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

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**FORM 8-K**

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

Date of Report (Date of earliest event reported): August 2, 2016

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**LSB INDUSTRIES, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-7677**  
(Commission  
File Number)

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

**16 South Pennsylvania Avenue,  
Oklahoma City, Oklahoma 73107**

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

**Not Applicable**

Former name or former address, if changed since last report

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On August 2, 2016, LSB Industries, Inc. (the “Company”) issued a press release announcing that John Diesch has been named Executive Vice President-Manufacturing, effective August 1, 2016. Mr. Diesch will oversee all of the Company’s plant operations and will report to the Company’s Chief Executive Officer, Daniel Greenwell.

Mr. Diesch, 59, most recently served as President and member of the board of directors of Rentech Nitrogen GP, LLC since 2011. Previously, Mr. Diesch served as Senior Vice President of Operations at Rentech Nitrogen GP, LLC from 2008 until 2013 and served in other positions of responsibility in the nitrogen and fertilizer industry. Mr. Diesch holds bachelor degrees in Chemical Engineering and Environmental Studies from the University of Minnesota and Bemidji State University, respectively.

Mr. Diesch has no family relationships with any director, executive officer or person nominated or chosen by the Company to become a director or executive officer of the Company. Mr. Diesch is not a party to any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

On July 21, 2016, the Company entered into an employment agreement with Mr. Diesch, effective as of August 1, 2016 (the “Employment Agreement”). The Employment Agreement provides that Mr. Diesch: (i) will serve as Executive Vice President-Manufacturing of the Company for an initial term of three years (3) and five (5) months, with the Employment Agreement automatically renewing for successive one-year periods on the anniversary of the effective date until terminated by the Company in accordance with the Employment Agreement; (ii) will receive an annual base salary of at least \$325,000; (iii) beginning with bonuses earned with respect to the 2017 fiscal year, will be eligible to receive a target annual cash performance bonus equal to 50% of Mr. Diesch’s base salary (the “target bonus”) and a maximum cash bonus equal to 100% of Mr. Diesch’s base salary, depending on the Company’s achievement of performance criteria, as determined by the Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”); (iv) will be eligible to receive a grant of an equity-based award under the Company’s 2016 Long Term Incentive Plan under the terms and conditions applicable to any annual equity award as determined by the Compensation Committee; provided that any annual equity award shall have a value of not less than 50% of Mr. Diesch’s then current base salary; and (v) will receive four (4) weeks of paid vacation per calendar year (as prorated for partial years).

The Employment Agreement provides that Mr. Diesch will be eligible to receive accrued benefits should his employment with the Company be terminated (i) due to death or disability, (ii) by the Company for Cause (as defined in the Employment Agreement) or without Cause, or (iii) by Mr. Diesch for Good Reason (as defined in the Employment Agreement) or without Good Reason. If Mr. Diesch’s employment with the Company is terminated due to death or disability, outstanding equity awards shall vest pro rata as of the date of termination based on the time Mr. Diesch was employed during the applicable three (3)-year vesting period. If Mr. Diesch’s employment is terminated by the Company without Cause or by Mr. Diesch for Good Reason, Mr. Diesch will receive (a) a lump sum payment equal to his base salary payable on the first pay date following execution of a release of claims or (b) if the termination occur within six (6) months prior to or twelve (12) months following a Change in Control, (i) a lump sum payment equal to his base salary and target bonus payable on the first pay date following execution of a release of claims and (ii) accelerated vesting of all outstanding equity awards as of the date of termination. All severance or termination benefits payable to Mr. Diesch under the Employment Agreement are dependent on his execution and delivery of a release of claims within sixty (60) days following the date of termination. Following termination of employment, Mr. Diesch will be subject to non-solicitation restrictions for a period of twenty-four (24) months. Mr. Diesch will also be subject to non-disclosure obligations following a termination of employment.

