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

SCHEDULE 13D

(Rule 13d-101)

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)**

**Under the Securities Exchange Act of 1934
(Amendment No. 5)***

LSB Industries, Inc.
(Name of Issuer)

Common Stock, par value \$0.10 per share
(Title of Class of Securities)

502160104
(CUSIP Number)

Anthony D. Minella
c/o LSB Funding LLC Legal Department

600 Steamboat Road
Greenwich, CT 06830
1-800-224-6469

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

August 10, 2022
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following pages)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. 502160104

1	Name of Reporting Person	
	LSB Funding LLC	
2	Check the Appropriate Box if a Member of a Group	
	(a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC Use Only	
4	Source of Funds	
	OO	
5	Check Box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	
	<input type="checkbox"/>	
6	Citizenship or Place of Organization	
	Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power
		25,000,000 shares of Common Stock
	8	Shared Voting Power
		0
	9	Sole Dispositive Power
		25,000,000 shares of Common Stock
	10	Shared Dispositive Power
		0
11	Aggregate Amount Beneficially Owned by Each Reporting Person	
	25,000,000 shares of Common Stock	
12	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares	
	<input type="checkbox"/>	
13	Percent of Class Represented by Amount in Row (11)	
	28.2 % of Common Stock (1)	
14	Type of Reporting Person	
	OO	

(1) Calculated based on 88,726,177 shares of Common Stock outstanding as of August 9, 2022, as reported in LSB Industries, Inc.'s Registration Statement filed on August 10, 2022.

Item 1. Security and Issuer

This statement on Schedule 13D (this “Statement”) relates to the common stock, par value \$0.10 per share (the “Common Stock”) of LSB Industries, Inc., a Delaware corporation (the “Issuer”). The address of the principal executive offices of the Issuer is 3503 NW 63rd Street, Suite 500, Oklahoma City, Oklahoma 73116.

This Statement represents Amendment No. 5 to the Schedule 13D (the “Original Schedule 13D”), originally filed with the Securities and Exchange Commission (the “SEC”) by LSB Funding LLC, a Delaware limited liability company (the “Reporting Person”), on December 14, 2015, and amended by Amendment No. 1 to the Schedule 13D (the “Amendment No. 1”), originally filed with the SEC by the Reporting Person on May 20, 2016, amended by Amendment No. 2 to the Schedule 13D (the “Amendment No. 2”), originally filed with the SEC by the Reporting Person on July 20, 2021, amended by Amendment No. 3 to the Schedule 13D (the “Amendment No. 3”), originally filed with the SEC by the Reporting Person on September 27, 2021, and amended by Amendment No. 4 to the Schedule 13D (the “Amendment No. 4”), originally filed with the SEC by the Reporting Person on October 12, 2021.

All capitalized terms not otherwise defined herein have the meanings set forth in the Original Schedule 13D, Amendment No. 1, Amendment No. 2, Amendment No. 3 or Amendment No. 4 as applicable.

Item 4. Purpose of Transaction

Item 4 is hereby amended to add the following:

Effective August 10, 2022, the Reporting Person made a pro rata distribution in kind, without consideration, of 29,356,127 shares of Common Stock (the “Distributed Shares”) to its indirect equityholders, certain of whom then made a pro rata distribution in kind, without consideration, of a total of 24,803,398 shares of Common Stock to its indirect equityholder SBT Investors LLC, a Delaware limited liability company (“SBT Investors”), in each case as such indirect equityholder’s member (collectively, the “Distribution”).

In connection with the Distribution, on August 10, 2022, the Reporting Person entered into a letter agreement with the Issuer, SBT Investors and the other parties thereto (the “Board Representation Letter Agreement”) and a letter agreement with the Issuer and SBT Investors (the “Rights Letter Agreement”) and, together with the Board Representation Letter Agreement, the “Letter Agreements”).

Pursuant to the Board Representation Letter, the Reporting Person transferred to SBT Investors the right to designate nominees to serve on the Issuer’s board of directors (the “Board”). The Issuer and the Reporting Person and SBT Investors have also entered into certain modifications to the Registration Rights Agreement between the Reporting Person and the Issuer and the Securities Exchange Agreement between the Reporting Person and the Issuer, each as described in the Rights Letter Agreement.

