently disclosed prior to the Advance Notice Date by the Corporation in a filing with the Securities and Exchange Commission.
- (vii) “Affiliate” of a specified person means a person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the specified person, and, with respect to any investment company (as defined in the Investment Company Act of 1940, whether or not exempt from registration thereunder), shall also include all other investment companies managed by the same investment adviser or any of its Affiliates.

(c) Subject to the following sentence and any undertaking previously provided by an Eligible Stockholder pursuant to Section 14(d) below, each Eligible Stockholder, together with its Affiliates, may nominate one, and not more than one, individual under this Section for inclusion in the Corporation’s proxy statement and on its proxy card. If the Corporation shall receive more than the Permitted Number of proposed nominations from Eligible Stockholders in compliance with these Bylaws, then the nominee nominated by the Eligible Stockholder possessing the largest Beneficial Ownership of voting securities of the Corporation as of the Advance Notice Date shall be the only nominee for purposes of this Section 14.

(d) Any Eligible Stockholder nominating an individual for director in accordance with this Section shall execute and deliver to the Corporation no later than the Advance Notice Date an undertaking, in a form to be provided by the Secretary of the Corporation, that it will, and will cause its Affiliates to:

- (i) not sell or otherwise dispose of its Beneficial Ownership and Economic Interest of voting securities of the Corporation so as to reduce the Beneficial Ownership and Economic Interest held by such Eligible Stockholder, together with its Affiliates, below the Required Interest on or prior to the date of the Election (and representing that they have no present intention of reducing, within one year following the Election, their aggregate Beneficial Ownership and Economic Interest below the greater of (A) the Required Interest and (B) 75% of their aggregate Beneficial and Economic Interest as of the Advance Notice Date);
- (ii) comply with the provisions of the Corporation’s Certificate of Incorporation and Bylaws and all laws and regulations relating to the accompanying statement submitted by the Eligible Stockholder and any solicitation or communications with stockholders of the Corporation in connection with such nomination;
- (iii) indemnify the Corporation and its agents and representatives in respect of any and all liabilities that may arise out of the accompanying statement submitted by the Eligible Stockholder or any solicitation or communications with stockholders of the Corporation by such Eligible Stockholder, its Affiliates or their respective agents or representatives in connection with such nomination, including as a result of any violation of law or regulation by such Eligible Stockholder, its Affiliates or their respective agents or representatives in connection therewith;
- (iv) not use any proxy card other than the Corporation’s proxy card in soliciting stockholders in connection with the matters to be voted on at the meeting at which the Election is held;
- (v) file all solicitation materials used by it or on its behalf with the Securities and Exchange Commission under cover of Schedule 14A promulgated under the Exchange Act; and
- (vi) for a period of one year from the date of the Election, not (A) nominate any individual to be a director of the Corporation or conduct any solicitation with respect to an election for directors of the Corporation other than with respect to the Election and in accordance with this Section, or (B) acquire or propose to acquire Beneficial Ownership of or an Economic Interest in any voting securities of the Corporation such that such Eligible Stockholder, together with its Affiliates, would have aggregate Beneficial Ownership of, and/or an Economic Interest in, more than the greater of (x) 10% of the voting power of the outstanding voting securities of the Corporation or (y) an additional 5% of the voting power of the Corporation’s outstanding voting securities in excess of the aggregate Beneficial Ownership and Economic Interest held by such Eligible Stockholder,

together with its Affiliates, as of the Advance Notice Date (the “Aggregate Beneficial Ownership”); provided that the Aggregate Beneficial Ownership shall not equal or exceed the amount that would equal or exceed the beneficial ownership threshold necessary to trigger the Corporation preferred share rights plan as may be in effect during such time.

(e) Any Eligible Stockholder nominating an individual for director in accordance with this Section shall also deliver to the Corporation no later than the Advance Notice Date a signed undertaking of its nominee agreeing that he or she will tender his or her resignation from the Board of Directors if:

- (i) any of the information provided to the Corporation by the Eligible Stockholder or the nominee pursuant to this Bylaw is determined to be inaccurate in any material respect; or
- (ii) the Eligible Stockholder or any of its Affiliates shall breach their obligations under the undertakings described in subsection (d) above in any material respect.

(f) The Nominating and Governance Committee shall consider a nomination pursuant to this Section 14, and shall determine if the Access Nominee is Independent and may, in its discretion, make a recommendation to the Board of Directors as to whether the Access Nominee should be nominated by the Board of Directors for election at the Annual Meeting of Stockholders.

If the Board of Directors nominates an Access Nominee as part of the Board’s slate of nominees, the Eligible Stockholder’s nomination will be deemed withdrawn and the former Access Nominee shall be presented to the stockholders in the same manner as any other nominee of the Board of Directors. If the Board of Directors does not so nominate the Access Nominee, access to the Corporation’s proxy materials shall be provided in accordance with the terms and subject to the conditions of this Section.

The Board of Directors or a committee thereof may adopt such rules or guidelines for applying the provisions of this Section as it determines are appropriate. These may include timing and other such adjustments as may be appropriate in the event an Access Nominee becomes unavailable or unwilling to serve or becomes ineligible.

(g) This Section shall provide the exclusive method for stockholders to include nominees for director in the Corporation’s proxy statement.

#### ARTICLE IV

##### Directors

Section 1. Number, Term, Qualifications and Vacancies. The property, business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors.

The number of directors that shall constitute the whole Board of Directors may be fixed from time to time pursuant to a resolution adopted by a vote of two-thirds of the entire Board of Directors and may consist of no fewer than three nor more than fourteen members. The directors shall be divided into three classes. Each class shall consist, as nearly as possible, of one-third of the whole number of the Board of Directors. At each annual election of the successors to the class of directors whose terms have expired in that year shall be elected to hold office for a term of three years. Each director elected shall hold office until his successor is elected and qualified or until his earlier resignation or removal. Directors and officers need not be stockholders.

Vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be filled only by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Each director chosen to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such directors shall have been chosen and until his successor is duly elected and qualified or until his earlier resignation or removal.

Section 2. Offices and Books. The directors may have one or more offices, and keep the books of the Corporation at the offices of the Corporation in Oklahoma City, Oklahoma, or at such other places as they may from time to time determine.

Section 3. Resignation. Any director of the Corporation may resign at any time by giving written notice of such resignation to the Board of Directors, the Chairman of the Board of Directors, the President or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if no time be specified, upon receipt thereof by the Board of Directors, or one of the above-named officers; and, unless specified therein, the acceptance of such resignation shall not be necessary to make it effective. When one or more directors shall resign from the Board of Directors, such vacancy shall be filled only by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Each director so chosen shall hold office until the next election of the class for which such director shall have been chosen and until his successor is duly elected and qualified or until his earlier resignation or removal.

Section 4. Removal. Any one or more directors may be removed only for cause by the vote or written consent of the holders of a majority of the issued and outstanding shares of stock of the Corporation entitled to vote for the election of all directors.

Section 5. Regular and Annual Meetings; Notice. Regular meetings of the Board of Directors shall be held at such time and at such place, within or without the State of Delaware, as the Board of Directors may from time to time prescribe. No notice need be given of any regular meeting and a notice, if given, need not specify the purposes thereof. A meeting of the Board of Directors may be held without notice immediately after an annual meeting of stockholders at the same place as that at which such annual meeting of stockholders was held.

Section 6. Special Meetings; Notice. A special meeting of the Board of Directors may be called at any time by the Chairman or a majority of the directors then in office. Any such meeting shall be held at such time and at such place, within or without the State of Delaware, as shall be determined by the body or person calling such meeting. Notice of such meeting stating the time and place thereof shall be given (a) by deposit of the notice in the United States mail, first class, postage prepaid, at least three days before the day fixed for the meeting addressed to each director at his address as it appears on the Corporation's records or at such other address as the director may have furnished the Corporation for that purpose, or (b) by delivery of the notice in person or by telephone, email or other means of electronic transmission, in each case at least two days before the time fixed for the meeting.

Section 7. Presiding Officer and Secretary at Meetings. Each meeting of the Board of Directors shall be presided over by the Chairman of the Board of Directors or in his absence by the President or if neither is present by such member of the Board of Directors as shall be chosen by the meeting. The Secretary, or in his absence an Assistant Secretary, shall act as secretary of the meeting, or if no such officer is present, a secretary of the meeting shall be designated by the person presiding over the meeting.

Section 8. Quorum. A majority of the whole Board of Directors shall constitute a quorum for the transaction of business, but in the absence of a quorum, a majority of those present (or if only one be present, then that one) may adjourn the meeting, without notice other than announcement at the meeting, until such time as a quorum is present. Except as otherwise required by the Certificate of Incorporation or these Bylaws, the vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. Meeting by Telephone. Members of the Board of Directors or of any committee thereof may participate in meetings of the Board of Directors or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

Section 10. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or of such committee, as the case may be, consent thereto in writing and the writing or writings are filed with the minutes of proceedings of the Board of Directors or of such committee.

Section 11. Executive and Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate an Executive Committee and one or more other committees, each such committee to consist of two or more directors as the Board of Directors may from time to time determine. Any such committee, to the extent provided in such resolution or resolutions, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board of Directors, fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series), adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease, or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the Bylaws; and unless the resolution shall expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Each such committee other than the Executive Committee shall have such name as may be determined from time to time by the Board of Directors. Any committee of directors may be discharged or discontinued at any time, with or without cause, by a majority vote of the Board of Directors at any meeting at which there is a quorum present, likewise, any member of any committee of directors may be removed from committee membership, with or without cause, by a majority vote of the Board of Directors at any meeting at which there is a quorum present.

Section 12. Compensation. Each director shall be entitled to reimbursement of his reasonable expenses incurred in attending meetings or otherwise in connection with his attention to the affairs of the Corporation. Each director who is not a salaried officer of the Corporation or of a subsidiary of the Corporation shall, as such director and as a member of any committee, be entitled to receive such amounts as may be fixed from time to time by the Board of Directors, in the form either of fees for attendance at meetings of the Board and of committees thereof, or of payment at the rate of a fixed sum per month, or both.

Section 13. Additional Powers. In addition to the powers and authorities by these Bylaws expressly conferred upon it, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of

Incorporation, as from time to time amended, or by these Bylaws, as from time to time amended, directed or required to be exercised or done by the stockholders.

## ARTICLE V

### Officers

Section 1. Designation. The Corporation shall have such officers with such titles and duties as set forth in these Bylaws or in any one or more resolutions of the Board of Directors adopted on or after the effective date of these Bylaws which are not inconsistent with these Bylaws and as may be necessary to enable the Corporation to sign instruments and stock certificates as required by law.

Section 2. Election; Qualification. The officers of the Corporation shall be a Chief Executive Officer, a President, one or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. The Board of Directors may also elect a Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, a Controller, one or more Assistant Secretaries, one or more Assistant Treasurers, one or more Assistant Controllers, and such other officers as it may from time to time determine. The Chairman of the Board of Directors and Vice Chairman of the Board, if any, shall be elected from among the directors. Two or more offices may be held by the same person.

Section 3. Term of Office. Each officer shall hold office from the time of his election and qualification to the time at which his successor is elected and qualified, unless sooner he shall die or resign or shall be removed pursuant to Article V, Section 5.

Section 4. Resignation. Any officer of the Corporation may resign at any time by giving written notice of such resignation to the Board of Directors, the President or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if no time be specified, upon receipt thereof by the Board of Directors or one of the above-named officers; and, unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Removal. Any officer may be removed at any time, with or without cause, by the vote of a majority of the whole Board of Directors.

Section 6. Vacancies. Any vacancy however caused in any office of the Corporation may be filled by the Board of Directors.

Section 7. Compensation. The compensation of each officer shall be such as the Board of Directors may from time to time determine.

Section 8. Chairman of the Board of Directors and Vice Chairman of the Board of Directors. The Chairman of the Board of Directors and, in his absence or inability to serve, the Vice Chairman of the Board of Directors, if such offices be occupied, shall serve as Chairman of the meetings of the Board of Directors and shall further advise and consult with the Chief Executive Officer and the President concerning the business and affairs of the Corporation and shall also have such powers and duties as the Bylaws or the Board of Directors may from time to time prescribe.

Section 9. Chief Executive Officer. Chief Executive Officer of the Corporation shall have general charge of the business and affairs of the Corporation and shall perform all such other duties as are incident to the chief executive officer, subject, however, to the right of the Board of Directors to confer specified powers on the Chief Executive Officer of the Corporation.

Section 10. President. In the absence of the Chief Executive Officer or his inability to same, the President shall serve as the Chief Executive Officer of the Corporation and shall have general charge of the business and affairs of the Corporation and shall perform all such other duties as are incident to the Chief Executive Officer, subject however to the right of the Chief Executive Officer or the Board of Directors to confer specified duties and/or powers on the President of the Corporation from time to time.

Section 11. Vice President. Each Vice President shall have such powers and duties as generally pertain to the office of Vice President and as the Board of Directors or the President may from time to time prescribe. During the absence of the President or his inability to act, the Vice President, or if there shall be more than one Vice President, then that one designated by the Board of Directors, shall exercise the powers and shall perform the duties of the President, subject to the direction of the Board of Directors.

Section 12. Secretary. The Secretary shall keep the minutes of all meetings of stockholders and of the Board of Directors. He shall be custodian of the corporate seal and shall affix it or cause it to be affixed to such instruments as he deems necessary or appropriate and attest the same and shall exercise the powers and shall perform the duties incident to the office of Secretary, and those that may otherwise from time to time be assigned to him subject to the direction of the Board of Directors.

Section 13. Treasurer. The Treasurer shall be the chief accounting officer of the Corporation (unless the Board of Directors appoints or has appointed another person to serve in the position of chief accounting officer) and shall have care of all funds and securities of the Corporation and shall exercise the powers and shall perform the duties incident to the office of Treasurer, subject to the direction of the Board of Directors.

Section 14. Other Officers. Each other officer of the Corporation shall exercise the powers and shall perform the duties incident to his office, subject to the direction of the Board of Directors.

## ARTICLE VI

### Capital Stock

Section 1. Stock Certificates. The interest of each holder of stock of the Corporation shall be (a) evidenced by a certificate or certificates in such form as the Board of Directors may from time to time prescribe or (b) represented by uncertificated shares as issued by the Corporation. The issuance of shares in uncertificated form shall not affect shares already represented by a certificate until the certificate is surrendered to the Corporation. In the case of certificated shares, each certificate shall be signed by or, in the name of the Corporation by the Chairman of the Board of Directors, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation. If such certificate is countersigned (a) by a transfer agent other than the Corporation or its employee, or (b) by a registrar other than the Corporation or its employee, any other signature on the certificate may be facsimile. If any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 2. Transfer of Stock. Shares of stock shall be transferable on the books of the Corporation pursuant to applicable law and such rules and regulations as the Board of Directors shall from time to time prescribe on or after the effective date of these Bylaws.