The foregoing description of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Employment Agreement, a copy of which is filed as Exhibit 10.1 hereto and incorporated by reference herein.

**Item 9.01. Financial Statements and Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Agreement by and between LSB Industries, Inc. and John Diesch, executed as of July 21, 2016
99.1	Press Release issued by LSB Industries, Inc. dated as of August 2, 2016.

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 hereunto duly authorized.

Dated: August 2, 2016

LSB INDUSTRIES, INC.

By: /s/ Mark T. Behrman

Name: Mark T. Behrman

Title: Executive Vice President of Finance and  
Chief Financial Officer

**EXHIBIT INDEX**

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**EMPLOYMENT AGREEMENT**

This EMPLOYMENT AGREEMENT ("Agreement") is entered into as of this 21st day of July, 2016 to be effective August 1, 2016 (the "Effective Date"), by and between LSB Industries, Inc., a Delaware corporation (together with its successors and assigns, the "Company"), and John Diesch, an individual (the "Executive").

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

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

1. Term. The Company agrees to employ Executive pursuant to the terms of this Agreement, and Executive agrees to be so employed, for a term of three (3) years and five (5) months (the "Initial Term") commencing as of the Effective Date. Notwithstanding the foregoing, Executive's employment hereunder may be earlier terminated in accordance with Section 9 hereof, subject to Section 10 hereof. Terms used herein with initial capitalization not otherwise defined are defined in Section 25. The period of time between the Effective Date and the termination of Executive's employment hereunder shall be referred to as the "Employment Period." Unless the Company gives Executive written notice at least ninety (90) days prior to the end of the Initial Term or any Renewal Term (as defined below), as the case may be, of its intent that this Agreement shall expire at the end of such Initial Term or Renewal Term, this Agreement shall automatically and without further action by the Company or Executive renew for another term of one (1) year on the same terms and conditions, including this sentence, except that such renewal term and any succeeding renewal term shall be the "Renewal Term" and "Renewal Term" shall replace (Initial Term).

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

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

manufacturing locations. For the avoidance of doubt, Executive is not permitted to tele-commute or otherwise work from a remote location without the prior written consent of the CEO.

#### 4. Compensation and Benefits; Equity Awards.

(a) Base Salary. During the Employment Period, the Company shall pay to Executive a base salary (the "Base Salary") at the rate of no less than \$325,000 per calendar year, less applicable deductions. The Base Salary shall be reviewed for increase by the Board no less frequently than annually and shall be increased in the discretion of the Board and any such adjusted Base Salary shall constitute the "Base Salary" for purposes of this Agreement. The Base Salary shall be paid in substantially equal installments in accordance with the Company's regular payroll procedures.

(b) Annual Bonus. During the Employment Period, Executive shall be paid an annual cash performance bonus (an "Annual Bonus") under the Company's annual bonus plan (as in effect from time to time for senior executives) in respect of the 2017 fiscal year and each fiscal year that ends during the Employment Period, to the extent earned based on performance against performance criteria. The performance criteria for any particular fiscal year shall be determined by the Compensation Committee of the Board (the "Committee"). Executive's annual bonus opportunity shall be no less than 50% of Executive's Base Salary as of the beginning of the applicable performance period (the "Target Bonus"), if target levels of performance for that year are achieved, up to a maximum of 100% of Executive's Base Salary. Executive's Annual Bonus for a bonus period shall be determined by the Committee after the end of the applicable bonus period and shall be paid to Executive when annual bonuses for that year are paid to other senior executives of the Company generally, but in no event later than March 31 of the year following the year to which such Annual Bonus relates. For avoidance of doubt, if Executive is employed on the last day of the fiscal year, but not on the date on which Annual Bonuses with respect to that fiscal year are paid, Executive shall be entitled to receive any such bonus determined to be applicable to Executive's performance during that fiscal year, and the Committee shall determine such bonus as if Executive had been employed on the date such determination is made.