The description of the Letter Agreements is a summary only and is qualified in its entirety by reference to the text of the Letter Agreements, which is referenced as Exhibit 1 and Exhibit 2 to this Statement.

As previously announced on August 10, 2022, the Reporting Person intends to offer shares of Common Stock as a selling stockholder in a registered public offering made pursuant to a registration statement filed with the SEC (the “Proposed Offering”). Subject to the completion of the Proposed Offering, the Issuer has agreed to repurchase shares of the Issuer’s Common Stock from the underwriters at a price per share equal to the price per share paid by the underwriters to the Reporting Person as a selling stockholder in the Proposed Offering. The Proposed Offering is subject to market conditions and there can be no assurance as to whether or when the Proposed Offering may be consummated or as to the actual size or terms of the Proposed Offering. The Reporting Person may also explore one or more other monetization transactions with respect to shares of Common Stock, which may include public offerings or private placements. The Proposed Offering and any such other potential transactions may involve one or more of the matters described in subsections (a) through (j) of Item 4 of Schedule 13D.

The Reporting Person may review its investments in the Issuer on a continuing basis. The determination to conduct any such additional monetization transactions will be based on a variety of factors, including, among other things, the price level and liquidity of the Common Stock and general market and economic conditions. There can be no assurance that any such transactions will be consummated. Depending on various factors, including, without limitation, the Issuer’s financial position and strategic direction, the market price of the Common Stock, other investment opportunities available to the Reporting Person, market conditions and general economic and industry conditions, the Reporting Person may take such actions with respect to its investments in the Issuer as it deems appropriate. Notwithstanding anything to the contrary herein, the Reporting Person specifically reserves the right to change its intentions with respect to any or all of such matters.

Item 5. Interest in Securities of the Issuer

Sections (a), (b) and (c) of Item 5 are hereby amended and restated in their entirety as follows:

(a), (b) Based upon the Issuer’s Registration Statement filed on August 10, 2022, there were 88,726,177 shares of Common Stock outstanding as of August 8, 2022. The Reporting Person previously owned 54,356,127 shares of Common Stock and, on August 10, 2022, the Reporting Person distributed the Distributed Shares. Accordingly, the Reporting Person beneficially owns 25,000,000 shares of Common Stock, representing approximately 28.2% of the outstanding Common Stock. The Reporting Person has sole voting and dispositive power over such shares.

(c) Except as reported herein, in the Original Schedule 13D, in Amendment No. 1, in Amendment No. 2, Amendment No. 3 and in Amendment No. 4, the Reporting Person has not effected any transactions in the Common Stock during the past 60 days.

Item 7. Material to be Filed as Exhibits

- | | |
|-----------|---|
| Exhibit 1 | The Board Representation Letter Agreement, dated as of August 10, 2022, by and among the Reporting Person, the Issuer, SBT Investors and the other parties thereto. |
| Exhibit 2 | The Rights Letter Agreement, dated as of August 10, 2022, by and among the Reporting Person, the Issuer and SBT Investors. |

LSB Funding LLC
600 Steamboat Road, Suite 200
Greenwich, Connecticut 06830

August 10, 2022

LSB Industries, Inc.
3503 NW 63rd Street, Suite 500
Oklahoma City, Oklahoma 73107
Attention: Michael J. Foster, General Counsel

Re: Board Representation and Standstill Agreement

Ladies and Gentlemen,

This letter agreement is being entered into as of the date first listed above by and among LSB Funding LLC, a Delaware limited liability company ("LSB Funding"), LSB Industries, Inc., a Delaware corporation (the "Company"), SBT Investors LLC, a Delaware limited liability company ("SBT Investors"), Security Benefit Corporation, a Kansas corporation ("Security Benefit"), Todd Boehly ("Boehly"), Estate of Jack E. Golsen (together with any successors, "J. Golsen"), Steven J. Golsen ("S. Golsen"), Barry H. Golsen ("B. Golsen"), Linda Golsen Rappaport ("L. Rappaport"), Golsen Family LLC ("Family LLC"), SBL LLC ("SBL LLC"), and Golsen Petroleum Corp. ("GPC"), and together with J. Golsen, S. Golsen, B. Golsen, L. Rappaport, Family LLC, SBL LLC, each a "Golsen Holder" and, collectively, the "Golsen Holders"), in connection with (a) the amendment to the Board Representation and Standstill Agreement, as defined below, as expressly provided in this letter and (b) the pro rata distribution in kind by LSB Funding of shares of the Company's common stock, par value \$0.10 per share ("LSB Common Stock"), and related subsequent pro rata distributions in kind by certain of its direct and indirect parent companies and members to their respective members, partners or stockholders (the "Distribution in Kind"), such Distribution in Kind to occur immediately following the effectiveness of this letter agreement.