Section 3. Holder of Record. Prior to due presentment for registration or transfer or receipt of proper transfer instructions, the Corporation may treat the holder of record of a share of its stock as the complete owner thereof exclusively entitled to vote, to receive notifications and otherwise entitled to all the rights and powers of a complete owner thereof, notwithstanding notice to the contrary.

Section 4. Lost, Stolen, Destroyed, or Mutilated Certificates. The Corporation may issue a new certificate of stock or uncertificated shares to replace a certificate alleged to have been lost, stolen, destroyed or mutilated upon terms and conditions as the Board of Directors may from time to time prescribe, and the Board of Directors may, in its discretion, require the owner of the lost or destroyed certificate or his legal representative, to give the Corporation a bond, in such sum as it may direct, not exceeding double the value of the stock, to indemnify the Corporation against any claim that may be made against it on account of the alleged loss of any such certificate.

Section 5. Transfer Agent and Registrar. The Board of Directors may appoint one or more Transfer Agents and Registrars for the Common Stock and Preferred Stock of the Corporation. The Transfer Agent shall be in charge of the issue, transfer, and cancellation of shares of stock and shall maintain stock transfer books, which shall include a record of the stockholders, giving the names and addresses of all stockholders, and the number and class of shares held by each; prepare voting lists for meetings of stockholders; produce and keep open these lists at the meetings; and perform such other duties as may be delegated by the Board of Directors. Stockholders may give notice of changes of their addresses to the Transfer Agent. The Registrar shall be in charge of preventing the over-issue of shares, shall register all certificated or uncertificated shares of stock, and perform such other duties as may be delegated by the Board of Directors.

## ARTICLE VII

### Checks

Section 1. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

## ARTICLE VIII

### Fiscal Year

Section 1. The fiscal year shall begin the first day of January in each year.

## ARTICLE IX

### Dividends

Section 1. Declaration. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock of the Corporation.

Section 2. Reserve Fund. The Board of Directors may set aside out of any funds of the Corporation available for dividends a reserve or reserves for any proper purposes and in such sum or sums as the directors from time to time, in their absolute discretion, believe to be proper, and the Board of Directors may abolish any such reserve.

## ARTICLE X

### Notice

Section 1. Waiver of Notice. Whenever notice is required by the Certificate of Incorporation, the Bylaws, or as otherwise provided by law, a written waiver thereof, signed by the person entitled to notice, shall be deemed equivalent to notice, whether before or after the time required for such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 2. Mailing of Notice. Whenever under the provisions of these Bylaws notice is required to be given to any director, officer or shareholder and such notice is not waived as provided in Section 1 of this Article X, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in the post office or letter box, in post-paid sealed wrapper, addressed to such shareholder, officer or director at such address as appears on the books of the Corporation, or, in default of other address, to such director, officer or shareholder at the General Post Office in Oklahoma City, Oklahoma, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

## ARTICLE XI

### Amendment of Bylaws

Section 1. Amendment. These Bylaws may be made, amended, altered, added to, revised or repealed only by a vote of a majority of the directors then in office or by a vote of the holders of two-thirds of the issued and outstanding shares of stock of the Corporation entitled to vote for the election of directors; provided, however, that Article IV, Section 1 of these Bylaws and this Article XI, Section 1, may be amended, altered, added to, revised or repealed only by a vote of two-thirds of the entire Board of Directors or by a vote of two-thirds of the issued and outstanding shares of stock of the Corporation entitled to vote for the election of directors.

## ARTICLE XII

### Exclusive Jurisdiction for Certain Claims

Section 1. Exclusive Forum. Unless the Board of Directors or one of its committees otherwise consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if, and only if, the Court of Chancery of the State of Delaware dismisses a Covered Claim (as defined below) for lack of subject matter jurisdiction, any other state or federal court in the State of Delaware that does have subject matter jurisdiction) shall, to the fullest extent permitted by applicable law, be the sole and exclusive forum for any (i) derivative claim brought in the right of the Corporation, (ii) claim asserting a breach of a fiduciary duty to the Corporation or the Corporation's stockholders owed by any current or former director, officer or other employee or stockholder of the Corporation, (iii) claim against the Corporation arising pursuant to any provision of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these Bylaws, (iv) claim to interpret, apply, enforce or determine the validity of these Bylaws, (v) claim against the Corporation governed by the internal affairs doctrine, or (vi) other claim, not subject to exclusive federal jurisdiction and not subject to Section 4 below, brought in any action asserting one or more of the claims specified in clauses (i) through (v) herein above (each a "Covered Claim"); provided, however, that the provisions of this Article XII, Section 1 will not apply to claims brought to enforce any liability or duty created by the Exchange Act.

Section 2. Personal Jurisdiction. If any person or entity (a "Claiming Party") files an action asserting a Covered Claim in a court other than one determined in accordance with Section 1 above (each a "Foreign Action") without the prior approval of the Board of Directors or one of its committees, such Claiming Party shall be deemed to have consented to (i) the personal jurisdiction of the court determined in accordance with Section 1 in connection with any such action brought in any such court to enforce Section 1 (an "Enforcement Action") and (ii) having service of process made upon such Claiming Party in any such Enforcement Action by service upon such Claiming Party's counsel in the Foreign Action as agent for such Claiming Party.

Section 3. Notice and Consent. Any person or entity purchasing or otherwise acquiring any interest in the shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XII and waived any argument relating to the inconvenience of the forums referenced above in connection with any Covered Claim.

Section 4. Federal Forum. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act

of 1933, as amended. Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this provision.

*Side Letter*

**LSB Industries, Inc.**

February 10, 2026

Mark T. Behrman  
3503 NW 63<sup>rd</sup> Street, Suite 500  
Oklahoma City, OK 73116-2238

Re: Amendment to Outstanding Equity Awards – Qualifying Retirement Provisions

Dear Mark:

This Side Letter Agreement (this “*Side Letter*”) is entered into as of February 10, 2026, by and between LSB Industries, Inc. (the “*Company*”) and Mark T. Behrman (“*you*”).

Reference is made to all outstanding equity awards (the “*Outstanding Awards*”) granted to you by the Company pursuant to the LSB Industries, Inc. 2025 Long-Term Incentive Plan (the “*Plan*”) and any applicable predecessor plans, including all outstanding restricted stock units subject to time-based vesting conditions (“*TRSUs*”) and restricted stock units subject to performance-based vesting conditions (“*PRSUs*”) held by you as of the date hereof. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the applicable award agreements.

This Side Letter hereby amends, effective as of the date hereof, each of your Outstanding Awards to incorporate the qualifying retirement provisions set forth below, which shall apply notwithstanding any contrary provisions in your existing award agreements. In addition, the Company agrees that, unless you agree in writing otherwise, any future awards that the Company grants to you pursuant to the Plan shall include the same qualifying retirement provisions described in this Side Letter.

**Amendment to TRSU Accelerated Vesting Provisions**

Each Outstanding Award agreement governing TRSUs is hereby amended to provide that, notwithstanding any other provision therein, upon a Qualifying Retirement (as defined below), all outstanding TRSUs shall accelerate and vest in full. In addition, all Replacement Awards shall vest in full upon your Qualifying Retirement.

**Amendment to PRSU Accelerated Vesting Provisions**

Each Outstanding Award agreement governing PRSUs is hereby amended to provide that upon a Qualifying Retirement, all outstanding PRSUs, including any PRSUs subject to a Replacement Award, shall accelerate and vest in full at the greater of (i) the target number of PRSUs granted pursuant to the applicable award agreement and (ii) the number of PRSUs earned based on actual performance through the date of such Qualifying Retirement, as determined by the Committee in its sole discretion.

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### **Definition of Qualifying Retirement**

For purposes of each of your Outstanding Awards, "Qualifying Retirement" means a Termination of Service due to voluntary retirement, provided that (i) such Termination of Service occurs on or after the date you have reached age 63 and have completed at least five years of service with the Company or the Company Group, (ii) such Termination of Service occurs more than one year after the applicable Date of Grant, and (iii) the Company has not determined in good faith that Cause exists immediately prior to such Termination of Service.

For the avoidance of doubt, each Outstanding Award amended hereby is further amended to incorporate the definitions of "Termination of Service" and "Company Group" as set forth in the Plan, notwithstanding the fact that such Outstanding Award may have been granted under a predecessor plan and without otherwise modifying the terms of such Outstanding Award except as provided herein.

### **General Provisions**

Except as expressly modified by this Side Letter, all other terms and conditions of your Outstanding Awards, including the provisions of the Plan, shall remain in full force and effect. In the event of any conflict between this Side Letter and the terms of your Outstanding Awards or the Plan, this Side Letter shall control with respect to the qualifying retirement provisions set forth herein.

This Side Letter shall be governed by the laws of the State of Delaware, without regard to conflicts of law principles thereof.

Please acknowledge your agreement to the terms of this Side Letter by signing and returning a copy to the undersigned.

Sincerely,

**LSB INDUSTRIES, INC.**

By: \_\_\_\_\_  
Name: Michael J. Foster  
Title: Executive Vice President

### **ACKNOWLEDGED AND AGREED:**

\_\_\_\_\_  
Mark T. Behrman

Date: \_\_\_\_\_

## RSU AWARD AGREEMENT

### LSB INDUSTRIES, INC. 2025 LONG-TERM INCENTIVE PLAN

LSB Industries, Inc. (the “Company”) grants to the Participant named below (“you”) the number of Restricted Stock Units (“RSUs”) set forth below (the “Award”), under this RSU Award Agreement (“Agreement”).

<b>Participant:</b>	[Name]
<b>Date of Grant:</b>	[Date]
<b>Total Number of RSUs:</b>	[Number]  TRSUs – [Number]  PRSUs – [Number] (at Target) (the “ <u>Target PRSUs</u> ”)
<b>Definition of RSU:</b>	Each RSU makes you eligible to receive 1 share of Common Stock (a “ <u>Share</u> ”)—or a cash amount equal to the Fair Market Value of 1 Share—in the future upon vesting, in each case subject to the terms of this Agreement. As used in this Agreement, “ <u>RSUs</u> ” means collectively, your TRSUs and your PRSUs.
<b>Definition of Time-Based Restricted Stock Unit (“<u>TRSU</u>”):</b>	An RSU that becomes vested and payable based solely on your continued service with the Company and its Subsidiaries.
<b>Definition of Performance-Based Restricted Stock Unit (“<u>PRSU</u>”):</b>	An RSU that becomes vested and payable based on a combination of your continued service with the Company and its Subsidiaries and the achievement of specified performance goals.
<b>Performance Period:</b>	Begins on January 1 of the calendar year in which the Date of Grant occurs and ends on December 31 of the third calendar year thereafter.
<b>Plan:</b>	LSB Industries, Inc. 2025 Long-Term Incentive Plan, attached hereto as <b>Exhibit B</b> .
<b>Defined Terms:</b>	As set forth in the Plan, unless otherwise defined in this Agreement.
<b>Vesting and Payment Terms:</b>	See <b>Exhibit A</b> attached hereto.

## RSU TERMS

1. Grant of RSUs. You must accept the terms of this Agreement within 10 business days after the Agreement is presented to you by returning a signed copy of this Agreement to the Company in accordance with such procedures as the Company may establish from time to time in its sole discretion. The Committee may unilaterally cancel and forfeit all or a portion of the Award if you do not timely accept the terms of this Agreement.
2. Restrictions.
  - (a) You will have no rights or privileges of a stockholder as to any Shares underlying the RSUs before settlement under Section 6 below (“Settlement”), including no right to vote or receive dividends or other distributions; in addition, the following terms will apply:
    - (i) you will not be entitled to electronic registration of Shares or delivery of any Share certificates for the RSUs until Settlement (if at all), and upon the satisfaction of all other terms;
    - (ii) you may not sell, transfer (other than by will or the laws of descent and distribution), assign, pledge, or otherwise encumber or dispose of the RSUs or any rights under the RSUs before Settlement;
    - (iii) you will forfeit all of the RSUs and all of your rights under the RSUs will terminate in their entirety on the terms set forth in Section 5 below and Section 12(j) below; and
    - (iv) no Share underlying an RSU will be considered eligible for Settlement until the end of the Restricted Period applicable to the RSU.
  - (b) Any attempt to dispose of the RSUs, any interest in the RSUs, or any Shares in respect of the RSUs in a manner contrary to the terms of this Agreement will be void and of no effect.
3. Restricted Period. The “Restricted Period” is the period beginning on the Date of Grant and ending on the date the RSUs, or such applicable portion of the RSUs, are deemed vested and payable under the terms set forth in Exhibit A attached hereto.
4. Dividend Equivalents. Each RSU will be credited with any cash and stock dividends paid by the Company in respect of 1 Share (“Dividend Equivalents”). Dividend Equivalents will be accrued by the Company and credited to you and will not bear interest. Dividend Equivalents credited to you and attributable to any particular RSU will be distributed to you in cash (or, if determined by the Committee, in Shares having a Fair Market Value equal to the amount of such Dividend Equivalents) upon Settlement of the RSU to which the Dividend Equivalent is attributable and, if the RSU is forfeited, you will have no right to such Dividend Equivalent.
5. Forfeiture. If, during the Restricted Period, (a) you incur a Termination of Service (for the avoidance of doubt, which does not otherwise result in the immediate or continued vesting and payment of the RSUs), (b) you materially breach this Agreement, or (c) you fail to meet the tax withholding obligations described in Section 8 below, you will immediately and automatically forfeit all of your rights in respect of the RSUs.
6. Settlement of RSUs. Settlement of RSUs under this Agreement will be subject to the following:
  - (a) The Company will deliver to you 1 Share—or a cash amount equal to the Fair Market Value of 1 Share—for each RSU that has become vested and payable as soon as administratively practicable after the end of the applicable Restricted Period, but in no event later than the fifteenth day of the

third month following the end of the fiscal year in which the Restricted Period ends, subject to the following:

(i) PRSUs will be settled in Shares; and

(ii) TRSUs will be settled in Shares.

(b) Any issuance of Shares under the Award may be effected on a non-certificated basis through electronic registration, to the extent not prohibited by Applicable Law.

