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

FORM 8-K

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

Date of Report (Date of earliest event reported): October 26, 2017

LSB INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-7677
(Commission
File Number)

73-1015226
(IRS Employer
Identification No.)

16 South Pennsylvania Avenue, Oklahoma City, Oklahoma
(Address of principal executive offices)

73107
(Zip Code)

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

Not applicable
(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Board Representation and Standstill Agreement

On October 26, 2017, LSB Industries, Inc., a Delaware corporation (“LSB” or the “Company”), entered into an amendment (the “Amendment”) to the Board Representation and Standstill Agreement, dated December 4, 2015 (the “Board Representation and Standstill Agreement”) with LSB Funding LLC (the “Purchaser”), Security Benefit Corporation, Todd Boehly, Jack E Golsen, Steven J. Golsen, Barry H. Golsen, Linda Golsen Rappaport, Golsen Family LLC, SBL LLC and Golsen Petroleum Corp. The Board Representation and Standstill Agreement, as amended, provides that:

For so long as the board of directors of the Company (the “Board”) consists of nine (9) or fewer directors, until the first date on which the Purchaser and its affiliates, collectively, no longer beneficially own at least 10% of the common stock, par value \$0.10, of the Company (the “Common Stock”) issuable upon exercise of the warrants issued in connection with that certain Securities Purchase Agreement, dated December 4, 2015, by and among the Company, the Purchaser and Security Benefit Corporation (the “Warrants”) (whether owned following exercise of the Warrants or as a right to acquire such Common Stock upon exercise of the Warrants) (the “Board Designation Termination Date”), the Purchaser shall be entitled to designate up to two (2) directors; provided, however, that, from and after the redemption in full of all of the Series E cumulative redeemable Class C preferred stock of the Company (the “Series E Preferred”) held by the Purchaser, so long as the Purchaser and its affiliates, collectively, continue to beneficially own at least 10% (but less than 25%) of the shares of the 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) director.

For so long as the Board consists of (10) or more directors, until the Board Designation Termination, the Purchaser will be entitled to designate three (3) directors. For so long as (i) the Purchaser and its affiliates, 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) directors and (ii) the Purchaser and its affiliates, 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) director.

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

Item 3.03. Material Modification to Rights of Security Holders.

The information set forth under Item 1.01 is incorporated into this Item 3.03 by reference.

Item 5.02. Departure of Directors or Certain Officers; Elections of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Resignation of Directors

On October 30, 2017, the Company issued a press release (the “Press Release”), announcing that Messrs. Jonathan S. Bobb and William F. Murdy resigned from the Board, effective as of October 26, 2017 (the “Resignation Date”). Messrs. Bobb’s and Murdy’s term on the Board was scheduled to expire in 2019 and 2020, respectively. Richard Roedel, who has served on the Board since April 2015 and as Chairman of the Audit Committee since September 2015, replaces Mr. Murdy as LSB’s Lead Independent Director. In notifying the Company of their decision to resign from the Board, Messrs. Bobb and Murdy indicated that their decisions were not due to a disagreement with the Company regarding its operations, policies, or practices. In connection with such resignations, the Board determined that the size of the Board would be reduced to nine (9) members.

In connection with Mr. Murdy’s resignation and retirement from the Board, the Company and Mr. Murdy entered into a resignation and release agreement on October 26, 2017 (the “Release Agreement”), pursuant to which, among other things, the Company has agreed to pay Mr. Murdy the following payments and benefits in exchange for Mr. Murdy’s execution of a release of claims in favor of the Company and its affiliates: (i) within 30 days following Mr. Murdy’s execution of the Release Agreement, (x) a lump sum cash payment equal to the \$51,250, (y) subject to approval by the Board, a fully vested grant of

shares of the Company's Common Stock with a grant date fair market value equal to \$31,250, subject to the conditions in the Release Agreement, and (z) full vesting of any outstanding and unvested equity awards granted to Mr. Murdy prior to the Resignation Date; and (ii) on January 15, 2018, subject to approval by the Board, a fully vested grant of shares of the Company's Common Stock with a grant date fair market value equal to \$82,500.