Reference is made to that certain Board Representation and Standstill Agreement, dated as of December 4, 2015, by and among the Company, LSB Funding, Security Benefit, Boehly and the Golsen Holders (as previously amended on October 26, 2017, October 18, 2018 and September 27, 2021, the "Board Representation and Standstill Agreement"). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Board Representation and Standstill Agreement.

1. Transfer of Board Representation Rights. Pursuant to Section 1(e) of the Board Representation and Standstill Agreement, in connection with the Distribution in Kind, the Company hereby acknowledges the transfer by LSB Funding of its option and right to appoint Purchaser Designated Directors, and all related rights and obligations in connection therewith, pursuant to the terms of the Board Representation and Standstill Agreement to SBT Investors LLC (the "Board Representation Rights Transfer"). In connection with the Board Representation Rights Transfer, simultaneously with the execution of this letter agreement, SBT Investors will deliver an executed joinder in the form attached as Annex B to the Board Representation and Standstill Agreement such that SBT Investors shall be deemed a Permitted Transferee and a Purchaser Party for the purposes of the Board Representation and Standstill Agreement.

2. Amendments to Board Representation and Standstill Agreement. In connection with the Board Representation Rights Transfer and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by each of LSB Funding and the Company, each of the Company, LSB Funding, Security Benefit Corporation, Boehly and the Golsen Holders hereby agree, in accordance with

Section 4(f) of the Board Representation and Standstill Agreement, to the following amendments to the Board Representation and Standstill Agreement, which constitute a written amendment for purposes thereof:

a) Section 1 (c) is amended and restated to read as follows:

For so long as the Board consists of nine (9) or fewer Directors, from and after the Closing and until the Board Designation Termination Date, the Purchaser shall be entitled to designate up to two (2) Purchaser Designated Directors pursuant to this Section 1; provided, however, that, from and after the redemption in full of all of the Acquired Series E-1 Preferred Stock held by the Purchaser and its Permitted Transferees (the "Redemption Termination Date"), so long as the Purchaser and its Permitted Transferees, collectively, continue to beneficially own at least 10% (but less than 25%) of the shares of Common Stock issuable upon exercise of the Warrants (whether owned following exercise of the Warrants or as a right to acquire such shares of Common Stock upon exercise of the Warrants), the Purchaser shall only be entitled to designate one (1) Purchaser Designated Director and the Company and Board shall take all actions necessary or advisable to effect the foregoing provision. For so long as the Board consists of ten (10) or more Directors, from and after the Closing and until the Board Designation Termination Date, the Purchaser shall be entitled to designate up to three (3) Purchaser Designated Directors pursuant to this Section 1; provided, however, that, from and after the Redemption Termination Date, (i) so long as the Purchaser and its Permitted Transferees, collectively, continue to beneficially own at least 25% of the shares of Common Stock issuable upon exercise of the Warrants (whether owned following exercise of the Warrants or as a right to acquire such shares of Common Stock upon exercise of the Warrants), the Purchaser shall only be entitled to designate up to two (2) Purchaser Designated Directors and (ii) so long as the Purchaser and its Permitted Transferees, collectively, continue to beneficially own at least 10% (but not greater than 24.99%) of the shares of Common Stock issuable upon exercise of the Warrants (whether owned following exercise of the Warrants or as a right to acquire such shares of Common Stock upon exercise of the Warrants), the Purchaser shall only be entitled to designate one (1) Purchaser Designated Director and the Company and Board shall take all actions necessary or advisable to effect the foregoing provision. From and after the Closing until the Golsen Holders Board Designation Termination Date, the Golsen Holders shall be entitled to designate up to two (2) Golsen Holders Designated Directors pursuant to this Section 1; provided, however, so long as the Golsen Holders, collectively, continue to beneficially own at least 570,282 shares of Common Stock (but not 5% or more of the then outstanding Common Stock), the Golsen Holders shall only be entitled to designate up to one (1) Golsen Holders Designated Director and the Company and Board shall take all actions necessary and advisable to effect the foregoing provision. Notwithstanding the foregoing, (x) the rights of the Purchaser to designate any Purchaser Designated Directors pursuant to this Section 1 shall immediately cease and terminate on the first date on which the Purchaser and its Permitted Transferees, collectively, no longer beneficially own at least 10% of the Common Stock issuable upon exercise of the Warrants (whether owned following exercise of the Warrants or as a right to acquire such Common Stock upon exercise of the Warrants) (such date, the "Board Designation Termination Date") and (y) the rights of the Golsen Holders to designate any Golsen Holders Designated Directors pursuant to this Section 1 shall immediately terminate on the first date on which the Golsen Holders, collectively, no longer beneficially own at least 570,282 shares of Common Stock (such date, the "Golsen Holders Board Designation Termination Date"). At any time on or after the Redemption Termination Date, the Board Designation Termination Date or the Golsen Holders Board Designation Termination Date, the Board shall be entitled to accept and make effective the resignations of any Designated Directors in excess of the number of Designated Directors that the Purchaser or the Golsen Holders, as applicable, are entitled to designate pursuant to this Section 1(c); provided, however, that the Purchaser or the Golsen Holders, as applicable, shall be entitled to specify (by written notice to the Company) which Designated Directors' resignations shall be so accepted and made effective if the