7. **Section 409A; Six Month Delay.** The RSUs are intended to be exempt from Section 409A and this Agreement will be administered and interpreted consistently with that intent. Notwithstanding anything herein to the contrary, in the case of a conversion of RSUs and distribution of shares of Common Stock or payment of cash on account of any Termination of Service (other than death), if you are a “specified employee” as defined in § 1.409A-1(i) of the final regulations under Section 409A of the Code, then solely to the extent required under Section 409A of the Code, your distribution of the number of such Shares or cash (determined after application of the withholding requirements set forth in Section 8 below), plus any dividends payable with respect to such number of Shares or cash, shall not occur until the date which is six months following the date of your Termination of Service (or, if earlier, the date of your death).
8. **Taxes. You are hereby advised to consult immediately with your own tax advisor regarding the tax consequences of this Agreement.** Unless the Company otherwise consents in writing to an alternative withholding method, the Company, or if applicable, any Subsidiary (for purposes of this Section 8, the term “*Company*” shall be deemed to include any applicable Subsidiary) shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan, any federal, state, local, or other taxes required by law to be withheld in connection with this Award. The Company may, in its sole discretion and prior to the date of conversion, require you upon conversion of RSUs to pay the Company the amount of any taxes that the Company is required to withhold in connection with your income arising with respect to this Award. Such payments shall be required to be made prior to the delivery of any certificate or the registration of such shares in your name for such Shares. Such payment may be made by (i) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares) the required tax withholding obligations of the Company; (ii) if the Company, in its sole discretion, so consents in writing, the actual delivery by you to the Company of Shares, which Shares so delivered have an aggregate Fair Market Value that equals or exceeds (to avoid the issuance of fractional shares) the required tax withholding payment; (iii) if the Company, in its sole discretion, so consents in writing, the Company’s withholding of a number of Shares to be delivered upon Settlement, which Shares so withheld have an aggregate Fair Market Value that equals (but does not exceed) the required tax withholding payment; or (iv) any combination of (i), (ii), or (iii). Notwithstanding the foregoing, the Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to you; provided, however, if you are a “specified employee” as defined in § 1.409A-1(i) of the final regulations under Section 409A of the Code who is subject to the six months delay provided for in Section 7 above, the Company shall withhold the number of shares attributable to the employment taxes on the date of your Termination of Service and withhold the number of Shares attributable to the income taxes on the date which occurs six months following the date of your Termination of Service (or, if earlier, the date of your death).
9. **Adjustment.** Upon any event described in Articles 11 – 13 of the Plan (and any successor terms) occurring after the Date of Grant, the adjustment terms of such sections will apply to the Award.
10. **Bound by Plan and Committee Decisions.** By accepting the Award, you acknowledge that you have received a copy of the Plan and have had an opportunity to review the Plan, and you agree to be bound by all of the terms of the Plan. If there is any conflict between this Agreement and the Plan, the Plan will control. The authority to manage and control the operation and administration of this Agreement and the Plan is vested solely in the Committee. The Committee has all powers under this Agreement that it has

under the Plan. Any interpretation of this Agreement or the Plan by the Committee and any decision made by the Committee related to the Agreement or the Plan will be final, binding, and conclusive on all interested parties.

11. Regulatory and Other Limitations. Notwithstanding anything else in this Agreement, the Committee may impose conditions, restrictions, and limitations on the issuance of Shares under the Award unless and until the Committee determines that the issuance complies with (a) all registration requirements under the Securities Act, (b) all listing requirements of any securities exchange or similar entity on which the Shares are listed, (c) all Company policies and administrative rules, and (d) all Applicable Laws.
12. Miscellaneous.
  - (a) Notices. Any notice that may be required or permitted under this Agreement must be in writing and may be delivered personally, by intraoffice mail, or by electronic mail or via a postal service (postage prepaid) to the electronic mail or postal address and directed to the person as the receiving party may designate in writing from time to time. Any notice required or permitted under this Agreement shall be deemed to be delivered only when actually received by you or the Company, as applicable.
  - (b) Waiver. The waiver by any party to this Agreement of a breach of any term of the Agreement will not operate or be construed as a waiver of any other or subsequent breach. You (as consideration for receiving and accepting this Agreement) irrevocably waive and release any right or opportunity you might have to assert (or participate or cooperate in) any Claim against any member of the Board or the Committee and any Subsidiary of the Company arising out of this Plan.
  - (c) Entire Agreement. This Agreement together with the Plan supersede any and all other prior understandings and agreements, either oral or in writing, between you and the Company with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior agreements, commitments, or negotiations related to the Award are superseded.
  - (d) Binding Effect; Successors. The obligations and rights of the Company under this Agreement will be binding upon and inure to the benefit of the Company and any successor corporation or organization resulting from the merger, consolidation, sale, or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company. Your obligations and rights under this Agreement will be binding upon and inure to your benefit and the benefit of your beneficiaries, executors, administrators, heirs, and successors.
  - (e) Governing Law; Jurisdiction. You acknowledge and expressly agree to the governing law and jurisdiction terms of Section 15.11 of the Plan (and any successor terms). This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware (excluding any conflict of laws rule or principle of Delaware law that might refer the governance, construction, or interpretation of this agreement to the laws of another state).
  - (f) Amendment. This Agreement may be amended at any time by the Committee, except that no amendment may, without your consent, materially and adversely affect your rights under the Award.
  - (g) Severability. The invalidity or unenforceability of any term of the Plan or this Agreement will not affect the validity or enforceability of any other term of the Plan or this Agreement, and each other term of the Plan and this Agreement will be severable and enforceable to the extent permitted by Applicable Law.

- (h) No Rights to Service; No Impact on Other Benefits. Nothing in this Agreement will be construed as giving you any right to be retained in any position with the Company or its affiliates. Nothing in this Agreement will interfere with or restrict the rights of the Company or its affiliates—which are expressly reserved—to remove, terminate, or discharge you at any time for any reason whatsoever or for no reason, subject to the Company’s certificate of incorporation, bylaws, and other similar governing documents and Applicable Law. The value of the RSUs is not part of your normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance, or similar employee benefit. The grant of the RSUs does not create any right to receive any future awards.
  - (i) Further Assurances. You must, upon request of the Company, do all acts and execute, deliver, and perform all additional documents, instruments, and agreements that may be reasonably required by the Company to implement this Agreement.
  - (j) Clawback. You acknowledge and consent to Section 6.13 of the Plan regarding clawbacks, and to the Company’s application, implementation, and enforcement of any applicable Company clawback or similar policy that may apply to you, whether adopted before or after the Date of Grant, and any term of Applicable Law relating to clawback, cancellation, recoupment, rescission, payback, or reduction of compensation, and the Company may take such actions as may be necessary to effectuate any such policy or Applicable Law, without further consideration or action.
  - (k) Electronic Delivery and Acceptance. The Company may deliver any documents related to current or future participation in the Plan by electronic means. You consent to receive those documents by electronic delivery and to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.
  - (l) Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.
13. Your Representations. You represent to the Company that you have read and fully understand this Agreement and the Plan and that your decision to participate in the Plan is completely voluntary. You also acknowledge that you are relying solely on your own advisors regarding the tax consequences of the Award.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and you, to evidence his or her consent and approval of all the terms hereof, has duly executed this Agreement, as of the Date of Grant.

**LSB INDUSTRIES, INC., a Delaware corporation**

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[SIGNOR]

**PARTICIPANT**

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[NAME]

*Signature Page to  
RSU Award Agreement*

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**Exhibit A**

**Terms Applicable to TRSUs**

<b>Vesting and Payment of TRSUs:</b>	<p>Subject to <b>Accelerated Payment Events for TRSUs</b> below, the TRSUs will vest and become payable as follows, as long as you do not have a Termination of Service before the applicable vesting date:</p> <table border="1" data-bbox="411 412 1310 602"><thead><tr><th data-bbox="411 412 831 443">Date</th><th data-bbox="831 412 1310 443">TRSUs Vested and Payable*</th></tr></thead><tbody><tr><td data-bbox="411 443 831 474">1<sup>st</sup> anniversary of Date of Grant</td><td data-bbox="831 443 1310 474">1/3</td></tr><tr><td data-bbox="411 474 831 506">2<sup>nd</sup> anniversary of Date of Grant</td><td data-bbox="831 474 1310 506">1/3</td></tr><tr><td data-bbox="411 506 831 537">3<sup>rd</sup> anniversary of Date of Grant</td><td data-bbox="831 506 1310 537">1/3</td></tr></tbody></table> <p data-bbox="411 537 1310 602">If the anniversary of the Date of Grant falls on a weekend or a holiday, then the TRSUs will become vested and payable on the next following business day.</p> <p data-bbox="411 636 1543 701"><i>*Any resultant fractional TRSUs will not become vested or payable and will instead be subject to the next vesting and payment date.</i></p>	Date	TRSUs Vested and Payable*	1 <sup>st</sup> anniversary of Date of Grant	1/3	2 <sup>nd</sup> anniversary of Date of Grant	1/3	3 <sup>rd</sup> anniversary of Date of Grant	1/3
Date	TRSUs Vested and Payable*								
1 <sup>st</sup> anniversary of Date of Grant	1/3								
2 <sup>nd</sup> anniversary of Date of Grant	1/3								
3 <sup>rd</sup> anniversary of Date of Grant	1/3								
<b>Accelerated Payment Events for TRSUs:</b>	<p>As long as (i) you do not incur a Termination of Service before the occurrence of any of the events listed below, except as provided by paragraphs (c) or (d) below for certain Qualifying Separations from Service or paragraph (f) for a Qualifying Retirement and (ii) you hold TRSUs at such time:</p> <ul style="list-style-type: none"><li data-bbox="403 846 1543 1059">(a) in connection with a Change in Control, the TRSUs may be substituted pursuant to <u>Section 12.4 of the Plan</u> for a Replacement Award (as defined below), in which case the TRSUs will continue to vest in accordance with <b>Vesting and Payment of TRSUs</b> above, subject to the terms of this <b>Accelerated Payment Events for TRSUs</b>; <u>provided</u> that if a Replacement Award is issued and after the Change in Control the securities underlying the Replacement Award cease to be publicly traded on an established securities market, the Replacement Award will vest in full immediately before such securities cease to be publicly traded on an established securities market;</li><li data-bbox="403 1093 1543 1149">(b) if any outstanding TRSUs are not substituted in connection with a Change in Control for a Replacement Award, all such TRSUs will vest in full upon the Change in Control;</li><li data-bbox="403 1182 1543 1328">(c) all outstanding TRSUs will vest in full on a Change in Control if you have a Qualifying Separation from Service (as defined below) either (i) within 90 days before the date a definitive agreement is executed that results in a Change in Control within 180 days after the date the definitive agreement is executed or (ii) on or within 180 days after the date a definitive agreement is executed that results in a Change in Control within 180 days after the date the definitive agreement is executed;</li><li data-bbox="403 1361 1543 1507">(d) all outstanding TRSUs (other than under any Replacement Award) that are scheduled to vest under <b>Vesting and Payment of TRSUs</b> above during the 18-month period after your Termination of Service will vest in full if you have a Qualifying Separation from Service before a Change in Control, and all remaining TRSUs will remain outstanding and eligible to vest pursuant to (c) immediately above, and if no definitive agreement is entered into within 90 days after such</li></ul>								

Termination of Service as provided in (c), then all such TRSUs (other than under any Replacement Award) will be immediately forfeited;

- (e) a pro-rata portion of the TRSUs and each Replacement Award, as applicable, will vest upon your Termination of Service due to your Total and Permanent Disability or death, calculated by multiplying the number of TRSUs or shares underlying any Replacement Award scheduled to vest on the anniversary of the Date of Grant immediately after your Termination of Service by a fraction, the numerator of which is the number of days that have elapsed from the last anniversary of the Date of Grant (or if the Termination of Service occurs before the 1<sup>st</sup> anniversary of the Date of Grant, then the number of days that have elapsed from the Date of Grant) through your Termination of Service, and the denominator of which will be 365;
- (f) notwithstanding the foregoing, upon a Qualifying Retirement (as defined below), all outstanding RSUs shall accelerate and vest in full; and
- (g) all Replacement Awards will vest in full upon your Qualifying Separation from Service or Qualifying Retirement, whichever occurs first.

“Qualifying Retirement” means a Termination of Service due to voluntary retirement, provided that (i) such Termination of Service occurs on or after the date the individual has reached age 63 and has completed at least five years of service with the Company or the Company Group, (ii) such Termination of Service occurs more than one year after the Date of Grant, and (iii) the Company has not determined in good faith that Cause exists immediately prior to such Termination of Service.

“Qualifying Separation from Service” means a Termination of Service (i) by the Company without Cause (including a notice of non-renewal of your employment agreement by the Company) or (ii) by you for Good Reason.

“Replacement Award” means an award of restricted stock units in respect of common stock that is publicly traded on an established securities market with substantially equivalent terms as the replaced RSUs, including vesting terms and dividend equivalent rights, issued by the surviving or successor company or a parent or subsidiary of such company.

“Cause” means (a) “Cause” as defined in your employment agreement, or (b) in the absence of such an agreement or such a definition, (i) your violation of the Company’s substance abuse policy; (ii) your refusal or inability (other than by reason of death or Total and Permanent Disability) to perform the duties assigned to you by the Company or your unacceptable performance of the same; (iii) acts or omissions evidencing a violation of your duties of loyalty and good faith, candor, fair and honest dealing, integrity, or full disclosure to the Company, as well as any acts or omissions by you that constitute self-dealing; (iv) disobedience of orders, policies, regulations, or directives issued to you by the Company, including policies related to sexual harassment, discrimination, computer use, or the like; (v) your conviction for or commission of a felony, a crime of moral turpitude, or a crime that could reasonably be expected to impair your ability to perform your job duties; (vi) revocation or suspension of any license or certification necessary for you to perform your duties to the Company; (vii) your willful generation of materially incorrect financial or engineering projections, compilations, or reports; or (viii) a false statement by you to obtain your position.

“Good Reason” means (a) “Good Reason” as defined in your employment agreement, or (b) in the absence of such an agreement or such a definition, (i) a material diminution of your authority or duties; (ii) a material reduction in your base salary, unless the reduction is a proportionate reduction of compensation for you and all other similarly situated employees of the Company; or (iii) a material breach of this Agreement by the Company.

**Terms Applicable to PRSUs**

<b>Vesting and Payment of PRSUs:</b>	<p><b>Performance Period:</b></p> <ul style="list-style-type: none"> <li>The Performance Period applicable to the PRSUs (the “Performance Period”) shall begin on January 1 of the calendar year in which the Date of Grant occurs and shall end on December 31 of the third calendar year thereafter. The PRSUs shall vest, if at all, at the end of the three-year anniversary of the Date of Grant, subject to the Committee’s certification of performance. If the three-year anniversary of the Date of Grant falls on a weekend or a holiday, then the PRSUs shall vest and become payable on the next following business day.</li> </ul> <p><b>Performance Metrics:</b></p> <ul style="list-style-type: none"> <li>The number of PRSUs that vest, if any, will be determined by the following process.</li> <li>Performance shall be measured as of December 31 in each calendar year falling wholly or partially within the Performance Period (each, a “<u>Covered Year</u>”). The performance objective for each Covered Year shall be based on return on net assets (“<u>RONA</u>”), as calculated by the Committee in its discretion, or such other performance goal as may be determined by the Committee in its sole discretion and shall be established by the 90<sup>th</sup> day after the start of the applicable Covered Year (the “<u>Performance Objective</u>”). Each Performance Objective shall include threshold, target, and maximum performance levels, each with a corresponding percentage payout of the Target PRSUs, as reflected in the table below.</li> <li>Following the completion of each Covered Year, the Committee will determine the payout percentage that was attained for such year (each, a “<u>Payout Percentage</u>”) and following the completion of the third Covered Year, the Committee will determine the total number of PRSUs eligible for vesting prior to the application of the TSR modifier in accordance with the following. The total number of PRSUs eligible for vesting, if any, based on the Performance Objective will equal (i) the Target PRSUs <i>multiplied by</i> (ii) the Average Payout Percentage (the “<u>Pre-Modifier PRSUs</u>”). The Average Payout Percentage will equal (x) the sum of the Payout Percentages for each of the Covered Years <i>divided by</i> (y) the number of Covered Years.</li> <li>For the first Covered Year, the Performance Objective selected by the Committee is RONA and the Payout Percentage will be determined as set forth below. The method of calculating RONA is set forth on <u>Schedule 1</u> attached hereto; provided, however, that the Committee shall have full and final discretion with respect to the determination and calculation of RONA. For the avoidance of doubt, the Performance Objective for each subsequent Covered Year may differ from the Performance Objective applicable to the first Covered Year.</li> </ul>
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Performance Level	RONA Achieved	Payout Percentage
Maximum	At or above 15%	200%
Target	11%	100%
Threshold	7%	50%
Below Threshold	Below 7%	0%

Straight line interpolation is used to determine the applicable Payout Percentage between threshold and target and between target and maximum performance levels. For the avoidance of doubt, in no event may the Payout Percentage of any Covered Year exceed 200%.