Additionally, as previously announced, Jack E. Golsen, founder and former Chief Executive Officer of LSB, will resign as the Company's Executive Chairman effective December 31, 2017, but will remain a member of the Board. The Board has determined that Daniel D. Greenwell, LSB's CEO since December 2015, will succeed Mr. Golsen as Board Chairman following such resignation.

The description of the Release Agreement contained herein does not purport to be complete and is qualified in its entirety by reference to the Release Agreement, a copy of which is attached hereto as Exhibit 10.2 and incorporated herein by reference. The description of the Press Release contained herein does not purport to be complete and is qualified in its entirety by reference to the Press Release, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit No</u>	<u>Description</u>
10.1	<u>Amendment, dated October 26, 2017, to the Board Representation and Standstill Agreement by and between LSB Industries, Inc., LSB Funding LLC, Security Benefit Corporation, Todd Boehly, Jack E Golsen, Steven J. Golsen, Barry H. Golsen, Linda Golsen Rappaport, Golsen Family LLC, SBL LLC and Golsen Petroleum Corp, dated as of December 4, 2015.</u>
10.2	<u>Release Agreement, dated as of October 26, 2017, by and between William F. Murdy and the Company.</u>
99.1	<u>Press Release, dated as of October 30, 2017</u>

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: October 30, 2017

LSB INDUSTRIES, INC.

By: /s/ Mark T. Behrman

Name: Mark T. Behrman

Title: Executive Vice President of Finance and
Chief Financial Officer

AMENDMENT TO THE
BOARD REPRESENTATION AND STANDSTILL AGREEMENT

This **Amendment to the Board Representation and Standstill Agreement** (this "Amendment") is made as of October 26, 2017, by and among LSB Industries, Inc. (the "Company"), LSB Funding LLC (the "Purchaser"), Security Benefit Corporation ("Security Benefit"), Todd Boehly ("Boehly"), Jack E. Golsen ("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"). Capitalized terms used but not otherwise defined in this Amendment shall have the meanings given them in the Agreement.

WHEREAS, the Board has determined it to be in the best interests of the Company to reduce the size of the Board from eleven (11) members to nine (9) members.

WHEREAS, in connection with the reduction in the size of the Board, one Director designated by the Purchaser shall resign.

WHEREAS, the Company, the Purchaser, Security Benefit and the Golsen Holders are parties to that certain Board Representation and Standstill Agreement, dated as of December 4, 2015 (as amended, restated, supplemented or otherwise modified, the "Agreement").

WHEREAS, pursuant to Section 4(f) of the Agreement, the parties hereto desire to amend the Agreement.

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

1. Amendment of Section 1(b). The first sentence of Section 1(b) of the Agreement is hereby deleted in its entirety and replaced with "[RESERVED]."

2. Amendment of Section 1(b)(i). Section 1(b)(i) of the Agreement is hereby deleted in its entirety and replaced with "[RESERVED]."

3. Amendment of Section 1(c).

A. The first sentence of Section 1(c) of the Agreement is amended and restated in its entirety as follows:

"(c) 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 Purchased Series E 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."

B. Section 1(c) is further amended by inserting the following as the second sentence thereof as a new sentence:

"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."

4. Amendment of Section 2. Section 2 of the Agreement is hereby deleted in its entirety.

5. Governing Law. This Amendment shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of said State applicable to contracts to be made and performed entirely within said State.

6. Counterparts. This Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. A signature to this Amendment executed and/or transmitted electronically shall have the same authority, effect, and enforceability as an original signature.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

LSB INDUSTRIES, INC.

By: /s/ Daniel D. Greenwell

Name Daniel D. Greenwell

Title: CEO/President

LSB FUNDING LLC

By: /s/ Anthony D. Minella

Name: Anthony D. Minella

Title: Manager

SECURITY BENEFIT CORPORATION

By: /s/ Anthony D. Minella

Name: Anthony D. Minella

Title: Senior Vice President

/s/ Todd Boehly

Todd Boehly

/s/ Jack E. Golsen

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/ Jack E. Golsen

Name: Jack E. Golsen

Title: Manager

SBL LLC

By: /s/ Jack E. Golsen

Name: Jack E. Golsen

Title: Manager

GOLSEN PETROLEUM CORP.