number of required resignations hereunder is less than the number of then serving Designated Directors designated by the Purchaser or the Golsen Holders, as applicable. In addition to the obligation in Section 1(a) of each Designated Director to deliver the written resignation described therein, after the Redemption Termination Date, the Board Designation Termination Date or the Golsen Holders Board Designation Termination Date, as applicable, each of the Purchaser, on the one hand, and the Golsen Holders, on the other hand, agree, promptly upon (and in any event within two (2) Business Days following) receipt of a written request from the Company, to cause the Designated Directors then serving as members of the Board in excess of the number of Designated Directors that it or they are entitled to designate pursuant to this Section 1(c), as applicable, to resign from the Board effective immediately.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise. For the avoidance of doubt, for purposes of this Agreement, the Company, on the one hand, and the Purchaser, on the other, shall not be considered Affiliates.

- b) Section 1(g) is hereby amended by eliminating the reference to “J. Golsen” contained therein and replacing such with “S. Golsen.”
- c) Section 4(b) is amended by replacing the paragraphs beginning with “If to the Company:” and “If to any Purchaser Party:” with the following:

If to the Company:

LSB Industries, Inc.
3503 NW 63rd Street, Suite 500
Oklahoma City, Oklahoma 73116
Attention: Michael Foster, General Counsel
Email: MFoster@lsbindustries.com

with a copy to (which shall not constitute notice):

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attention: Craig Marcus, Esq.; Faiza Rahman, Esq.
Email: Craig.Marcus@ropesgray.com; Faiza.Rahman@ropesgray.com

If to any Purchaser Party:

LSB Funding LLC
600 Steamboat Road, Suite 200
Greenwich, Connecticut 06830
Attention: Legal
Email: legal@eldridge.com

If to any Golsen Holder, to the Golsen Representative:

Steven Golsen
PO Box 705

Oklahoma City, Oklahoma 73101
Attention: Steven Golsen
Email: sgolsen@cox.net

3. Miscellaneous.

Except for the amendments and modifications expressly made in this letter agreement, the Board Representation and Standstill Agreement shall remain unchanged and in full force and effect in accordance with its terms. By its signature below, each party consents and agrees to the transactions described herein and agrees to execute, acknowledge, deliver, file and record such further certificates, amendments, instruments and documents, and to do all such other acts and things, as may be required by law or as, in the reasonable judgment of the parties hereto, may be necessary or advisable to carry out the intent and purposes of the transactions described in this letter agreement.

This letter agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this letter agreement, will be construed in accordance with and governed by the laws of the State of Delaware without regard to principles of conflicts of laws.

This letter agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto execute this letter agreement, effective as of the date first above written.

COMPANY:

LSB INDUSTRIES, INC.