- **TSR Modifier:** The Pre-Modifier PRSUs, if any, shall then be subject to adjustment, based on the Company’s Total Shareholder Return (“TSR”) relative to the TSR of the companies in the Company’s peer group over the three-year Performance Period. Such adjustment shall be determined by multiplying the Pre-Modifier PRSUs by the TSR Multiplier Percentage, as set forth in the chart below. The application of the TSR Multiplier Percentage shall determine the final number of PRSUs eligible to vest, subject to the remaining terms and conditions of this Agreement.
- For purposes of this Agreement, TSR for the Company shall be expressed as a percentage and calculated according to the following formula:  $TSR = (\text{Ending Average Stock Price} / \text{Beginning Average Stock Price}) - 1$ .

“Accumulated Shares” shall mean, for a given trading day, the sum of (i) one (1) share plus (ii) the cumulative number of shares of Common Stock of the Company purchasable with dividends declared on the Common Stock to that point during the period since the first day of the Beginning Average Period, assuming same day reinvestment of such dividends at the Closing Price on the ex-dividend date.

“Beginning Average Period” shall mean the twenty (20) trading days immediately preceding the first day of the Performance Period.

“Beginning Average Stock Price” shall mean the arithmetic mean of daily Closing Prices multiplied by Accumulated Shares over the Beginning Average Period.

“Closing Price” shall mean for a given trading day, the closing price of a share of Common Stock on the primary U.S. stock exchange on which the Common Stock is principally traded.

“Ending Average Period” shall mean the twenty (20) trading days ending on and including the last day of the Performance Period.

“Ending Average Stock Price” shall mean the arithmetic mean of daily Closing Prices multiplied by Accumulated Shares over the Ending Average Period.

Performance Level	Percentile Rank as to Company TSR Versus Relative TSR	TSR Multiplier Percentage
Maximum	75th Percentile and above	120%
Target	50th Percentile	100%
Threshold	25th Percentile and below	80%

	<p>If the Company’s TSR as compared to the Peer Group’s TSR is between the prescribed threshold and maximum percentages set forth in the chart below, the PRSUs will partially vest on a pro rata basis. Notwithstanding the foregoing, if the Company’s TSR for the Performance Period is negative, the application of the TSR Multiplier Percentage shall be capped at the “Target” level prescribed in the chart above.</p> <p>TSR calculations shall be adjusted to reflect stock splits, reverse stock splits, or other similar corporate transactions as determined in the sole discretion of the Committee. The Committee shall also have authority to make equitable adjustments to the Peer Group and percentile determinations in the event of extraordinary corporate transactions or changes affecting one or more members of the Peer Group. All calculations will be done by the Committee and will be final, binding, and conclusive on all persons and entities for all purposes under this Agreement.</p> <p><i>(1) For TSR performance metric the Company’s peer group includes AdvanSix Inc., Intrepid Potash, Inc., The Mosaic Company, Nutrien Ltd., CF Industries Holdings, Inc., Avient Corporation, Olin Corporation, and Methanex Corporation (collectively, the “Peer Group”).</i></p>
<p><b>Accelerated Payment Events for PRSUs:</b></p>	<p>As long as (i) you do not incur a Termination of Service before the occurrence of any of the events listed below, except as provided below for certain Qualifying Separations from Service, a Qualifying Retirement, your death and Total and Permanent Disability, and (ii) you hold PRSUs at such time:</p> <p>(a) if a Change in Control occurs before the end of the Performance Period, then the portion of the Target PRSUs that are eligible to vest under this Agreement will be determined solely by the Committee immediately before the Change in Control and will equal the greater of (x) the number of Target PRSUs and (y) the portion of the Target PRSUs that are eligible to vest under this Agreement based on actual performance, as determined solely by the Committee before the Change in Control by (1) shortening the Performance Period to end on the date of the Change in Control, (2) adjusting the applicable performance goals set forth immediately above as appropriate based on the shortened Performance Period, and (3) determining the level of achievement of such goals based on such shortened Performance Period ((x) or (y), as applicable, the “CIC PRSUs”);</p> <p>(b) in connection with a Change in Control, the CIC PRSUs may be substituted pursuant to <u>Section 12.4 of the Plan</u> for a Replacement Award, <u>provided</u> that any Replacement Award will vest solely based on your continued service with the Company and its Subsidiaries through the last day of the original Performance Period; <u>provided, further</u>, that if a Replacement Award is issued and after the Change in Control the equity securities underlying the Replacement Award cease to be publicly traded on an established securities market, the Replacement Award will vest in full immediately prior to such equity securities ceasing to be publicly traded on an established securities market;</p> <p>(c) if the CIC PRSUs are not substituted in connection with a Change in Control with a Replacement Award, the CIC PRSUs will vest in full upon a Change in Control such that you may participate as a stockholder in such Change in Control or, if determined by the Committee, the value of such CIC PRSUs may be paid to you in cash;</p> <p>(d) all Replacement Awards will vest in full upon your Qualifying Separation from Service or Qualifying Retirement;</p> <p>(e) the CIC PRSUs will vest in full on a Change in Control if you have a Qualifying Separation from Service either (i) within 90 days before the date a definitive agreement is executed that results in a Change in Control within 180 days after the date such definitive agreement</p>

is executed or (ii) on or within 180 days after the date a definitive agreement is executed that results in a Change in Control within 180 days after the date such definitive agreement is executed, and the value of such CIC PRSUs may be paid to you in cash;

- (f) if you incur a Termination of Service due to your Total and Permanent Disability or death before a Change in Control, at the end of the Performance Period (or the date of the consummation of a Change in Control, if earlier, where there is no Replacement Award), you will vest in a pro-rata portion of the Target PRSUs based on actual performance, as determined by the Committee at the end of the Performance Period (or the date of the consummation of a Change in Control, if earlier) based on the level of achievement of the applicable performance measures for the Performance Period, as adjusted pursuant to clause (a) of this **Accelerated Payment Events for PRSUs**, with such pro-rata portion calculated by multiplying the number of Target PRSUs that are eligible to vest 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 your Termination of Service and the denominator of which will be the total number of days in the Performance Period (or, if a Change in Control occurs before 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); provided that if there is earlier vesting upon a Change in Control where there is no Replacement Award, the value of the vested PRSUs may be paid to you in cash;
- (g) a pro-rata portion of any Replacement Award will vest upon the your Termination of Service due to your Total and Permanent Disability or death at the end of the Performance Period (or, if earlier, upon a subsequent Change in Control), with such pro-rata portion calculated by multiplying the number of shares covered by the 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 your Termination of Service and the denominator of which is the total number of days in the Performance Period;
- (h) if, before a Change in Control, you incur a Qualifying Separation from Service, you will 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 Target PRSUs, with such pro-rata portion calculated by multiplying (i) the number of Target PRSUs that are eligible to vest under this Agreement, if any, based on actual performance, determined 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 applicable performance measures for the Performance Period, as adjusted pursuant to clause (a) of this **Accelerated Payment Events for PRSUs**, by (ii) a fraction, the numerator of which is the number of days that have elapsed from the beginning of the Performance Period through your Qualifying Separation from Service and the denominator of which is the total number of days in the Performance Period (or, if a Change in Control occurs before 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); provided that if there is earlier vesting upon a Change in Control where there is no Replacement Award, the value of the vested PRSUs may be paid to you in cash; and
- (i) notwithstanding the foregoing, upon a Qualifying Retirement, all outstanding PRSUs, including any PRSUs subject to a Replacement Award, shall accelerate and vest in full at the greater of (i) the Target PRSUs and (ii) the number of PRSUs earned based on actual performance through the date of such Qualifying Retirement, as determined by the Committee in its sole discretion.

	For the avoidance of doubt, the Committee retains full discretion to determine performance for any partial-year periods resulting from the acceleration events described above.
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**Exhibit B**

**LSB INDUSTRIES, INC.  
2025 LONG-TERM INCENTIVE PLAN**

The LSB Industries, Inc. 2025 Long-Term Incentive Plan (the “*Plan*”) was adopted by the Board of Directors of LSB Industries, Inc., a Delaware corporation (the “*Company*”), effective as of April 9, 2025 (the “*Board Approval Date*”) to be effective as of the date the Plan is approved by the Company’s stockholders (the “*Effective Date*”).

**ARTICLE 1.  
PURPOSE**

The purpose of the Plan is to attract and retain the services of key Employees, key Contractors, and Outside Directors of the Company and its Subsidiaries and to provide such persons with a proprietary interest in the Company through the granting of Incentive Stock Options, Nonqualified Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Awards, Dividend Equivalent Rights, Other Awards, and Tandem Awards, whether granted singly, or in combination, or in tandem, that will:

- (a) increase the interest of such persons in the Company’s welfare;
- (b) furnish an incentive to such persons to continue their services for the Company or its Subsidiaries; and
- (c) provide a means through which the Company may attract able persons as Employees, Contractors, and Outside Directors.

With respect to Reporting Participants, the Plan and all transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 promulgated under the Exchange Act. To the extent any provision of the Plan or action by the Committee fails to so comply, such provision or action shall be deemed null and void *ab initio*, to the extent permitted by law and deemed advisable by the Committee.

**ARTICLE 2.  
DEFINITIONS**

For the purpose of the Plan, unless the context requires otherwise, the following terms shall have the meanings indicated:

2.1 “*Applicable Law*” means all legal requirements relating to the administration of equity incentive plans and the issuance and distribution of shares of Common Stock, if any, under applicable corporate laws, applicable securities laws, the rules of any exchange or inter-dealer quotation system upon which the Company’s securities are listed or quoted, the rules of any foreign jurisdiction applicable to Incentives granted to residents therein, and any other applicable law, rule or restriction.

2.2 “*Authorized Officer*” is defined in Section 3.2(b) hereof.

2.3 “*Award*” means the grant of any Incentive Stock Option, Nonqualified Stock Option, Restricted Stock, SAR, Restricted Stock Unit, Performance Award, Dividend Equivalent Right or Other

Award, whether granted singly or in combination or in tandem (each individually referred to herein as an “*Incentive*”).

2.4 “*Award Agreement*” means a written agreement between a Participant and the Company which sets out the terms of the grant of an Award.

2.5 “*Award Period*” means the period set forth in the Award Agreement during which one or more Incentives granted under an Award may be exercised.

2.6 “*Board*” means the board of directors of the Company.

2.7 “*Change in Control*” means the occurrence of an event set forth in any one of the following paragraphs, except as otherwise provided herein:

(a) any Person, or more than one Person acting as a “group” (as defined in Section 13(d) of the Exchange Act) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) and becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities, excluding any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company; provided, however, a Change in Control shall not occur if such Person or Persons acting as a group already own more than 50% of the Company’s securities and acquire additional Company securities;

(b) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company’s stockholders was approved or recommended by a vote of at least the majority of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended; or

(c) any Person, or more than one Person acting as a “group” (as defined in Section 13(d) of the Exchange Act), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) all or substantially all of the Company’s assets that have a total Gross Fair Market Value equal to more than 50% of the total Gross Fair Market Value of the Company’s assets immediately prior to such acquisition(s).

For purposes hereof:

“*Affiliate*” shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

“*Beneficial Owner*” shall have the meaning set forth in Rule 13d-3 under the Exchange Act except that a Person shall be deemed to be the “Beneficial Owner” of all shares that any such Person has the right to acquire pursuant to any agreement or arrangement or upon exercise of conversion rights, warrants, options or otherwise, without regard to the 60-day period referred to in such rule).

“**Company**” shall mean, unless as otherwise provided in an Award Agreement, (i) the Company, as defined in Section 2.12; (ii) the entity for whom a Participant performs services for which an Award is granted; and (iii) an entity that is a stockholder owning more than 50% of the total number of outstanding shares of Common Stock (or other equity interests) and total voting power (*i.e.*, a majority stockholder) of the Company or entity identified in (ii), or any entity in a chain of entities in which each entity is a majority stockholder of another entity in the chain, ending on the Company or the entity identified in (ii).

“**Gross Fair Market Value**” shall mean the value of the Company’s assets or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

“**Person**” means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a limited liability company, a trust or other entity; a Person, together with that Person’s Affiliates and Associates (as those terms are defined in Rule 12b-2 under the Exchange Act, provided that “registrant” as used in Rule 12b-2 shall mean the Company), and any Persons acting as a partnership, limited partnership, joint venture, association, syndicate or other group (whether or not formally organized), or otherwise acting jointly or in concert or in a coordinated or consciously parallel manner (whether or not pursuant to any express agreement), for the purpose of acquiring, holding, voting or disposing of securities of the Company with such Person, shall be deemed a single “Person.”

Notwithstanding the foregoing, no transaction or series of transactions shall be deemed to constitute a Change in Control unless and to the extent such transaction or transactions constitute a change in ownership or control under Section 409A of the Code. Additionally, for purposes of this Section 2.7, Section 318(a) of the Code, regarding constructive ownership, shall apply to determine stock ownership; provided, however, that any stock underlying unvested Nonqualified Stock Options or Incentive Stock Options shall not be treated as owned by such Participant who owns such Nonqualified Stock Option or Incentive Stock Option.

2.8“**Claim**” means any claim, liability or obligation of any nature, arising out of or relating to this Plan or an alleged breach of this Plan or an Award Agreement.

2.9“**Code**” means the United States Internal Revenue Code of 1986, as amended.

2.10“**Committee**” means the committee appointed or designated by the Board to administer the Plan in accordance with Article 3 of this Plan.

2.11“**Common Stock**” means the common stock, par value \$0.10 per share, which the Company is currently authorized to issue or may in the future be authorized to issue, or any securities into which or for which the common stock of the Company may be converted or exchanged, as the case may be, pursuant to the terms of this Plan.