By: /s/ Jack E. Golsen

Name: Jack E. Golsen

Title: President



16 SOUTH PENNSYLVANIA AVENUE • P. O. BOX 754 • OKLAHOMA CITY, OK 73101 • PHONE (405) 235-4546 • FAX (405) 236-1209

October 26, 2017

By Electronic Mail

Mr. William F. Murdy

Dear Bill:

This letter agreement (this "Agreement") confirms our mutual understanding regarding your retirement from the board of directors (the "Board") of LSB Industries, Inc. (the "Company") effective as of October [26], 2017 (the "Retirement Date"). The Company wishes to acknowledge your role as a member of the Board and thank you for your significant contribution to the Company.

1. **Retirement Benefits.** In consideration for and subject to your continued compliance with the general release set forth in Section 2 below, you shall, effective as of applicable dates set forth below, be entitled to receive the following payments and benefits from the Company (the "Retirement Benefits"):

a. Within thirty (30) business days following your execution and delivery to the Company of this Agreement, including the general release set forth in Section 2 below,

- i. a lump sum cash payment equal to \$51,250, less any withholding required under applicable law;
- ii. subject to approval by the Board, a fully vested grant of shares of the Company's common stock with a grant date fair market value equal to \$31,250; provided, however, that if the Retirement Date occurs during a "blackout period," the grant shall occur no later than the tenth day of the first "open window" trading date following the Retirement Date; and
- iii. full vesting of any outstanding and unvested equity awards granted to you prior to the Retirement Date and set forth on Schedule A hereto.

b. On January 15, 2018, subject to approval by the Board, a fully vested grant of shares of the Company's common stock with a grant date fair market value equal to \$82,500.

2. **Release.** In consideration of the Retirement Benefits described in Section 1 above, you for yourself, your affiliates, spouse, agents, heirs, assigns and any other person or entity claiming to claim through you, hereby, knowingly, voluntarily, unconditionally and irrevocably release and discharge, and promise not to file a lawsuit to assert any such claims against, the Company, its successors, predecessors, parents, affiliates and subsidiaries and each of the foregoing entities' respective affiliates, predecessors,

successors, directors, officers, partners, trustees, fiduciaries managers, members, employees, agents, representatives and benefit plans (each, a “Company Released Party” and collectively, the “Company Released Parties”) from any and all claims, debts, liabilities, causes of action, charges, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, agreements, commitments, arrangements, promises, or obligations or understandings of any kind whatsoever in law or equity, whether written or oral, known or unknown, suspected or unsuspected, asserted or unasserted, conditional or unconditional, accrued or unaccrued, liquidated or unliquidated, whether contractual, statutory or otherwise, and under any known or unknown duties, either fiduciary or otherwise that you have now, have had or at any time hereafter may have against any of the Company Released Parties 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, (collectively, the “Director Released Claims”); *provided, however*, that the foregoing release shall not waive or release claims (i) for any expenses that have accrued at or prior to the Retirement Date and have not been paid to you in full as of such date, (ii) for the Retirement Benefits, or (iii) relating to any rights of indemnification and/or defense under the Company’s certificate of incorporation, bylaws or coverage under officers and directors insurance. You shall refrain from asserting any claim or otherwise attempting to collect or enforce any such Director Released Claim against any of the Company Released Parties.

It is specifically agreed, however, that this general release does not have any effect on any rights or claims you may have against the Company Released Parties which arise after the date you execute this Agreement.

By signing below, you acknowledge and agree that you have carefully reviewed and fully understand all the provisions of this Agreement and the general release and that you have not relied on any representation or statement, oral or written, by the Company or any of its representatives, which is not set forth in this Agreement.

You understand that your receipt and retention of the Retirement Benefits described in Section 1 above is contingent on your execution of this Agreement, including the general release. You acknowledge that the Company gave you seven (7) days to consider whether you wish to accept or reject the Retirement Benefits in exchange for the general release.

3. **Review by Counsel.** You represent and agree that you fully understand your right to discuss all aspects of this Agreement with your private attorney, that to the extent, if any, that you desire, you have availed yourself of this right, that you have carefully read and fully understand all of the provisions of this Agreement and that you are voluntarily and knowingly entering into this Agreement.

4. **No Offset.** The parties agree that any payments and obligations to be made or performed by the Company under this Agreement shall not be subject to setoff, counterclaims, recoupment, defense or any other right which the Company may have against you for any reason whatsoever.