(c) Equity Awards. In each fiscal year during the Employment Period, the Executive shall be eligible to receive a grant of an equity-based award (the "Annual Equity Award") under the Company's 2016 Long Term Incentive Plan (or successor plan). The terms and conditions applicable to any annual Equity Award shall be determined by the Compensation Committee of the Board (the "Committee") in accordance with the Company's applicable long-term incentive plan; provided that any Annual Equity Award hereunder shall have a value of not less than 50% the Executive's then current Base Salary.

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

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

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

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

(a) Non-Disclosure. After Executive's employment with the Company ends, Executive will not use, disclose, copy or transfer any Confidential Information unless authorized in writing by the Company. Anything herein to the contrary notwithstanding, the provisions of this Section 6(a) shall not apply (i) when disclosure is required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with actual or apparent jurisdiction to order Executive to disclose or make accessible any information, provided that prior to any such disclosure Executive shall provide the Company with reasonable notice of the requirements to disclose and an opportunity to object to such disclosure and Executive shall cooperate with the Company in filing such objection; (ii) as to information that becomes well known to the public other than due to Executive's violation of this Section 6(a); or (iii) to the extent necessary in connection with any disputes between the parties with respect to the interpretation and/or enforcement of this Agreement and any other agreements between the parties.

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

7. Non Solicitation.

(a) During the Non-Solicitation Period, Executive shall not (A) directly solicit



any , person or other entity in soliciting any established customer for the purpose of a Competitive Enterprise providing and/or selling any products that are provided and/or sold by the Company or its subsidiaries to such established customer, or performing any services that are performed by the Company or its subsidiaries for such established customer, (B) interfere with or damage (or attempt to interfere with or damage) any relationship and/or agreement between the Company or its subsidiaries and any established customer; or (C) directly or indirectly solicit any employee of the Company or the Company Affiliates with a view toward inducing any such employee to go to work for another person or third party or to cease or end their employment relationship.

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

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

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

#### 9. Termination of Employment.

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

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

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

(A) Disability. For Disability; or

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

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

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

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

#### 10. Compensation Upon Termination.

(a) Death. If Executive's employment is terminated during the Employment Period as a result of Executive's death pursuant to Section 9(a)(i), the Employment Period shall terminate without further notice or any action required by the Company or Executive's legal representatives. Upon Executive's death, the Company shall pay or provide to Executive's representative or estate (i) all Accrued Benefits, if any, to which Executive is entitled and (ii) Executive's outstanding equity awards shall vest pro rata as of the Date of Termination based on the time Executive was employed during the applicable three (3)-year vesting period. Except as set forth herein, the Company shall have no further compensation obligations to Executive (or Executive's legal representatives or estate) under this Agreement.

(b) Disability. If the Company terminates Executive's employment during the Employment Period because of Executive's Disability pursuant to Section 9(a)(ii)(A), the Company shall pay to Executive (i) all Accrued Benefits, if any, to which Executive is entitled and (ii) Executive's outstanding equity awards shall vest pro rata as of the Date of Termination based on the time Executive was employed during the applicable three (3)-year vesting period. Except as set forth herein, the Company shall have no further compensation obligations to Executive (or Executive's legal representatives) under this Agreement.

(c) Termination by the Company for Cause, or by Executive without Good Reason. If, during the Employment Period, the Company terminates Executive's employment for Cause pursuant to Section 9(a)(ii)(B), or Executive terminates his employment without Good Reason, the Company shall pay to Executive all Accrued Benefits, if any, to which Executive is entitled. Except as set forth herein, the Company shall have no further compensation obligations to Executive under this Agreement.

(d) Certain Terminations Prior to a Change in Control. If, prior to the occurrence of a Change in Control the Company terminates Executive's employment during the Employment Period other than for Cause, death or Disability or if Executive terminates his employment hereunder with Good Reason the Employment Period shall terminate upon the Date of Termination, (i) the Company shall pay or provide Executive (or Executive's estate, if Executive dies after such termination but before receiving such amount) (A) all Accrued Benefits, if any, to which Executive is entitled, and (B) a payment equal to twelve (12) months of Executive's Base Salary, payable in a lump sum on the first payroll date following the execution (and non-revocation) of the general release of claims described in Section 10(g), subject to Section 10(h) and Section 24.