2.12“**Company**” means LSB Industries, Inc., a Delaware corporation, and any successor entity.

2.13“**Contractor**” means any natural person (or a wholly owned alter ego entity of the natural person providing such services of which such person is an employee, stockholder, or partner),, who is not an Employee, rendering *bona fide* services to the Company or a Subsidiary, with compensation, pursuant

to a written independent contractor agreement between such person and the Company or a Subsidiary, *provided that* such services are not rendered in connection with the offer or sale of securities in a capital raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

2.14“**Corporation**” means any entity that (a) is defined as a corporation under Section 7701 of the Code and (b) is the Company or is in an unbroken chain of corporations (other than the Company) beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain. For purposes of clause (b) hereof, an entity shall be treated as a “corporation” if it satisfies the definition of a corporation under Section 7701 of the Code.

2.15“**Date of Grant**” means the effective date on which an Award is made to a Participant as set forth in the applicable Award Agreement; *provided, however*, that solely for purposes of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder, the Date of Grant of an Award shall be the date of stockholder approval of the Plan if such date is later than the effective date of such Award as set forth in the Award Agreement.

2.16“**Dividend Equivalent Right**” means the right of the holder thereof to receive credits based on the cash dividends that would have been paid on the shares of Common Stock specified in the Award if such shares were held by the Participant to whom the Award is made.

2.17“**Employee**” means a common law employee (as defined in accordance with the Regulations and Revenue Rulings then applicable under Section 3401(c) of the Code) of the Company or any Subsidiary of the Company; provided, however, in the case of individuals whose employment status, by virtue of their employer or residence, is not determined under Section 3401(c) of the Code, “Employee” shall mean an individual treated as an employee for local payroll tax or employment purposes by the applicable employer under Applicable Law for the relevant period. An employee on leave of absence may be considered as still in the employ of the Company or its Subsidiaries for purposes of eligibility for participation in the Plan.

2.18“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

2.19“**Exercise Date**” is the date (i) with respect to any Stock Option, that the Participant has delivered both the Exercise Notice and consideration to the Company with a value equal to the total Option Price of the shares to be purchased (plus any income and/or employment tax withholding or other tax payment due with respect to such Award); and (ii) with respect to any SAR, that the Participant has delivered both the Exercise Notice and consideration to the Company with a value equal to any income and/or employment tax withholding or other tax payment due with respect to such SAR.

2.20“**Exercise Notice**” is defined in Section 8.3(b) hereof.

2.21“**Fair Market Value**” means, as of a particular date, (a) if the shares of Common Stock are listed on any established national securities exchange, the closing sales price per share of Common Stock on the consolidated transaction reporting system for the principal securities exchange for the Common Stock on that date (as determined by the Committee, in its discretion), or, if there shall have been no such sale so reported on that date, on the last preceding date on which such a sale was so reported; (b) if the shares of Common Stock are not so listed, but are quoted on an automated quotation system, the closing sales price per share of Common Stock reported on the automated quotation system on that date, or, if there shall have been no such sale so reported on that date, on the last preceding date on which such a sale was so reported; (c) if the Common Stock is not so listed or quoted, the mean between the closing bid and

asked price on that date, or, if there are no quotations available for such date, on the last preceding date on which such quotations shall be available, as reported by the OTCQX, OTCQB or OTC Pink (Pink Open Market); or (d) if none of the above is applicable, such amount as may be determined by the Committee (acting on the advice of an Independent Third Party, should the Committee elect in its sole discretion to utilize an Independent Third Party for this purpose), in good faith, to be the fair market value per share of Common Stock. The determination of Fair Market Value shall, where applicable, be in compliance with Section 409A of the Code.

2.22“**Immediate Family Members**” is defined in Section 15.8 hereof.

2.23“**Incentive**” is defined in Section 2.3 hereof.

2.24“**Incentive Stock Option**” means an incentive stock option within the meaning of Section 422 of the Code, granted pursuant to this Plan.

2.25“**Independent Third Party**” means an individual or entity independent of the Company having experience in providing investment banking or similar appraisal or valuation services and with expertise generally in the valuation of securities or other property for purposes of this Plan. The Committee may utilize one or more Independent Third Parties.

2.26“**Nonqualified Stock Option**” means a nonqualified stock option, granted pursuant to this Plan, which is not an Incentive Stock Option.

2.27“**Option Price**” means the price which must be paid by a Participant upon exercise of a Stock Option to purchase a share of Common Stock.

2.28“**Other Award**” means an Award issued pursuant to Section 6.9 hereof.

2.29“**Outside Director**” means a director of the Company who is not an Employee or a Contractor.

2.30“**Participant**” means an Employee, Contractor or an Outside Director to whom an Award is granted under this Plan.

2.31“**Performance Award**” means an Award hereunder of cash, shares of Common Stock, units or rights based upon, payable in, or otherwise related to, Common Stock pursuant to Section 6.7 hereof.

2.32“**Performance Goal**” means any of the performance goals relating to one or more business or individual performance criteria established by the Committee in its sole discretion.

2.33“**Plan**” means this LSB Industries, Inc. 2025 Long-Term Incentive Plan, as amended from time to time.

2.34“**Prior Plans**” mean the LSB Industries, Inc. 2008 Incentive Stock Plan, as amended effective June 5, 2014 and LSB Industries, Inc. 2016 Long Term Incentive Plan, as amended and restated March 4, 2021.

2.35“**Prior Plan Awards**” means any awards that are outstanding under any Prior Plan immediately prior to the Effective Date.

2.36“**Reporting Participant**” means a Participant who is subject to the reporting requirements of Section 16 of the Exchange Act.

2.37“**Restricted Stock**” means shares of Common Stock issued or transferred to a Participant pursuant to Section 6.4 of this Plan which are subject to restrictions or limitations set forth in this Plan and in the related Award Agreement.

2.38“**Restricted Stock Units**” means units awarded to Participants pursuant to Section 6.6 hereof, which are convertible into Common Stock at such time as such units are no longer subject to restrictions as established by the Committee.

2.39“**Restriction Period**” is defined in Section 6.4(b)(i) hereof.

2.40“**SAR**” or “**Stock Appreciation Right**” means the right to receive an amount, in cash and/or Common Stock, equal to the excess of the Fair Market Value of a specified number of shares of Common Stock as of the date the SAR is exercised (or, as provided in the Award Agreement, converted) over the SAR Price for such shares.

2.41“**SAR Price**” means the exercise price or conversion price of each share of Common Stock covered by a SAR, determined on the Date of Grant of the SAR.

2.42“**Spread**” is defined in Section 12.4(b) hereof.

2.43“**Stock Option**” means a Nonqualified Stock Option or an Incentive Stock Option.

2.44“**Subsidiary**” means (a) any corporation in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain, (b) any limited partnership, if the Company or any corporation described in item (a) above owns a majority of the general partnership interest and a majority of the limited partnership interests entitled to vote on the removal and replacement of the general partner, and (c) any partnership or limited liability company, if the partners or members thereof are composed only of the Company, any corporation listed in item (a) above or any limited partnership listed in item (b) above. “**Subsidiaries**” means more than one of any such corporations, limited partnerships, partnerships or limited liability companies.

2.45“**Termination of Service**” occurs when a Participant who is (a) an Employee of the Company or any Subsidiary ceases to serve as an Employee of the Company and its Subsidiaries, for any reason; (b) an Outside Director of the Company or a Subsidiary ceases to serve as a director of the Company and its Subsidiaries for any reason; or (c) a Contractor of the Company or a Subsidiary ceases to serve as a Contractor of the Company and its Subsidiaries for any reason. Except as may be necessary or desirable to comply with applicable federal or state law or as otherwise may be provided by a Participant’s Award Agreement, a “Termination of Service” shall not be deemed to have occurred when a Participant who is an Employee becomes an Outside Director or Contractor or vice versa. If, however, a Participant who is an Employee and who has an Incentive Stock Option ceases to be an Employee but does not suffer a Termination of Service, and if that Participant does not exercise the Incentive Stock Option within the time required under Section 422 of the Code upon ceasing to be an Employee, the Incentive Stock Option shall thereafter become a Nonqualified Stock Option. Notwithstanding the foregoing provisions of this Section 2.45, in the event an Award issued under the Plan is subject to Section 409A of the Code, then, in lieu of the foregoing definition and to the extent necessary to comply with the

requirements of Section 409A of the Code, the definition of “Termination of Service” for purposes of such Award shall be the definition of “separation from service” provided for under Section 409A of the Code and the regulations or other guidance issued thereunder.

2.46“**Total and Permanent Disability**” means a Participant is qualified for long-term disability benefits under the Company’s or Subsidiary’s disability plan or insurance policy or under any applicable non-U.S. law; or, if no such plan or policy is then in existence or if the Participant is not eligible to participate in such plan or policy, that the Participant, because of a physical or mental condition resulting from bodily injury, disease, or mental disorder, is unable to perform the Participant’s duties of employment for a period of six continuous months, as determined in good faith by the Committee, based upon medical reports or other evidence satisfactory to the Committee; provided that, with respect to any Incentive Stock Option, Total and Permanent Disability shall have the meaning given it under the rules governing Incentive Stock Options under the Code. Notwithstanding the foregoing provisions of this Section 2.46, in the event an Award issued under the Plan is subject to Section 409A of the Code, then, in lieu of the foregoing definition and to the extent necessary to comply with the requirements of Section 409A of the Code, the definition of “Total and Permanent Disability” for purposes of such Award shall be the definition of “disability” provided for under Section 409A of the Code and the regulations or other guidance issued thereunder.

### **ARTICLE 3. ADMINISTRATION**

**3.1 General Administration; Establishment of Committee.** Subject to the terms of this Article 3, the Plan shall be administered by the Board or the Committee, if a Committee is designated by the Board to administer the Plan. The Committee shall consist of not fewer than two persons, unless there are not two members of the Board who meet the qualification requirements set forth herein to administer the Plan, in which case, the Committee may consist of one person. Any member of the Committee may be removed at any time, with or without cause, by resolution of the Board. Any vacancy occurring in the membership of the Committee may be filled by appointment by the Board. At any time there is no Committee to administer the Plan, any references in this Plan to the Committee shall be deemed to refer to the Board.

Membership on the Committee shall be limited to those members of the Board who are “non-employee directors” as defined in Rule 16b-3 promulgated under the Exchange Act. The Committee shall select one of its members to act as its Chairman. A majority of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee.

#### **3.2 Designation of Participants and Awards.**

(a) The Committee or the Board shall determine and designate from time to time the eligible persons to whom Awards will be granted and shall set forth in each related Award Agreement, where applicable, the Award Period, the Date of Grant, and such other terms, provisions, limitations, and performance requirements, as are approved by the Committee, but not inconsistent with the Plan. The Committee shall determine whether an Award shall include one type of Incentive or two or more Incentives granted in combination or two or more Incentives granted in tandem (that is, a joint grant where exercise of one Incentive results in cancellation of all or a portion of the other Incentive). Although the members of the Committee shall be eligible to receive Awards, all decisions with respect to any Award, and the terms and conditions thereof, to be granted under the Plan to any member of the Committee shall be made solely and exclusively

by the other members of the Committee, or if such member is the only member of the Committee, by the Board.

(b) Notwithstanding Section 3.2(a), to the extent permitted by Applicable Law, the Board may, in its discretion and by a resolution adopted by the Board, authorize one or more officers of the Company (an “**Authorized Officer**”) to (i) designate one or more Employees as eligible persons to whom Awards will be granted under the Plan, and (ii) determine the number of shares of Common Stock that will be subject to such Awards; provided, however, that the resolution of the Board granting such authority shall (x) specify the total number of shares of Common Stock that may be made subject to the Awards, (y) set forth the price or prices (or a formula by which such price or prices may be determined) to be paid for the purchase of the Common Stock subject to such Awards, and (z) not authorize an officer to designate such officer as a recipient of any Award.

**3.3 Authority of the Committee.** The Committee, in its discretion, shall (a) interpret the Plan and Award Agreements, (b) prescribe, amend, and rescind any rules and regulations, and sub-plans (including sub-plans for Awards made to Participants who are not residents in the United States) as necessary or appropriate for the administration of the Plan, to obtain favorable tax treatment for the Awards or to ensure compliance with securities law, (c) establish performance goals for an Award and certify the extent of their achievement, and (d) make such other determinations or certifications and take such other action as it deems necessary or advisable in the administration of the Plan. Any interpretation, determination, or other action made or taken by the Committee shall be final, binding, and conclusive on all interested parties. The Committee’s discretion set forth herein shall not be limited by any provision of the Plan, including any provision which by its terms is applicable notwithstanding any other provision of the Plan to the contrary.

The Committee may delegate to officers of the Company, pursuant to a written delegation, the authority to perform specified functions under the Plan. Any actions taken by any officers of the Company pursuant to such written delegation of authority shall be deemed to have been taken by the Committee.

With respect to restrictions in the Plan that are based on the requirements of Rule 16b-3 promulgated under the Exchange Act, Section 422 of the Code, the rules of any exchange or inter-dealer quotation system upon which the Company’s securities are listed or quoted, or any other Applicable Law, to the extent that any such restrictions are no longer required by Applicable Law, the Committee shall have the sole discretion and authority to grant Awards that are not subject to such formerly mandated restrictions and/or to waive any such formerly mandated restrictions with respect to outstanding Awards.

#### **ARTICLE 4. ELIGIBILITY**

Any Employee (including an Employee who is also a director or an officer), Contractor or Outside Director of the Company whose judgment, initiative, and efforts contributed or may be expected to contribute to the successful performance of the Company is eligible to participate in the Plan; provided that only Employees of a Corporation shall be eligible to receive Incentive Stock Options. The Committee, upon its own action, may grant, but shall not be required to grant, an Award to any Employee, Contractor or Outside Director. Awards may be granted by the Committee at any time and from time to time to new Participants, or to then Participants, or to a greater or lesser number of Participants, and may include or exclude previous Participants, as the Committee shall determine. Except as required by this Plan, Awards need not contain similar provisions. The Committee’s determinations under the Plan (including without limitation determinations of which Employees, Contractors or Outside Directors, if any, are to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the

agreements evidencing same) need not be uniform and may be made by it selectively among Participants who receive, or are eligible to receive, Awards under the Plan.

## ARTICLE 5. SHARES SUBJECT TO PLAN

### 5.1 Number Available for Awards.

(a) Subject to adjustment as provided in Articles 11 and 12, the maximum number of shares of Common Stock that may be delivered pursuant to Awards granted under the Plan is four million (4,000,000) shares, of which one hundred percent (100%) may be delivered pursuant to Incentive Stock Options.