5. **Section 409A.** To the greatest extent possible, the amounts payable pursuant to the terms of this Agreement are intended to be and will be treated as exempt from Section 409A of the Internal Revenue Code of 1986, as amended.

6. **Severability.** All provisions of this Agreement are severable, and the unenforceability or invalidity of any of the provisions of this Agreement shall not affect the validity or enforceability of the remaining provisions of this Agreement. Should any part of this Agreement be held unenforceable, the unenforceable portion or portions shall be removed (and no more), and the remaining portions of this Agreement shall be enforced as fully as possible (removing the minimum amount possible).

7. **Counterparts.** This Agreement may be executed in two or more counterparts with the same effect as if the signature to all such counterparts were upon the same instrument, and all such counterparts shall constitute but one instrument.

8. **Governing Law and Entire Agreement.** This Agreement shall be governed by the laws of the State of Oklahoma. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof. This Agreement may not be amended except in writing signed by all the parties to this Agreement.

[Signature Page Follows]

Should you have any questions regarding the foregoing, please contact me at (405) 510-3596 or at mfooster@lsbindustries.com.

Sincerely,

LSB INDUSTRIES, INC.

By: /s/ Michael J. Foster

Name: Michael J. Foster

Title: Senior Vice President, General Counsel & Secretary

AGREED AND ACCEPTED

as of this 26th day of October 2017:

/s/ William F. Murdy

William F. Murdy

Schedule A

Schedule of Outstanding Unvested Equity Awards

Restricted Stock Units
10,941

Date
10/26/2017



FOR IMMEDIATE RELEASE

LSB INDUSTRIES, INC. ANNOUNCES REDUCTION IN SIZE OF BOARD OF DIRECTORS

Elects New Board Chairman and Lead Independent Director

OKLAHOMA CITY, Oklahoma — October 30, 2017 — LSB Industries, Inc. (NYSE: LXU) (“LSB or “the Company”) announced the resignation of Bill Murdy and Jonathan Bobb from its Board of Directors, effective October 26, 2017. With the departure of these directors, the size of LSB’s Board will be nine directors, of which six are independent. Richard Roedel, who has served on the Company’s Board since April 2015 and as Chairman of the Audit Committee since September 2015, replaces Mr. Murdy as LSB’s Lead Independent Director.

Additionally, as previously announced, Jack E. Golsen, founder and former Chief Executive Officer of LSB, will step down as the Company’s Executive Chairman effective December 31, 2017, but will remain a member the Board in the role of Chairman Emeritus. Daniel D. Greenwell, LSB’s CEO since December 2015, will succeed Mr. Golsen as Board Chairman and Richard Roedel will continue as the Company’s Lead Independent Director.

LSB’s President and CEO, Daniel Greenwell, stated, “The Board would like to thank Jack Golsen for his years of leadership as our Board Chairman. Since founding LSB in 1969, he has been a driving force behind our Company’s emergence as a leading U.S. chemical manufacturer. Jack’s experience and knowledge are invaluable to LSB, and we look forward to continuing to work with him as a member of our Board.”

Mr. Greenwell continued, “I, along with my fellow directors, would also like to thank Messrs. Murdy and Bobb for their service to our Board and the contributions they’ve made to our progress in improving our Company’s strategy, operations and liquidity position. While we will miss the benefit of their insights, the reduction in the size of our Board is consistent with our efforts to enhance shareholder value through the continued reduction of our administrative costs. We thank Bill and Jonathan for their service, and wish them all the best in their future endeavors.”

About LSB Industries, Inc.

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

Forward Looking Statement

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identifiable by use of the words “may,” “believe,” “expect,” “intend,” “plan to,” “estimate,” “project” or similar expressions, and include but are not limited to: enhanced reliability at our Facilities; reducing costs; expanding into new markets; improving liquidity; reducing leverage and completing repairs on time and as estimated.

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 expectations will prove to be correct. Actual results may differ materially from the forward-looking statements as a result of various factors. These and other risk factors are discussed in the Company’s filings with the Securities and Exchange Commission (SEC), including those set forth under “Risk Factors” and “Special Note Regarding Forward-Looking Statements” in our Form 10-K for the year ended December 31, 2016 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 and 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.