(e) Certain Terminations Following a Change in Control. If, within the period beginning six (6) months before and ending twelve (12) months following the date of consummation of a Change in Control, the Company terminates Executive's employment other than for Cause, Death or Disability or if Executive terminates his employment hereunder with Good Reason the Employment Period shall terminate upon the Date of Termination, (i) the Company shall pay or provide Executive (or the Executive's estate, if Executive dies after such termination but before receiving such amount) (A) all Accrued Benefits, if any, to which Executive is entitled; (B) an amount equal to the product of (x) one (1) and (y) the sum of Executive's (I) Base Salary, and (II) Target Bonus, payable in a lump sum on the first payroll date following the execution (and non-revocation) of the general release of claims described in Section 10(g), subject to Section 10(h) and Section 24, and (ii) all of Executive's outstanding equity awards shall fully vest as of the Date of Termination.

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

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

(h) No Offset. In the event of termination of his employment, Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due to him on account of any remuneration or benefits provided by any subsequent employment he may obtain. The Company's obligation to make any payment pursuant to, and otherwise to

perform its obligations under, this Agreement shall not be affected by any offset, counterclaim or other right that the Company or the Company Affiliates may have against Executive for any reason.

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

11. Indemnification. Executive shall be indemnified and held harmless by the Company during the Employment Period and following any termination of his employment for any reason whatsoever in the same manner as would any other key management employee of the Company with respect to acts or omissions occurring on or prior to the termination of employment of Executive. In addition, during the Employment Period and for a period of three (3) years following the termination of Executive’s employment for any reason whatsoever, Executive shall be covered by a Company-held directors’ and officers’ liability insurance policy covering acts or omissions occurring on or prior to the termination of employment of Executive.

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

If to the Company:

LSB Industries, Inc.  
16 S Pennsylvania Ave.  
Oklahoma City, OK 73107  
Attention: Chief Executive Officer

If to Executive:

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

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

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

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

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

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

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

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

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

20. Dispute Resolution/Waiver of Jury Trial. Each of the parties agrees that any dispute between the parties shall be resolved only in the courts of the State of Oklahoma or the United States District Court for the Western District of Oklahoma and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, each of the parties hereto irrevocably and unconditionally (a) submits in any proceeding relating to this Agreement or Executive's employment by the Company or any Company Affiliate, or the termination of such employment, or for the recognition and enforcement of any judgment in respect thereof (a "Proceeding"), to the exclusive jurisdiction of the courts of the State of Oklahoma, located in Oklahoma County, the United States District Court for the Western District of Oklahoma, and appellate courts having jurisdiction of appeals from any of the foregoing and agrees that all claims in respect of any such Proceeding shall be heard and determined in such Oklahoma State court or, to the extent permitted by law, in such federal court, (b) consents that any such Proceeding may and shall be brought in such courts and waives any objection that Executive or the Company may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agrees not to plead or claim the same, (c) waives all right to trial by jury in any Proceeding (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or Executive's employment by the Company or any Company Affiliate, or the termination of such employment, or Executive's or the Company's performance under, or the enforcement of, this Agreement, (d) agrees that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at Executive's or the Company's address as

provided in Section 12 hereof, and (e) agrees that nothing in this Agreement shall affect the right to effect service of process in any other manner permitted by the laws of the State of Oklahoma. In addition, if Executive substantially prevails on any claim that is the matter of such dispute, the Company shall promptly reimburse Executive for his legal fees.