(b) Prior Plan Awards shall remain outstanding following the Effective Date in accordance with their terms. With respect to Prior Plan Awards, if such a Prior Plan Award, on or after the Effective Date, lapses, expires, terminates or is canceled prior to the issuance of shares thereunder or if shares of Common Stock are issued under the Prior Plan to a Participant and thereafter are reacquired by the Company, the shares subject to such Prior Plan Awards and the reacquired shares shall again be available for issuance under this Plan. In addition, the following shares of Common Stock shall not be treated as having been issued under the Prior Plan and shall again be available for issuance under this Plan: (i) shares tendered by a Participant or retained by the Company as full or partial payment to the Company for the purchase price of a Prior Plan Award or to satisfy tax withholding obligations in connection with a Prior Plan Award, (ii) shares covered by a Prior Plan Award that is settled in cash, or (iii) the number of shares subject to a Prior Plan Award that is a stock appreciation right in excess of the number of shares that are delivered to the Participant upon exercise of such Prior Plan Award. Further, the number of shares available for issuance under the Prior Plan shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional shares or credited as additional Restricted Stock, Restricted Stock Units or Performance Shares.

(c) Shares to be issued may be made available from authorized but unissued Common Stock, Common Stock held by the Company in its treasury, or Common Stock purchased by the Company on the open market or otherwise. During the term of this Plan, the Company will at all times reserve and keep available the number of shares of Common Stock that shall be sufficient to satisfy the requirements of this Plan.

**5.2 Reuse of Shares.** To the extent that any Award under this Plan shall be forfeited, shall expire or be canceled, in whole or in part, then the number of shares of Common Stock covered by the Award so forfeited, expired or canceled may again be awarded pursuant to the provisions of this Plan. Notwithstanding the foregoing, (i) the number of shares of Common Stock tendered or withheld in payment of any Option Price or SAR Price of an Award or taxes relating to an Award, (ii) shares of Common Stock that were subject to a Stock Option or a SAR but were not issued or delivered as a result of the net settlement or net exercise of such Stock Option or SAR and (iii) shares of Common Stock repurchased on the open market with the proceeds of a Stock Option's Option Price, will not, in each case, be available for Awards under this Plan. Awards that may be satisfied either by the issuance of shares of Common Stock or by cash or other consideration shall be counted against the maximum number of shares of Common Stock that may be issued under this Plan only during the period that the Award is outstanding or to the extent the Award is ultimately satisfied by the issuance of shares of Common Stock. Awards will not reduce the number of shares of Common Stock that may be issued pursuant to this Plan if the settlement of the Award will not require the issuance of shares of Common Stock, as, for example, a SAR that can be satisfied only by the payment of cash. Notwithstanding any provisions of the Plan to the contrary, shares forfeited back to the Company and shares canceled on account of termination, expiration or lapse of an Award shall again be available for grant of Incentive Stock Options under the Plan, but shall not increase the maximum number of shares described in Section 5.1 above as the maximum number of shares of Common Stock that may be delivered pursuant to Incentive Stock Options.

**5.3 Limitation on Outside Director Awards.** No Outside Director may be granted any Award or Awards denominated in shares that exceed in the aggregate \$500,000 in Fair Market Value (such Fair Market Value computed as of the Date of Grant) in any calendar year period that, plus an additional \$500,000 in Fair Market Value (determined as of the Date of Grant) for one-time awards to a newly appointed or elected Outside Director.

## **ARTICLE 6. GRANT OF AWARDS**

### **6.1 In General.**

(a) The grant of an Award shall be authorized by the Committee and shall be evidenced by an Award Agreement setting forth the Incentive or Incentives being granted, the total number of shares of Common Stock subject to the Incentive(s), the Option Price (if applicable), the Award Period, the Date of Grant, and such other terms, provisions, limitations, and performance objectives, as are approved by the Committee, but (i) not inconsistent with the Plan and (ii) to the extent an Award issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. The Company shall execute an Award Agreement with a Participant after the Committee approves the issuance of an Award. Any Award granted pursuant to this Plan must be granted within 10 years of Board Approval Date. The Plan shall be submitted to the Company's stockholders for approval at the first stockholder meeting after the Board Approval Date; however, the Committee may grant Awards under the Plan prior to the time of stockholder approval. Any such Award granted prior to such stockholder approval shall be made subject to the attainment of such stockholder approval. The grant of an Award to a Participant shall not be deemed either to entitle the Participant to, or to disqualify the Participant from, receipt of any other Award under the Plan.

(b) If the Committee establishes a purchase price for an Award, the Participant must accept such Award within a period of 30 days (or such shorter period as the Committee may specify) after the Date of Grant by executing the applicable Award Agreement and paying such purchase price.

(c) Any Award under this Plan that is settled in whole or in part in cash on a deferred basis may provide for interest equivalents to be credited with respect to such cash payment. Interest equivalents may be compounded and shall be paid upon such terms and conditions as may be specified by the grant.

**6.2 Option Price.** The Option Price for any share of Common Stock which may be purchased under a Nonqualified Stock Option for any share of Common Stock must be equal to or greater than the Fair Market Value of the share on the Date of Grant. The Option Price for any share of Common Stock which may be purchased under an Incentive Stock Option must be at least equal to the Fair Market Value of the share on the Date of Grant; if an Incentive Stock Option is granted to an Employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary), the Option Price shall be at least 110% of the Fair Market Value of the Common Stock on the Date of Grant.

**6.3 Maximum ISO Grants.** The Committee may not grant Incentive Stock Options under the Plan to any Employee which would permit the aggregate Fair Market Value (determined on the Date of Grant) of the Common Stock with respect to which Incentive Stock Options (under this and any other plan of the Company and its Subsidiaries) are exercisable for the first time by such Employee during any calendar year to exceed \$100,000. To the extent any Stock Option granted under this Plan which is designated as an Incentive Stock Option exceeds this limit or otherwise fails to qualify as an Incentive Stock Option, such Stock Option (or any such portion thereof)

shall be a Nonqualified Stock Option. In such case, the Committee shall designate which stock will be treated as Incentive Stock Option stock by causing the electronic registration of a share (or, if applicable, the issuance of a separate stock certificate) and identifying such stock as Incentive Stock Option stock on the Company's stock transfer records.

**6.4 Restricted Stock.** If Restricted Stock is granted to or received by a Participant under an Award (including a Stock Option), the Committee shall set forth in the related Award Agreement, as applicable: (a) the number of shares of Common Stock awarded, (b) the price, if any, to be paid by the Participant for such Restricted Stock and the method of payment of the price, (c) the time or times within which such Award may be subject to forfeiture, (d) specified Performance Goals of the Company, a Subsidiary, any division thereof or any group of Employees of the Company, or other criteria, which the Committee determines must be met in order to remove any restrictions (including vesting) on such Award, and (e) all other terms, limitations, restrictions, and conditions of the Restricted Stock, which shall be consistent with this Plan, to the extent applicable and, to the extent Restricted Stock granted under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. The provisions of Restricted Stock need not be the same with respect to each Participant.

(a) **Legend on Shares.** The Company shall electronically register Restricted Stock awarded to a Participant in the Participant's name, which shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock. No stock certificate or certificates shall be issued with respect to such shares of Common Stock, unless, following the expiration of the Restriction Period (as defined in Section 6.4(b)(i)) without forfeiture in respect of such shares of Common Stock, the Participant requests delivery of the certificate or certificates by submitting a written request to the Committee (or such party designated by the Company) requesting delivery of the certificates. The Company shall deliver the certificates requested by the Participant to the Participant as soon as administratively practicable following the Company's receipt of such request

(b) **Restrictions and Conditions.** Shares of Restricted Stock shall be subject to the following restrictions and conditions:

(i) Subject to the other provisions of this Plan and the terms of the particular Award Agreements, during such period as may be determined by the Committee commencing on the Date of Grant or the date of exercise of an Award (the "**Restriction Period**"), the Participant shall not be permitted to sell, transfer, pledge or assign shares of Restricted Stock. Except for these limitations, the Committee may in its sole discretion, remove any or all of the restrictions on such Restricted Stock whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date of the Award, such action is appropriate.

(ii) Except as provided in sub-paragraph (a) above or in the applicable Award Agreement, the Participant shall have, with respect to the Participant's Restricted Stock, all of the rights of a stockholder of the Company, including the right to vote the shares, and the right to receive any dividends thereon. Shares of Common Stock free of restriction under this Plan shall be electronically registered in the Participant's name (or, if certificates are issued shall be delivered to the Participant) promptly after, and only after, the Restriction Period shall expire without forfeiture in respect of such shares of Common Stock or after any other restrictions imposed on such shares of Common Stock by the applicable Award Agreement or other agreement have expired. Common Stock forfeited under the provisions of the Plan and the applicable Award Agreement shall be promptly returned to the Company by the forfeiting Participant (including, if applicable, any

certificates for such shares). Each Award Agreement shall require that: each Participant, in connection with the issuance of a certificate for Restricted Stock, shall endorse such certificate in blank or execute a stock power in form satisfactory to the Company in blank and deliver such certificate and executed stock power to the Company.

(iii) The Restriction Period, subject to Article 12 of the Plan, unless otherwise established by the Committee in the Award Agreement setting forth the terms of the Restricted Stock, shall expire upon satisfaction of the conditions set forth in the Award Agreement; such conditions may provide for vesting based on length of continuous service or such Performance Goals, as may be determined by the Committee in its sole discretion.

(iv) Except as otherwise provided in the particular Award Agreement, upon Termination of Service for any reason during the Restriction Period, the nonvested shares of Restricted Stock shall be forfeited by the Participant. In the event a Participant has paid any consideration to the Company for such forfeited Restricted Stock, the Committee shall specify in the Award Agreement that either (1) the Company shall be obligated to, or (2) the Company may, in its sole discretion, elect to, pay to the Participant, as soon as practicable after the event causing forfeiture, in cash, an amount equal to the lesser of the total consideration paid by the Participant for such forfeited shares or the Fair Market Value of such forfeited shares as of the date of Termination of Service, as the Committee, in its sole discretion shall select. Upon any forfeiture, all rights of a Participant with respect to the forfeited shares of the Restricted Stock shall cease and terminate, without any further obligation on the part of the Company.

**6.5 SARs.** The Committee may grant SARs to any Participant, either as a separate Award or in connection with a Stock Option. SARs shall be subject to such terms and conditions as the Committee shall impose, provided that such terms and conditions are (a) not inconsistent with the Plan, and (b) to the extent a SAR issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. The grant of the SAR may provide that the holder may be paid for the value of the SAR either in cash or in shares of Common Stock, or a combination thereof. In the event of the exercise of a SAR payable in shares of Common Stock, the holder of the SAR shall receive that number of whole shares of Common Stock having an aggregate Fair Market Value on the date of exercise equal to the value obtained by multiplying (a) the difference between the Fair Market Value of a share of Common Stock on the date of exercise over the SAR Price as set forth in such SAR (or other value specified in the Award Agreement granting the SAR), by (b) the number of shares of Common Stock as to which the SAR is exercised, with a cash settlement to be made for any fractional shares of Common Stock. The SAR Price for any share of Common Stock subject to a SAR may be equal to or greater than the Fair Market Value of the share on the Date of Grant. The Committee, in its sole discretion, may place a ceiling on the amount payable upon exercise of a SAR, but any such limitation shall be specified at the time that the SAR is granted.

**6.6 Restricted Stock Units.** Restricted Stock Units may be awarded or sold to any Participant under such terms and conditions as shall be established by the Committee, provided, however, that such terms and conditions are (a) not inconsistent with the Plan, and (b) to the extent a Restricted Stock Unit issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. Restricted Stock Units shall be subject to such restrictions as the Committee determines, including, without limitation, (a) a prohibition against sale, assignment, transfer, pledge, hypothecation or other encumbrance for a specified period; or (b) a requirement that the holder forfeit (or in the case of shares of Common Stock or units sold to the Participant, resell to the Company at cost) such shares or units in the event of Termination of Service during the period of restriction. The value of Restricted Stock Units may be paid in Common Stock, cash, or a combination of both, as determined by the Committee, in its sole discretion, and set forth in the Award Agreement.

## 6.7 Performance Awards.

(a) The Committee may grant Performance Awards to one or more Participants. The terms and conditions of Performance Awards shall be specified at the time of the grant and may include provisions establishing the performance period, the Performance Goals to be achieved during a performance period, and the maximum or minimum settlement values, provided that such terms and conditions are (i) not inconsistent with the Plan and (ii) to the extent a Performance Award issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. If the Performance Award is to be in shares of Common Stock, the Performance Awards may provide for the issuance of the shares of Common Stock at the time of the grant of the Performance Award or at the time of the certification by the Committee that the Performance Goals for the performance period have been met; provided, however, if shares of Common Stock are issued at the time of the grant of the Performance Award and if, at the end of the performance period, the Performance Goals are not certified by the Committee to have been fully satisfied, then, notwithstanding any other provisions of this Plan to the contrary, the Common Stock shall be forfeited in accordance with the terms of the grant to the extent the Committee determines that the Performance Goals were not met. The forfeiture of shares of Common Stock issued at the time of the grant of the Performance Award due to failure to achieve the established Performance Goals shall be separate from and in addition to any other restrictions provided for in this Plan that may be applicable to such shares of Common Stock. Each Performance Award granted to one or more Participants shall have its own terms and conditions.

If the Committee determines, in its sole discretion, that the established performance measures or objectives are no longer suitable because of a change in the Company's business, operations, corporate structure, or for other reasons that the Committee deemed satisfactory, the Committee may modify the performance measures or objectives and/or the performance period.

(b) Performance Awards may be valued by reference to the Fair Market Value of a share of Common Stock or according to any formula or method deemed appropriate by the Committee, in its sole discretion, including, but not limited to, achievement of Performance Goals or other specific financial, production, sales or cost performance objectives that the Committee believes to be relevant to the Company's business and/or remaining in the employ of the Company or a Subsidiary for a specified period of time. Performance Awards may be paid in cash, shares of Common Stock, or other consideration, or any combination thereof. If payable in shares of Common Stock, the consideration for the issuance of such shares may be the achievement of the performance objective established at the time of the grant of the Performance Award. Performance Awards may be payable in a single payment or in installments and may be payable at a specified date or dates or upon attaining the performance objective. The extent to which any applicable performance objective has been achieved shall be conclusively determined by the Committee.

**6.8 Dividend Equivalent Rights.** The Committee may grant a Dividend Equivalent Right to any Participant, either as a component of another Award or as a separate Award. The terms and conditions of the Dividend Equivalent Right shall be specified by the grant. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Common Stock (which may thereafter accrue additional dividend equivalents). Any such reinvestment shall be at the Fair Market Value at the time thereof. Dividend Equivalent Rights may be settled in cash or shares of Common Stock, or a combination thereof, in a single payment or in installments. A Dividend Equivalent Right granted as a component of another Award may provide that such Dividend Equivalent Right shall be settled upon exercise, settlement, or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right granted as a component of another Award may also contain terms and conditions different from such other Award.

**6.9 Other Awards.** The Committee may grant to any Participant other forms of Awards, based upon, payable in, or otherwise related to, in whole or in part, shares of Common Stock, if the Committee determines that such other form of Award is consistent with the purpose and restrictions of this Plan. The terms and conditions of such other form of Award shall be specified by the grant. Such Other Awards may be granted for no cash consideration, for such minimum consideration as may be required by Applicable Law, or for such other consideration as may be specified by the grant.