By: /s/ Cheryl Maguire
Name: Cheryl Maguire
Title: Chief Financial Officer

PURCHASER PARTIES:

LSB FUNDING LLC

By: /s/ Todd Boehly
Name: Todd Boehly
Title: Manager

SBT INVESTORS LLC

By: NZC Capital LLC, its Member Manager

By: /s/ Todd Boehly
Name: Todd Boehly
Title: Manager

SECURITY BENEFIT CORPORATION

By: /s/ Amy L. Comer
Name: Amy L. Comer
Title: Vice President, Assistant General Counsel

GOLSEN HOLDERS:

/s/ Barry H. Golsen

Barry H. Golsen, as representative of the estate of Jack E. Golsen

/s/ Barry H. Golsen

Barry H. Golsen

/s/ Steven J. Golsen

Steven J. Golsen

/s/ Linda Golsen Rappaport

Linda Golsen Rappaport

GOLSEN FAMILY LLC

By: /s/ Steven J. Golsen

Name: Steven J. Golsen

Title: President

SBL LLC

By: /s/ Steven J. Golsen

Name: Steven J. Golsen

Title: President

GOLSEN PETROLEUM CORP.

By: /s/ Steven J. Golsen

Name: Steven J. Golsen

Title: President

LSB Funding LLC
600 Steamboat Road, Suite 200
Greenwich, Connecticut 06830

August 10, 2022

LSB Industries, Inc.
3503 NW 63rd Street, Suite 500
Oklahoma City, Oklahoma 73107
Attention: Michael J. Foster, General Counsel

Re: Registration Rights Agreement; Securities Exchange Agreement

Ladies and Gentlemen,

This letter agreement is being entered into as of the date first listed above by and among LSB Funding LLC, a Delaware limited liability company ("LSB Funding"), LSB Industries, Inc., a Delaware corporation (the "Company"), and SBT Investors LLC, a Delaware limited liability company ("SBT Investors"), in connection with (i) the pro rata distribution in kind by LSB Funding of shares of the Company's common stock, par value \$0.10 per share ("LSB Common Stock"), and related subsequent pro rata distributions in kind by certain of its direct and indirect parent companies and members to their respective members, partners or stockholders (the "Distribution in Kind"), such Distribution in Kind to occur immediately following the effectiveness of this letter agreement and (ii) the proposed registered underwritten offering of shares of LSB Common Stock by LSB Funding and SBT Investors LLC, its affiliate, following the effectiveness of this letter agreement (the "Secondary Offering").

1. Registration Rights Agreement. Reference is made to that certain Registration Rights Agreement, dated as of December 4, 2015, by and between the Company and LSB Funding (as amended, the "Registration Rights Agreement"). Capitalized terms used and not otherwise defined in this Section 1 shall have the respective meanings ascribed to them in the Registration Rights Agreement.

- a) Registration Rights Transfer. Pursuant to Section 2.11 of the Registration Rights Agreement, LSB Funding hereby gives notice of its intention to partially transfer (the "Registration Rights Transfer"), immediately following the effectiveness of this letter agreement, a portion of its rights under the Registration Rights Agreement to cause the Company to register up to 24,803,398 Registrable Securities (the "Specified Securities") to SBT Investors LLC ("SBT Investors"), located at 600 Steamboat Road, Suite 200, Greenwich, Connecticut 06830, in connection with the distribution of such Specified Securities to SBT Investors pursuant to the Distribution in Kind. In connection with the Registration Rights Transfer, LSB Funding and SBT Investors hereby represent and warrant to the Company that (a) the transfer of the Specified Securities to SBT Investors pursuant to the Distribution in Kind would be permitted for a transfer of "Securities" (as defined in the Securities Purchase Agreement) pursuant to Section 7.05 of the Securities Purchase Agreement, (b) SBT Investors is an Affiliate of LSB Funding and, after the Registration Rights Transfer, will continue to be an Affiliate of LSB Funding, and (c) the Distribution in Kind is being made in compliance with all applicable securities laws. LSB Funding further represents that it is not relieved of any obligation or liabilities under the Registration Rights Agreement arising out of events occurring prior to the Registration Rights Transfer. By signature of its authorized representative below, SBT Investors hereby assumes responsibility for the portion of the obligations of LSB Funding under the Registration Rights Agreement related to the Specified Securities. For the avoidance of doubt, LSB Funding shall remain entitled to all rights under the Registration Rights Agreement with respect to Registrable Securities other than the Specified Securities.