21. Entire Agreement. This Agreement constitutes the entire agreement between the parties respecting the employment of Executive, there being no representations, warranties or commitments except as set forth herein and supersedes and replaces all other agreements related to the subject matter hereof, provided that any outstanding equity awards, shall continue to be in full force and effect. In the event there is a conflict between any provision of this Agreement and any other agreement, plan, policy or arrangement of the Company or any Company Affiliate, the provision most favorable to Executive shall govern.

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

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

24. Section 409A.

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

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is

considered deferred compensation under Code Section 409A payable on account of a “separation from service,” such payment or benefit shall be made or provided at the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such “separation from service” of Executive, and (B) the date of Executive’s death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 24(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

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

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

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

## 25. Definitions.

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



(b) “Cause” means (i) Executive’s conviction of, or plea of nolo contendere to, a felony (other than for a traffic violation);

(ii) Executive’s continued failure to substantially perform Executive’s material duties hereunder (other than due to a mental or physical impairment) after receipt of written notice from the Company that specifically identifies the manner in which Executive has substantially failed to perform Executive’s material duties and specifies the manner in which Executive may substantially perform his material duties in the future; (iii) an act of fraud or gross or willful material misconduct by Executive; or (iv) Executive’s material breach of Section 7(a). Anything herein to the contrary notwithstanding, Executive shall not be terminated for “Cause” hereunder unless written notice stating the basis for the termination is provided to Executive, as to clauses (ii) or (iv) of this paragraph, he fails to cure such neglect or conduct within thirty (30) days following receipt of such notice.

(c) “Change in Control” means:

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

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

meaning of this paragraph (ii) after the Effective Date, the acquisition of additional control of the Company by the same person or persons is not considered a “change in the effective control of the Company,” or to cause a “change in the ownership of the Company” within the meaning of paragraph (i) above; or

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

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

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

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

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

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

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

(i) “Good Reason” means (i) any material diminution in Executive’s job duties, authorities or responsibilities ; (ii) a reduction in Executive’s Base Salary or Target Bonus as a percentage of Base Salary or the failure to grant any Annual Equity Award as required in Section 4(c); (iii) the assignment of duties substantially inconsistent with Executive’s status as EVP — Manufacturing; (iv) a relocation of Executive’s primary place of employment to a location more than fifty (50) miles from the current location of the Company’s offices in Oklahoma City, Oklahoma; (v) any other material breach of this Agreement by the Company; or (vi) the failure of the Company to obtain the assumption in writing of its obligations under the Agreement by any successor to all or substantially all of the assets of the Company after a merger, consolidation, sale or similar transaction in which such Agreement is not assumed by operation of law. In order to invoke a termination for Good Reason, (A) Executive must provide written notice within ninety (90) days of the later of the occurrence, or Executive’s knowledge, of any event of “Good Reason,” (B) the Company must fail to cure such event within thirty (30) days of the giving of such notice and (C) Executive must provide a Notice of Termination within thirty (30) days following the expiration of the Company’s cure period.

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

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

**LSB INDUSTRIES, INC.**

/s/ Daniel D. Greenwell

By: Daniel D. Greenwell  
Title: Chief Executive Officer

**EXECUTIVE**

/s/ John Diesch  
\_\_\_\_\_  
John Diesch

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**Exhibit A**

**(Form of Release)**

EXHIBIT A

GENERAL RELEASE

I, John Diesch, in consideration of and subject to the performance by LSB Industries, Inc. (together with its affiliated companies and subsidiaries and its successors and assigns, the "Company"), of its obligations under Section 10 of the Employment Agreement, dated July 21, 2016, effective as of August 1, 2016 (the "Agreement"), do hereby release and forever discharge as of the date hereof the Company and its respective affiliates and subsidiaries and all present, former and future directors, officers, agents, representatives, employees, successors and assigns of the Company and/or its respective affiliates and subsidiaries and direct or indirect owners (collectively, the "Released Parties") to the extent provided herein (this "General Release"). Terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