**6.10 Performance Goals.** Awards (whether relating to cash or shares of Common Stock) under the Plan may be made subject to the attainment of Performance Goals. Any Performance Goal may be used to measure the performance of the Company as a whole or any business unit of the Company and may be measured relative to a peer group or index. Any Performance Goal may include or exclude (a) events that are of an unusual nature or indicate infrequency of occurrence, (b) gains or losses on the disposition of a business, (c) changes in tax or accounting regulations or laws, (d) the effect of a merger or acquisition, as identified in the Company's quarterly and annual earnings releases, or (e) other similar occurrences. In all other respects, Performance Goals shall be calculated in accordance with the Company's financial statements, under generally accepted accounting principles, or under a methodology established by the Committee prior to the issuance of an Award which is consistently applied and identified in the audited financial statements, including footnotes, or the Compensation Discussion and Analysis section of the Company's annual report.

**6.11 Tandem Awards.** The Committee may grant two or more Incentives in one Award in the form of a "Tandem Award," so that the right of the Participant to exercise one Incentive shall be canceled if, and to the extent, the other Incentive is exercised. For example, if a Stock Option and a SAR are issued in a Tandem Award, and the Participant exercises the SAR with respect to one hundred (100) shares of Common Stock, the right of the Participant to exercise the related Stock Option shall be canceled to the extent of 100 shares of Common Stock.

**6.12 No Repricing of Stock Options or SARs.** The Committee may not "reprice" any Stock Option or SAR without stockholder approval. For purposes of this Section 6.12, "reprice" means any of the following or any other action that has the same effect: (a) amending a Stock Option or SAR to reduce its exercise price or base price, (b) canceling a Stock Option or SAR at a time when its exercise price or base price exceeds the Fair Market Value of a share of Common Stock in exchange for cash or a Stock Option, SAR, award of Restricted Stock or other equity award, or (c) taking any other action that is treated as a repricing under generally accepted accounting principles, provided that nothing in this Section 6.12 shall prevent the Committee from making adjustments pursuant to Article 11, from exchanging or cancelling Incentives pursuant to Article 12, or substituting Incentives in accordance with Article 14.

**6.13 Recoupment for Restatements.** This Plan is subject to any written clawback policies that the Company, with the approval of the Board, may adopt. Any such policy may subject a Participant's Awards and amounts paid or realized with respect to Awards under the Plan to reduction, cancellation, forfeiture or recoupment if certain specified events or wrongful conduct occur, including 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 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 and that the Company determines should apply to the Plan.

## **ARTICLE 7. AWARD PERIOD; VESTING**

**7.1 Award Period.** Subject to the other provisions of this Plan, the Committee may, in its discretion, provide that an Incentive may not be exercised in whole or in part for any period or periods of time or beyond any date specified in the Award Agreement. Except as provided in the Award Agreement, an Incentive may be exercised in whole or in part at any time during its term. The Award Period for an Incentive shall be reduced or terminated upon Termination of Service. No Incentive granted under the Plan may be exercised at any time after the end of its Award Period. No portion of any Incentive may be exercised after the expiration of 10 years from its Date of Grant. However, if an Employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the

Code) more than 10% of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary) and an Incentive Stock Option is granted to such Employee, the term of such Incentive Stock Option (to the extent required by the Code at the time of grant) shall be no more than five years from the Date of Grant.

**7.2 Vesting.** The Committee, in its sole discretion, may determine that an Incentive will be immediately vested in whole or in part, or that all or any portion may not be vested until a date, or dates, subsequent to its Date of Grant, or until the occurrence of one or more specified events, subject in any case to the terms of the Plan. If the Committee imposes conditions upon vesting, then, subsequent to the Date of Grant, the Committee may, in its sole discretion, accelerate the date on which all or any portion of the Incentive may be vested.

## **ARTICLE 8. EXERCISE OR CONVERSION OF INCENTIVE**

**8.1 In General.** A vested Incentive may be exercised or converted, during its Award Period, subject to limitations and restrictions set forth in the Award Agreement.

**8.2 Securities Law and Exchange Restrictions.** In no event may an Incentive be exercised or shares of Common Stock be issued pursuant to an Award if a necessary listing or quotation of the shares of Common Stock on a stock exchange or inter-dealer quotation system or any registration under state or federal securities laws required under the circumstances has not been accomplished.

### **8.3 Exercise of Stock Option.**

(a) **In General.** If a Stock Option is exercisable prior to the time it is vested, the Common Stock obtained on the exercise of the Stock Option shall be Restricted Stock which is subject to the applicable provisions of the Plan and the Award Agreement. If the Committee imposes conditions upon exercise, then subsequent to the Date of Grant, the Committee may, in its sole discretion, accelerate the date on which all or any portion of the Stock Option may be exercised. No Stock Option may be exercised for a fractional share of Common Stock. The granting of a Stock Option shall impose no obligation upon the Participant to exercise that Stock Option. Each Award Agreement with respect to a Stock Option shall include provisions governing exercise of the Stock Option on or following the Participant's Termination of Service, which shall be established by the Committee in its sole discretion.

(b) **Notice and Payment.** Subject to such administrative regulations as the Committee may from time to time adopt, a Stock Option may be exercised by the delivery of written notice to the Company (in accordance with the notice provisions in the Participant's Award Agreement) setting forth the number of shares of Common Stock with respect to which the Stock Option is to be exercised (the "**Exercise Notice**") and the Exercise Date with respect to any Stock Option shall be the date that the Participant has delivered both the Exercise Notice and consideration to the Company with a value equal to the total Option Price of the shares to be purchased (plus any employment tax withholding or other tax payment due with respect to such Award), payable as provided in the Award Agreement, which may provide for payment in any one or more of the following ways: (i) cash or check, bank draft, or money order payable to the order of the Company, (ii) Common Stock (including Restricted Stock) owned by the Participant on the Exercise Date, valued at its Fair Market Value on the Exercise Date, (iii) by delivery (including by FAX or electronic transmission) to the Company or its designated agent of an executed irrevocable option exercise form (or, to the extent permitted by the Company, exercise instructions, which may be communicated in writing, telephonically, or electronically) together with irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares of Common Stock purchased upon exercise of the Stock Option and promptly deliver

to the Company the amount of sale proceeds necessary to pay such purchase price, (iv) by requesting the Company to withhold the number of shares otherwise deliverable upon exercise of the Stock Option by the number of shares of Common Stock having an aggregate Fair Market Value equal to the aggregate Option Price at the time of exercise (*i.e.*, a cashless net exercise), and/or (v) in any other form of valid consideration that is acceptable to the Committee in its sole discretion. In the event that shares of Restricted Stock are tendered as consideration for the exercise of a Stock Option, a number of shares of Common Stock issued upon the exercise of the Stock Option equal to the number of shares of Restricted Stock used as consideration therefor shall be subject to the same restrictions and provisions as the Restricted Stock so tendered. If the Participant fails to deliver the consideration described in this Section 8.3(b) within three business days of the date of the Exercise Notice, then the Exercise Notice shall be null and void and the Company will have no obligation to deliver any shares of Common Stock to the Participant in connection with such Exercise Notice.

(c) **Issuance of Certificate.** Except as otherwise provided in Section 6.4 hereof (with respect to shares of Restricted Stock) or in the applicable Award Agreement, upon payment of all amounts due from the Participant, the Company shall cause the Common Stock then being purchased to be registered in the Participant's name (or the person exercising the Participant's Stock Option in the event of the Participant's death), but shall not issue certificates for the Common Stock unless the Participant or such other person requests delivery of the certificates for the Common Stock, in writing in accordance with the procedures established by the Committee. The Company shall deliver certificates to the Participant (or the person exercising the Participant's Stock Option in the event of the Participant's death) as soon as administratively practicable following the Company's receipt of a written request from the Participant or such other person for delivery of the certificates. Notwithstanding the forgoing, if the Participant has exercised an Incentive Stock Option, the Company may at its option place a transfer restriction on any electronically registered shares (or if a physical certificate is issued to the Participant, retain physical possession of the certificate evidencing the shares acquired upon exercise) until the expiration of the holding periods described in Section 422(a)(1) of the Code. Any obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that, if at any time the Committee shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Common Stock upon any securities exchange or inter-dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Committee.

(d) **Failure to Pay.** Except as may otherwise be provided in an Award Agreement, if the Participant fails to pay for any of the Common Stock specified in such notice or fails to accept delivery thereof, that portion of the Participant's Stock Option and right to purchase such Common Stock may be forfeited by the Participant, in the Committee's sole discretion.

**8.4 SARs.** Subject to the conditions of this Section 8.4 and such administrative regulations as the Committee may from time to time adopt, a SAR may be exercised by the delivery (including by FAX) of an Exercise Notice to the Committee setting forth the number of shares of Common Stock with respect to which the SAR is to be exercised and the Exercise Date thereof. Subject to the terms of the Award Agreement and only if permissible under Section 409A of the Code and the regulations or other guidance issued thereunder (or, if not so permissible, at such time as permitted by Section 409A of the Code and the regulations or other guidance issued thereunder), the

Participant shall receive from the Company in exchange therefor in the discretion of the Committee, and subject to the terms of the Award Agreement:

- (a) cash in an amount equal to the excess (if any) of the Fair Market Value (as of the Exercise Date, or if provided in the Award Agreement, conversion, of the SAR) per share of Common Stock over the SAR Price per share specified in such SAR, multiplied by the total number of shares of Common Stock of the SAR being surrendered;
- (b) that number of shares of Common Stock having an aggregate Fair Market Value (as of the Exercise Date, or if provided in the Award Agreement, conversion, of the SAR) equal to the amount of cash otherwise payable to the Participant, with a cash settlement to be made for any fractional share interests; or
- (c) the Company may settle such obligation in part with shares of Common Stock and in part with cash.

The distribution of any cash or Common Stock pursuant to the foregoing sentence shall be made at such time as set forth in the Award Agreement.

**8.5 Disqualifying Disposition of Incentive Stock Option.** If shares of Common Stock acquired upon exercise of an Incentive Stock Option are disposed of by a Participant prior to the expiration of either two years from the Date of Grant of such Stock Option or one year from the transfer of shares of Common Stock to the Participant pursuant to the exercise of such Stock Option, or in any other disqualifying disposition within the meaning of Section 422 of the Code, such Participant shall notify the Company in writing of the date and terms of such disposition. A disqualifying disposition by a Participant shall not affect the status of any other Stock Option granted under the Plan as an Incentive Stock Option within the meaning of Section 422 of the Code.

#### **ARTICLE 9. AMENDMENT OR DISCONTINUANCE**

Subject to the limitations set forth in this Article 9, the Board may at any time and from time to time, without the consent of the Participants, alter, amend, revise, suspend, or discontinue the Plan in whole or in part; provided, however, that no amendment for which stockholder approval is required either (a) by any securities exchange or inter-dealer quotation system on which the Common Stock is listed or traded or (b) in order for the Plan and Incentives awarded under the Plan to continue to comply with Sections 421 and 422 of the Code, including any successors to such Sections, or other Applicable Law, shall be effective unless such amendment shall be approved by the requisite vote of the stockholders of the Company entitled to vote thereon. Any such amendment shall, to the extent deemed necessary or advisable by the Committee, be applicable to any outstanding Incentives theretofore granted under the Plan, notwithstanding any contrary provisions contained in any Award Agreement. In the event of any such amendment to the Plan, the holder of any Incentive outstanding under the Plan shall, upon request of the Committee and as a condition to the exercisability thereof, execute a conforming amendment in the form prescribed by the Committee to any Award Agreement relating thereto. Notwithstanding anything contained in this Plan to the contrary, unless required by law, no action contemplated or permitted by this Article 9 shall adversely affect any rights of Participants or obligations of the Company to Participants with respect to any Incentive theretofore granted under the Plan without the consent of the affected Participant. For purposes of clarity, any amendment to an existing Award resulting in a less favorable tax consequence to a Participant under the Award shall not be considered to adversely affect the rights of the Participant.

**ARTICLE 10.  
TERM**

The Plan shall be effective as of the Effective Date and unless sooner terminated by action of the Board, the Plan will terminate on the 10<sup>th</sup> anniversary of the Effective Date, but Incentives granted before that date will continue to be effective in accordance with their terms and conditions.

**ARTICLE 11.  
CAPITAL ADJUSTMENTS**

In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, rights offering, reorganization, merger, consolidation, split-up, spin-off, split-off, combination, subdivision, repurchase, or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event affects the fair value of an Award, then the Committee shall adjust any or all of the following so that the fair value of the Award immediately after the transaction or event is equal to the fair value of the Award immediately prior to the transaction or event (a) the number of shares and type of Common Stock (or the securities or property) which thereafter may be made the subject of Awards, (b) the number of shares and type of Common Stock (or other securities or property) subject to outstanding Awards, (c) the Option Price of each outstanding Award, (d) the amount, if any, the Company pays for forfeited shares of Common Stock in accordance with Section 6.4, and (e) the number of or SAR Price of shares of Common Stock then subject to outstanding SARs previously granted and unexercised under the Plan, to the end that the same proportion of the Company's issued and outstanding shares of Common Stock in each instance shall remain subject to exercise at the same aggregate SAR Price; provided, however, that the number of shares of Common Stock (or other securities or property) subject to any Award shall always be a whole number. Notwithstanding the foregoing, no such adjustment shall be made or authorized to the extent that such adjustment would cause the Plan or any Stock Option to violate Section 422 of the Code or Section 409A of the Code. Such adjustments shall be made in accordance with the rules of any securities exchange, stock market, or stock quotation system to which the Company is subject.

The computation of any adjustment under this Article 11 shall be conclusive and shall be binding upon each affected Participant and upon the occurrence of any such adjustment, the Company shall provide notice to each affected Participant of its computation of such adjustment.

**ARTICLE 12.  
RECAPITALIZATION, MERGER AND CONSOLIDATION**

**12.1 No Effect on Company's Authority.** The existence of this Plan and Incentives granted hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure and its business, or any Change in Control, or any merger or consolidation of the Company, or any issuance of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Common Stock or the rights thereof (or any rights, options, or warrants to purchase same), or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

**12.2 Conversion of Incentives Where Company Survives.** Subject to any required action by the stockholders and except as otherwise provided by Section 12.4 hereof or as may be required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, if the Company shall be the surviving or

resulting corporation in any merger, consolidation or share exchange, any Incentive granted hereunder shall pertain to and apply to the securities or rights (including cash, property, or assets) to which a holder of the number of shares of Common Stock subject to the Incentive would have been entitled.