- b) Amendments to Registration Rights Agreement. In connection with the Registration Rights Transfer and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by each of LSB Funding and the Company, each of LSB Funding (constituting the sole Holder holding all of the Registrable Securities as of the date hereof) and the Company hereby agree, in accordance with Section 3.12 of the Registration Rights Agreement, to the following amendments to the Registration Rights Agreement, which constitute a written amendment for purposes thereof:
- a. The first paragraph of the Registration Rights Agreement is amended and restated to read as follows:

This REGISTRATION RIGHTS AGREEMENT (this “Agreement”) is made and entered into as of December 4, 2015, by and between LSB Industries, Inc., a Delaware corporation (together with its successors by merger, acquisition, reorganization or otherwise, the “Company”), and the Person set forth on Schedule A to this Agreement (together with any transferee or assignee pursuant to any transfer or assignment made in compliance with Section 2.11 hereof, collectively, the “Purchaser”).
 - b. The definition of “Additional Common Stock” included in Section 1.01 and each use of such defined term in the Registration Rights Agreement is deleted from the Registration Rights Agreement.
 - c. The definition of “Aggregate Purchase Price” included in Section 1.01 is amended and restated to read as follows:

“Aggregate Purchase Price” means the product obtained by multiplying (i) the Common Stock Price, by (ii) the number of shares of Common Stock constituting Registrable Securities and held by the Holder in question.
 - d. The definition of “Registrable Securities” included in Section 1.01 is amended and restated to read as follows:
 - e. “Registrable Securities” means the 24,803,398 shares of Common Stock held by the Purchaser as of August 10, 2022, subject to exchange, substitution or adjustment pursuant to Section 3.04 of this Agreement, all of which Registrable Securities are subject to the rights provided herein until such rights terminate pursuant to the provisions hereof.
 - f. The definition of “Participation Common Stock” included in Section 1.01 and each use of such defined term in the Registration Rights Agreement is deleted from the Registration Rights Agreement.
 - g. Section 1.01 is amended to add the following definition of “permitted transferee” immediately after the definition of “Parity Securities”:

“permitted transferee” means any Affiliate of the Purchaser (other than any such Affiliate who is also a Competitor of the Company).

- h. Section 1.01 is amended to add the following definition of “Competitor” immediately after the definition of “Company”:
“Competitor” means any Person or entity that is an operating company (it being agreed that “Competitor” shall not include any company the primary business purpose of which is to provide financing directly or indirectly to unaffiliated entities, whether or not engaged in the nitrogen based chemicals or climate control sectors) which engages in the nitrogen based chemicals or climate control business or otherwise provides similar services or engages in a similar business as the Company and its Subsidiaries.
- i. Clause (c) of Section 1.02 is amended and restated to read as follows:
“(c) when such Registrable Security is held by the Company or one of its subsidiaries”
- j. Each of the undersigned hereby acknowledges that there remain no further obligations of the Company pursuant to Section 2.01 of the Registration Rights Agreement. In addition, the parties hereby agree that, in the event that the Purchaser has a right to include Registrable Securities in a registration statement pursuant to Section 2.02 or Section 2.04(b) of the Registration Rights Agreement, the Purchaser may, without increasing the aggregate number of shares of Common Stock entitled to be included by the Purchaser in such registration statement and subject to compliance with all of the terms of the Registration Rights Agreement (including with respect to any other Person whose shares of Common Stock are to be included in such registration statement in accordance with this sentence), choose to include shares of Common Stock, other than Registrable Securities, that are held by Persons managed or controlled, directly or indirectly, by the Purchaser.
- k. Section 2.11 is amended and restated to read as follows:
Transfer or Assignment of Registrable Securities and Registration Rights. The rights to cause the Company to register Registrable Securities granted to the Purchaser by the Company under this Article II may be transferred or assigned by any Purchaser only (a) with the prior written consent of the Company, which consent shall not be unreasonably withheld, with respect to any transfer of Registrable Securities other than to a permitted transferee, (b) if such transfer or assignment of securities is made in compliance with all applicable securities laws, and, if requested by the Company, delivery to the Company of a legal opinion reasonably satisfactory to the Company confirming such compliance, and (c) the transferring party shall provide advance written notice to the Company of the Registrable Securities being transferred, the name and notice details of the transferee (and certification that such transferee is a permitted transferee) and an instrument duly executed by the transferee whereby such assignee makes certain reasonable and customary representations as may be reasonably requested by the Company with respect to the transfer of unregistered securities; *provided, however*, that (a) unless the transferee or assignee of such registration rights is a permitted transferee of, and after such transfer or assignment would continue to be an Affiliate of, the Purchaser, the amount of Registrable Securities transferred or assigned to such transferee or assignee shall represent at least \$15 million of Registrable Securities (based on the Aggregate Purchase Price), (b) the Company is given written notice prior to any said transfer or assignment, stating the name and address of each such transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned, (c) each such transferee or assignee assumes in writing responsibility for its portion of the obligations of the Purchaser under this Agreement, (d) the transferor or assignor is not relieved of any obligation or liabilities hereunder arising out of events occurring prior to such transfer, and (e) Schedule A hereto shall be updated to reflect the addition of a new Purchaser.