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

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

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

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

4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967). Notwithstanding anything herein to the contrary, I am not waiving any of the following (and definition of "Claims" shall not include these claims or rights): (i) any claim or right to enforce the Agreement or this General Release or any other written agreement between the Company and me that pertains to an employee benefit plan, program, policy or arrangement, or ownership of the Company's stock or debt securities in effect as of the Date of Termination ; (ii) any claims which arise after the date of this General Release; (iii) my rights as a securityholder of the Company; and (iv) my rights to be indemnified and/or defended and/or advanced expenses, including pursuant to the Company's corporate governance documents or the Indemnification Agreement (as defined in the Agreement) (and Section 11 of the Agreement) or, if greater, applicable law and my rights to be covered under any applicable directors' and officers' insurance liability policies.

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

6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company

would not have agreed to the terms of the Agreement. I further agree that in the event that I should bring a Claim seeking damages against the Company, or in the event that I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. I further agree that I am not aware of any pending Claim, or of any facts that could give rise to a Claim, of the type described in paragraph 2 as of the execution of this General Release.

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

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

9. I agree that this General Release is confidential and agree not to disclose any information regarding the terms of this General Release, except to my immediate family and any tax, legal or other counsel that I have consulted regarding the meaning or effect hereof (and I will instruct each of the foregoing not to disclose the same to anyone) or as required by law or to the extent reasonably necessary in connection with any dispute between me and the Company regarding this General Release, the Agreement or any other written agreement between the Company and me that pertains to an employee benefit plan, program, policy or arrangement, or ownership of the Company's stock or debt securities in effect as of the Date of Termination.

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

11. I hereby acknowledge that Sections 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 23, 24 and 25 of the Agreement shall survive my execution of this General Release.

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



13. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement, this General Release, or any other written agreement between the Company and me that pertains to an employee benefit plan, program, policy or arrangement, or ownership of the Company's stock or debt securities in effect as of the Date of Termination, after the date hereof.

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

15. Subject to applicable law, I covenant and agree that I shall not in any way publicly disparage, call into disrepute, or otherwise defame or slander the Company or any of its subsidiaries, in any manner that would materially damage the business or reputation of the Company or its subsidiaries. The Company covenants and agrees, on behalf of itself and its subsidiaries, that neither the Company, any of its subsidiaries nor any of the officers or directors of the Company or any of its subsidiaries shall in any way publicly disparage, call into disrepute, or otherwise defame or slander me. Nothing in this Section 15 shall preclude or restrict me or the Company or any of the subsidiaries of the Company from making truthful statements, including, without limitation, those that are required by applicable law, regulation or in connection with a legal process or proceeding, and the making of such statements shall not be a violation of this section.

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

- (i) I HAVE READ IT CAREFULLY;
- (ii) I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED, THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990. AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;
- (iii) I VOLUNTARILY CONSENT TO EVERYTHING IN IT;
- (iv) I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION,

- (v) I HAVE HAD AT LEAST [21][45] DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT AND THE CHANGES MADE SINCE MY RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT RESTART THE REQUIRED [21][45]-DAY PERIOD;
- (vi) I UNDERSTAND THAT I HAVE SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED; AND
- (vii) I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT.

SIGNED: \_\_\_\_\_

DATE: \_\_\_\_\_

AGREED AS TO SECTION 15 HEREOF:

LSB INDUSTRIES, INC.

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**FOR IMMEDIATE RELEASE**

**LSB INDUSTRIES, INC. APPOINTS JOHN DIESCH EXECUTIVE VICE PRESIDENT, CHEMICAL MANUFACTURING**

OKLAHOMA CITY, Oklahoma — August 2, 2016 — LSB Industries, Inc. (NYSE: LXU) (“LSB” or the “Company”) today announced that John Diesch has been named Executive Vice President-Manufacturing effective August 1, 2016. Mr. Diesch, who takes over the role from Richard Sanders, a Director of the Company’s Board who served as Interim Executive Vice President, Chemical Manufacturing since September 29, 2015, will oversee all plant operations and will report to Daniel Greenwell, LSB’s Chief Executive Officer.