**12.3 Exchange or Cancellation of Incentives Where Company Does Not Survive.** Except as otherwise provided by Section 12.4 hereof or as may be required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, in the event of any merger, consolidation or share exchange pursuant to which the Company is not the surviving or resulting corporation, there shall be substituted for each share of Common Stock subject to the unexercised portions of outstanding Incentives, that number of shares of each class of stock or other securities or that amount of cash, property, or assets of the surviving, resulting or consolidated company which were distributed or distributable to the stockholders of the Company in respect to each share of Common Stock held by them, such outstanding Incentives to be thereafter exercisable for such stock, securities, cash, or property in accordance with their terms.

**12.4 Cancellation of Incentives.** Notwithstanding the provisions of Sections 12.2 and 12.3 hereof, and except as may be required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, all Incentives granted hereunder may be canceled by the Company, in its sole discretion, as of the effective date of any Change in Control, merger, consolidation or share exchange, or any issuance of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Common Stock or the rights thereof (or any rights, options, or warrants to purchase same), or of any proposed sale of all or substantially all of the assets of the Company, or of any dissolution or liquidation of the Company, by either:

(a) giving notice to each holder thereof or such holder's personal representative of its intention to cancel those Incentives for which the issuance of shares of Common Stock involved payment by the Participant for such shares, and permitting the purchase during the 30 day period next preceding such effective date of any or all of the shares of Common Stock subject to such outstanding Incentives, including in the Board's discretion some or all of the shares as to which such Incentives would not otherwise be vested and exercisable; or

(b) in the case of Incentives that are either (i) settled only in shares of Common Stock, or (ii) at the election of the Participant, settled in shares of Common Stock, paying the holder thereof an amount equal to a reasonable estimate of the difference between the net amount per share payable in such transaction or as a result of such transaction, and the price per share of such Incentive to be paid by the Participant (hereinafter the "*Spread*"), multiplied by the number of shares subject to the Incentive. In cases where the shares constitute, or would after exercise, constitute Restricted Stock, the Company, in its discretion, may include some or all of those shares in the calculation of the amount payable hereunder. In estimating the Spread, appropriate adjustments to give effect to the existence of the Incentives shall be made, such as deeming the Incentives to have been exercised, with the Company receiving the exercise price payable thereunder, and treating the shares receivable upon exercise of the Incentives as being outstanding in determining the net amount per share. In cases where the proposed transaction consists of the acquisition of assets of the Company, the net amount per share shall be calculated on the basis of the net amount receivable with respect to shares of Common Stock upon a distribution and liquidation by the Company after giving effect to expenses and charges, including but not limited to taxes, payable by the Company before such liquidation could be completed.

An Award that by its terms would be fully vested or exercisable upon a Change in Control will be considered vested or exercisable for purposes of Section 12.4(a) hereof.

**ARTICLE 13.  
LIQUIDATION OR DISSOLUTION**

Subject to Section 12.4 hereof, in case the Company shall, at any time while any Incentive under this Plan shall be in force and remain unexpired, (a) sell all or substantially all of its property, or (b) dissolve, liquidate, or wind up its affairs, then each Participant shall be entitled to receive, in lieu of each share of Common Stock of the Company which such Participant would have been entitled to receive under the Incentive, the same kind and amount of any securities or assets as may be issuable, distributable, or payable upon any such sale, dissolution, liquidation, or winding up with respect to each share of Common Stock of the Company. If the Company shall, at any time prior to the expiration of any Incentive, make any partial distribution of its assets, in the nature of a partial liquidation, whether payable in cash or in kind (but excluding the distribution of a cash dividend payable out of earned surplus and designated as such) and an adjustment is determined by the Committee to be appropriate to prevent the dilution of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, make such adjustment in accordance with the provisions of Article 11 hereof.

**ARTICLE 14.  
INCENTIVES IN SUBSTITUTION FOR  
INCENTIVES GRANTED BY OTHER ENTITIES**

Incentives may be granted under the Plan from time to time in substitution for similar instruments held by employees, independent contractors or directors of a corporation, partnership, or limited liability company who become or are about to become Employees, Contractors or Outside Directors of the Company or any Subsidiary as a result of a merger or consolidation of the employing corporation with the Company, the acquisition by the Company of equity of the employing entity, or any other similar transaction pursuant to which the Company becomes the successor employer. The terms and conditions of the substitute Incentives so granted may vary from the terms and conditions set forth in this Plan to such extent as the Committee at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the incentives in substitution for which they are granted.

**ARTICLE 15.  
MISCELLANEOUS PROVISIONS**

**15.1 Investment Intent.** The Company may require that there be presented to and filed with it by any Participant under the Plan, such evidence as it may deem necessary to establish that the Incentives granted or the shares of Common Stock to be purchased or transferred are being acquired for investment and not with a view to their distribution.

**15.2 No Right to Continued Employment.** Neither the Plan nor any Incentive granted under the Plan shall confer upon any Participant any right with respect to continuance of employment by the Company or any Subsidiary.

**15.3 Indemnification of Board and Committee.** No member of the Board or the Committee, nor any officer or Employee of the Company acting on behalf of the Board or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board and the Committee, each officer of the Company, and each Employee of the Company acting on behalf of the Board or the Committee shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination, or interpretation to the fullest extent provided by law. Except to the extent required by any unwaivable requirement under Applicable Law, no member of the Board or the

Committee (and no Subsidiary of the Company) shall have any duties or liabilities, including without limitation any fiduciary duties, to any Participant (or any Person claiming by and through any Participant) as a result of this Plan, any Award Agreement or any Claim arising hereunder and, to the fullest extent permitted under Applicable Law, each Participant (as consideration for receiving and accepting an Award Agreement) irrevocably waives and releases any right or opportunity such Participant might have to assert (or participate or cooperate in) any Claim against any member of the Board or the Committee and any Subsidiary of the Company arising out of this Plan.

**15.4Effect of the Plan.** Neither the adoption of this Plan nor any action of the Board or the Committee shall be deemed to give any person any right to be granted an Award or any other rights except as may be evidenced by an Award Agreement, or any amendment thereto, duly authorized by the Committee and executed on behalf of the Company, and then only to the extent and upon the terms and conditions expressly set forth therein.

**15.5Compliance with Other Laws and Regulations.** Notwithstanding anything contained herein to the contrary, the Company shall not be required to sell or issue shares of Common Stock under any Incentive if the issuance thereof would constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority or any national securities exchange or inter-dealer quotation system or other forum in which shares of Common Stock are quoted or traded (including without limitation Section 16 of the Exchange Act); and, as a condition of any sale or issuance of shares of Common Stock under an Incentive, the Committee may require such agreements or undertakings, if any, as the Committee may deem necessary or advisable to assure compliance with any such law or regulation. The Plan, the grant and exercise of Incentives hereunder, and the obligation of the Company to sell and deliver shares of Common Stock, shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required.

**15.6Foreign Participation.** To assure the viability of Awards granted to Participants employed in foreign countries, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Committee may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it determines is necessary or appropriate for such purposes. Any such amendment, restatement or alternative versions that the Committee approves for purposes of using this Plan in a foreign country will not affect the terms of this Plan for any other country.

**15.7Tax Requirements.** The Company or, if applicable, any Subsidiary (for purposes of this Section 15.7, the term “*Company*” shall be deemed to include any applicable Subsidiary), shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan, any federal, state, local, or other taxes required by law to be withheld in connection with an Award granted under this Plan. The Company may, in its sole discretion, also require the Participant receiving shares of Common Stock issued under the Plan to pay the Company the amount of any taxes that the Company is required to withhold in connection with the Participant’s income arising with respect to the Award. Such payments shall be required to be made when requested by the Company and may be required to be made prior to the registration of shares or delivery of any certificate representing shares of Common Stock. Such payment may be made by (a) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding obligations of the Company; (b) if the Company, in its sole discretion, so consents in writing, the actual delivery by the exercising Participant to the Company of shares of Common Stock, which shares so delivered have an aggregate Fair Market Value that equals or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding payment; (c) if the Company, in its sole discretion, so consents in writing, the Company’s withholding of a number of shares to be delivered upon the vesting or exercise of the Award, which shares so withheld have an aggregate Fair Market Value that equals (but does not exceed) the required tax withholding payment; or (d) any combination of (a), (b), or (c). The Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant. The Committee may in the Award Agreement impose any additional tax, social insurance, or fringe benefit requirements or provisions that the Committee deems necessary or desirable.

**15.8 Assignability.** Incentive Stock Options may not be transferred, assigned, pledged, hypothecated or otherwise conveyed or encumbered other than by will or the laws of descent and distribution and may be exercised during the lifetime of the Participant only by the Participant or the Participant's legally authorized representative, and each Award Agreement in respect of an Incentive Stock Option shall so provide. The designation by a Participant of a beneficiary will not constitute a transfer of the Stock Option. The Committee may waive or modify any limitation contained in the preceding sentences of this Section 15.8 that is not required for compliance with Section 422 of the Code.

Except as otherwise provided herein, Awards may not be transferred, assigned, pledged, hypothecated or otherwise conveyed or encumbered other than by will or the laws of descent and distribution. Notwithstanding the foregoing, the Committee may, in its discretion, authorize all or a portion of an Award to be granted to a Participant on terms which permit transfer by such Participant to (a) the spouse (or former spouse), children or grandchildren of the Participant ("**Immediate Family Members**"), (b) a trust or trusts for the exclusive benefit of such Immediate Family Members, (c) a partnership in which the only partners are (1) such Immediate Family Members and/or (2) entities which are controlled by the Participant and/or Immediate Family Members, (d) an entity exempt from federal income tax pursuant to Section 501(c)(3) of the Code or any successor provision, or (e) a split interest trust or pooled income fund described in Section 2522(c)(2) of the Code or any successor provision, provided that (x) there shall be no consideration for any such transfer, (y) the Award Agreement pursuant to which such Award is granted must be approved by the Committee and must expressly provide for transferability in a manner consistent with this Section, and (z) subsequent transfers of transferred Award shall be prohibited except those by will or the laws of descent and distribution.

Following any transfer, any such Award shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that for purposes of Articles 8, 9, 11, 13 and 15 hereof the term "**Participant**" shall be deemed to include the transferee. The events of Termination of Service shall continue to be applied with respect to the original Participant, following which the Award shall be transferable, exercisable or convertible by the transferee only to the extent and for the periods specified in the Award Agreement. The Committee and the Company shall have no obligation to inform any transferee of an Award of any expiration, termination, lapse or acceleration of such Award. The Company shall have no obligation to register with any federal or state securities commission or agency any Common Stock issuable or issued under an Award that has been transferred by a Participant under this Section 15.8.

**15.9 Use of Proceeds.** Proceeds from the sale of shares of Common Stock pursuant to Incentives granted under this Plan shall constitute general funds of the Company.

**15.10 Legend.** The shares of Common Stock or other securities of the Company delivered pursuant to an Award shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which such Common Stock or other securities are then listed, and any applicable federal, state or other laws, and the Committee may cause a legend or legends to be inscribed on any such certificates to make appropriate reference to such restrictions.

**15.11 Governing Law.** The Plan shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware (excluding any conflict of laws, rule or principle of Delaware law that might refer the governance, construction, or interpretation of this Plan to the laws of another state). A Participant's sole remedy for any Claim shall be against the Company, and no Participant shall have any claim or right of any nature against any Subsidiary of the Company or any stockholder or existing or former director, officer or Employee of the Company or any Subsidiary of the Company. The individuals and entities described above in this Section 15.11 (other than the Company) shall be third-party beneficiaries of this Plan for purposes of enforcing the terms of this Section 15.11.

A copy of this Plan shall be kept on file in the principal office of the Company in Dallas, Texas.

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IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of April 9, 2025, by its Chief Executive Officer pursuant to prior action taken by the Board.

**LSB INDUSTRIES, INC.**

By: \_\_\_\_\_  
Name: Mark T. Behrman  
Title: Chief Executive Office

## Schedule 1

### *Calculation of Return on Net Assets (RONA)*

The calculation of RONA for the first Covered Year shall be determined by reference to the ratio (expressed as a percentage) of the Company's Adjusted EBITDA for fiscal year 2025 divided by its Average Net Operational Assets, in each case as calculated in a manner consistent with the Company's financial reporting practices and as determined by the Committee in good faith, with authority to make reasonable, non-substantive adjustments to reflect changes in accounting standards, reporting conventions, or extraordinary or non-recurring events, provided that such adjustments do not materially alter the intent of the performance metric.

$$\text{RONA} = \frac{\text{Adjusted EBITDA}}{\text{Average Net Operating Assets}}$$

Where:

*EBITDA* is computed as the *sum* of:

- i. net earnings (loss) attributable to common stockholders *plus*
- ii. interest expense (income)—net *plus*
- iii. income tax provision (benefit) *plus*
- iv. depreciation and amortization *less*
- v. loan fee amortization included in both interest expense and depreciation and amortization.

*Adjusted EBITDA* means the Company's Adjusted EBITDA, as calculated and reported in the Company's earnings statement for the applicable fiscal year *less* turnaround expense.

*Operating Assets* is computed as the *sum* of:

- i. Net accounts receivable *plus*
- ii. Inventories *plus*
- iii. Precious metals *plus*
- iv. Supplies and other current assets *plus*
- v. Operating lease assets *plus*
- vi. PP&E, net.

*Operating Liabilities* is computed as the *sum* of:

- i. Accounts payable *plus*
- ii. Accrued liabilities *plus*
- iii. Noncurrent operating leases.

*Net Operating Assets* means Operating Assets *minus* Operating Liabilities.

*Average Net Operating Assets* is computed as the simple average of (i) the Net Operating Assets of the Company as of December 31, 2025, and (ii) the Net Operating Assets of the Company as of December 31, 2024.

Schedule 1

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**CERTIFICATION**

I, Mark T. Behrman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of LSB Industries, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in this case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 30, 2026

/s/ Mark T. Behrman

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Mark T. Behrman  
President, Chief Executive Officer  
and Chairman of the Board of Director

**CERTIFICATION**

I, Cheryl A. Maguire, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of LSB Industries, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in this case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 30, 2026

/s/ Cheryl A. Maguire

Cheryl A. Maguire

Executive Vice President

and Chief Financial Officer

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of LSB Industries, Inc. (“LSB”) on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”). I, Mark T. Behrman, President and Chief Executive Officer of LSB, certify pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of LSB.

/s/ Mark T. Behrman

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Mark T. Behrman  
President, Chief Executive Officer  
(Principal Executive Officer) and  
Chairman of the Board of Director

April 30, 2026

This certification is furnished to the Securities and Exchange Commission solely for purpose of 18 U.S.C. §1350 subject to the knowledge standard contained therein, and not for any other purpose.

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of LSB Industries, Inc. ("LSB") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Cheryl A. Maguire, Executive Vice President and Chief Financial Officer of LSB, certify pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of LSB.

/s/ Cheryl A. Maguire

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Cheryl A. Maguire

Executive Vice President

and Chief Financial Officer

(Principal Financial and Accounting Officer)

April 30, 2026

This certification is furnished to the Securities and Exchange Commission solely for purpose of 18 U.S.C. §1350 subject to the knowledge standard contained therein and not for any other purpose.

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