1. Section 3.01(c) is amended and restated to read as follows:

(c) if to the Company:

LSB Industries, Inc.
3503 NW 63rd Street, Suite 500
Oklahoma City, Oklahoma 73116
Attention: Michael Foster, General Counsel
Email: MFoster@lsbindustries.com

with a copy to (which shall not constitute notice):

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attention: Craig Marcus, Esq.; Faiza Rahman, Esq.
Email: Craig.Marcus@ropesgray.com; Faiza.Rahman@ropesgray.com

2. Securities Exchange Agreement. Reference is made to that certain Securities Exchange Agreement, dated as of July 19, 2021, by and between the Company and LSB Funding (the "Exchange Agreement"). Capitalized terms used and not otherwise defined in this Section 2 shall have the respective meanings ascribed to them in the Exchange Agreement.

- a) Pursuant to Section 4.6 of the Exchange Agreement, the Company hereby consents to the Distribution in Kind and the Secondary Offering.
- b) Pursuant to Section 7.10 of the Exchange Agreement, LSB Funding hereby notifies the Company that it is assigning all of its rights under Sections 4.11, 4.12, 4.13 and 4.14 of the Exchange Agreement to SBT Investors effective as of immediately following the consummation of the Distribution in Kind. In connection with such assignment, LSB Funding and SBT Investors hereby represent and warrant to the Company that SBT Investors is an Affiliate of LSB Funding and SBT Investors is financially capable of performing the obligations of the Holder under the above-referenced sections of the Exchange Agreement.

3. Additional Representations, Warranties and Acknowledgements.

- a) For the avoidance of doubt, LSB Funding and the Company hereby agree that no recipient of LSB Common Stock pursuant to the Distribution in Kind or the Secondary Offering other than SBT Investors is entitled to any registration rights pursuant to the Registration Rights Agreement.

4. Miscellaneous.

Except for the consents, amendments and modifications expressly made in this letter agreement, the Registration Rights Agreement and the Exchange Agreement shall remain unchanged and in full force and effect in accordance with their terms. By its signature below, each party consents and agrees to the transactions described herein and agrees to execute, acknowledge, deliver, file and record such further certificates, amendments, instruments and documents, and to do all such other acts and things, as may be required by law or as, in the reasonable judgment of the parties hereto, may be necessary or advisable to carry out the intent and purposes of the transactions described in this letter agreement.

This letter agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this letter agreement, will be construed in accordance with and governed by the laws of the State of Delaware without regard to principles of conflicts of laws.

This letter agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same agreement.

[Signature Page Follows]

Very truly yours,

LSB FUNDING LLC

By: /s/ Todd L. Boehly

Name: Todd L. Boehly

Title: Manager

SBT INVESTORS LLC

By: NZC Capital LLC, its Member Manager

By: /s/ Todd L. Boehly

Name: Todd L. Boehly

Title: Manager

Consented to, acknowledged and agreed as of the date first set forth above:

LSB INDUSTRIES, INC.

By: /s/ Cheryl A. Maguire
Name: Cheryl A. Maguire
Title: Executive Vice President and CFO