“John is an excellent addition to our senior leadership team,” commented Daniel Greenwell. “His extensive experience with nitrogen manufacturing operations makes him highly qualified to advance the initiatives that we have underway to maximize the performance of all of our facilities. On behalf of our Board, I’d like to welcome John to LSB.”

Mr. Greenwell continued, “We would also like to thank Richard Sanders for his major contributions to the Company during his ten months as the interim head of our chemical operations, which included the oversight of the critical final phases of construction and startup of the new ammonia plant at our El Dorado, Arkansas facility, and the improved performance of our other chemical operations, particularly our Pryor, Oklahoma facility.”

**About John Diesch**

Mr. Diesch served as President and was a member of the board of directors of Rentech Nitrogen GP, LLC from 2011 until April 2016. From 2008 to 2013, he held the position of Senior Vice President of Operations at Rentech, where he was responsible for operations at Rentech’s facilities as well as its Product Demonstration Unit in Commerce City, Colorado. From 2006 to 2008, Mr. Diesch served as President of RNLLC (formerly REMC) and Vice President of Operations for Rentech. Before that, he was Managing Director of Royster-Clark Nitrogen, Inc. from 1999 to 2006, and previously served as Vice President and General Manager of nitrogen production and distribution for IMC AgriBusiness Inc., an agricultural fertilizer manufacturer. In 1991, Mr. Diesch joined Vigoro Industries Inc., a manufacturer and distributor of potash, nitrogen fertilizers and related products, as North Bend, Ohio Plant Manager after serving as Plant Manager, Production Manager and Process Engineer with Arcadian Corporation, a nitrogen manufacturer, Columbia Nitrogen Corp., a manufacturer of fertilizer products, and Monsanto Company, a multinational agricultural biotechnology corporation. Mr. Diesch was a member of the board of directors of the Fertilizer Institute, a former member of the board of directors of the Gasification Technologies Council and previously served as director of the Dubuque Area Chamber of Commerce, and was recently management Chairman of the Board for the Dubuque Area Labor Management Council. Mr. Diesch holds a Degree in Chemical Engineering and Environmental Studies from the University of Minnesota and Bemidji State University.

## **About LSB Industries, Inc.**

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

## **Forward Looking Statement**

*This press release may include certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by use of the words "will", "believes", "expects", "estimates", "intends", "anticipates", "plans to", "should", "estimates", "projects", or similar expressions, including, without limitation, pay down of debt; improved financial flexibility, capital structure, and chemical plant on-stream rates; enhanced reliability, performance, profitability and generation of cash flow from our facilities; and continued investment in improvement of plants.*

*Investors are cautioned that such forward-looking statements are not guarantees of future performance and involve risk and uncertainties. Though we believe that expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectation will prove to be correct. Actual results may differ materially from the forward-looking statements as a result of various factors, including, but not limited to: general economic conditions; weather conditions; changes to federal legislation or adverse regulations; increased competitive pressures, domestic and foreign; ability to complete transactions to address our leveraged balance sheet and cash flow requirements; loss of significant customers; increased costs of raw materials; and other factors set forth under "Risk Factors" and "Special Note Regarding Forward-Looking Statements" in our Form 10-K for the year ended December 31, 2015 and, if applicable, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. All forward-looking statements included in this press release are expressly qualified in their entirety by such cautionary statements. We expressly disclaim any obligation to update, amend or clarify any forward-looking statement to reflect events, new information or circumstances occurring after the date of this press release except as required by applicable law.*

### **Company Contact:**

Mark Behrman, Chief Financial Officer  
(405) 235-4546

### **Investor Relations Contact:**

Fred Buonocore (212) 836-9607  
Kevin Towle (212) 836-9620  
The Equity Group Inc.