

LSB INDUSTRIES INC  
Form S-3  
November 02, 2018  
Table of Contents

As filed with the Securities and Exchange Commission on November 2, 2018

Registration No. 333-

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

FORM S-3  
REGISTRATION STATEMENT  
*UNDER*  
*THE SECURITIES ACT OF 1933*

LSB INDUSTRIES, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

73-1015226  
(IRS Employer  
Identification Number)

Edgar Filing: LSB INDUSTRIES INC - Form S-3

**3503 NW 63rd Street, Suite 500**

**Oklahoma City, Oklahoma 73116**

**(405) 235-4546**

**(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)**

**Michael J. Foster, Esq.**

**Senior Vice President and General Counsel**

**LSB Industries, Inc.**

**3503 NW 63rd Street, Suite 500**

**Oklahoma City, Oklahoma 73116**

**(405) 235-4546**

**(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)**

*Copies to:*

**Robert L. Kimball**

**Vinson & Elkins L.L.P.**

**2001 Ross Avenue, Suite 3900**

**Dallas, Texas 75201-2975**

**(214) 220-7700**

**Approximate date of commencement of proposed sale to the public:** From time to time after this registration statement becomes effective.

Edgar Filing: LSB INDUSTRIES INC - Form S-3

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the SEC pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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 7(a)(2)(B) of the Securities Act.

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered(1)</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price per Share(1)</b>	<b>Proposed Maximum Aggregate</b>	<b>Amount of Registration Fee</b>
--	--------------------------------	---	-----------------------------------	-----------------------------------

			<b>Offering Price (1)</b>	
Common Stock, \$0.10 par value per share	4,069,324	\$7.69	\$31,293,101.56	\$3,792.72(2)

- (1) The proposed maximum offering price per share and the proposed maximum aggregate offering price were estimated solely for purposes of calculating the registration fee, based on the average of high and low prices for the registrant's common stock as quoted on the New York Stock Exchange on October 30, 2018, in accordance with Rule 457(c) under the Securities Act of 1933, as amended.
- (2) A filing fee of \$5,095.00 was previously paid by LSB Industries, Inc. in connection with a Registration Statement on Form S-1 filed on July 13, 2016 (File No. 333-212503) (the "Prior S-1"), under which no securities were sold, and which is being terminated by post-effective amendment on or about the date of the filing of this Registration Statement. Pursuant to Rule 457(p), LSB Industries, Inc. hereby offsets \$3,792.72 of the filing fee previously paid in connection with the Prior S-1 against the filing fee for this Registration Statement on Form S-3.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

**Table of Contents**

**The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Subject to Completion, dated November 2, 2018**

**4,069,324 Shares**

**LSB INDUSTRIES, INC.**

**COMMON STOCK**

This prospectus relates to the offer and sale by the selling stockholder identified in this prospectus of up to 4,069,324 shares of our common stock, par value \$0.10 per share, issued upon the exercise of warrants to purchase our common stock, which warrants were issued to the selling stockholder in connection with a private placement completed on December 4, 2015, and which were exercised on May 19, 2016.

We are not selling any shares of our common stock and we will not receive any proceeds from the sale of the shares by the selling stockholder. We have agreed to pay certain registration expenses, other than underwriting discounts and commissions.

The selling stockholder may from time to time sell, transfer or otherwise dispose of any or all of their shares of common stock in a number of different ways and at varying prices. See Plan of Distribution for more information.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read this entire prospectus and any amendments or supplements carefully before you make your investment decision.

Our common stock is listed on the New York Stock Exchange (the NYSE) under the symbol LXU. On October 30, 2018, the last sale price of our common stock as reported on the NYSE was \$7.68 per share.

**Investing in our common stock involves a high degree of risk. Before buying any shares, you should carefully read the discussion of material risks of investing in our common stock in Risk Factors beginning on page 5 of this prospectus.**

**Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any**

**representation to the contrary is a criminal offense.**

**The date of this prospectus is                      , 2018.**

Table of ContentsTable of Contents

	<b>Page</b>
<u>Prospectus Summary</u>	2
<u>Risk Factors</u>	5
<u>Cautionary Note Regarding Forward-Looking Statements</u>	8
<u>Private Placement of Common Stock Warrants</u>	9
<u>Use of Proceeds</u>	10
<u>Selling Stockholder</u>	11
<u>Description of Capital Stock</u>	13
<u>Material U.S. Federal Income Tax Considerations for Non-U.S. Holders</u>	21
<u>Plan of Distribution</u>	24
<u>Legal Matters</u>	26
<u>Experts</u>	26
<u>Where You Can Find More Information</u>	26
<u>Incorporation of Certain Information by Reference</u>	27

**This prospectus is part of a registration statement that we have filed with the SEC pursuant to which the selling stockholder named herein may, from time to time, offer and sell or otherwise dispose of the shares of our common stock covered by this prospectus. You should not assume that the information contained in this prospectus is accurate on any date subsequent to the date set forth on the front cover of this prospectus or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus is delivered or shares of common stock are sold or otherwise disposed of on a later date. It is important for you to read and consider all information contained in this prospectus, including the documents incorporated by reference therein, in making your investment decision. You should also read and consider the information in the documents to which we have referred you under the caption **Where You Can Find More Information** in this prospectus.**

**We have not authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any of our shares of common stock other than the shares of our common stock covered hereby, nor does this prospectus constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.**

**This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See **Risk Factors** and **Cautionary Note Regarding Forward-Looking Statements**.**

Unless the context otherwise requires, references in this prospectus to **LSB**, **the Company**, **we**, **our**, and **us** refer to **LSB Industries, Inc.**, a Delaware corporation, and its consolidated subsidiaries.

---

**Table of Contents**

**PROSPECTUS SUMMARY**

*This summary highlights information contained elsewhere in this prospectus, is not complete, and does not contain all of the information that you should consider before making your investment decision. You should carefully read the entire prospectus, including the information presented under the sections entitled Risk Factors and Cautionary Note Regarding Forward-Looking Statements and the consolidated financial statements and the notes thereto and other documents incorporated by reference in this prospectus before making an investment decision.*

**Overview**

LSB 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 Covestro LLC in Baytown, Texas. LSB's products are sold through distributors and directly to end customers throughout the United States.

**Recent Events**

*Exchange of Series E Preferred and Series F Preferred for Series E-1 Preferred and Series F-1 Preferred*

As previously announced and in connection with our senior notes refinancing transactions completed on April 25, 2018 (the Refinancing Transactions), we entered into a letter agreement (the Letter Agreement) with the selling stockholder identified in this prospectus to extend the date upon which a holder of our Series E 14% cumulative, redeemable Class C preferred stock (Series E Preferred) has the right to elect to have such holder's shares of Series E Preferred redeemed by us from August 2, 2019 to October 25, 2023. The Letter Agreement, which was filed as Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on May 1, 2018, also provided for the adjustment of certain other terms relating to the Series E Preferred, including an increase in the per annum dividend rate payable in respect of the Series E Preferred (a) by 0.50% on the third anniversary of the Refinancing Transactions, (b) by an additional 0.50% on the fourth anniversary of the Refinancing Transactions and (c) by an additional 1.0% on the fifth anniversary of the Refinancing Transactions.

In furtherance of the Letter Agreement and pursuant to the terms thereof, on October 18, 2018, we entered into a Securities Exchange Agreement (the Exchange Agreement) with the selling stockholder identified in this prospectus. The Exchange Agreement provided for the exchange of (i) existing Series E Preferred held by the selling stockholder for shares of newly created Series E-1 cumulative, redeemable Class C preferred stock of the Company (Series E-1 Preferred) and (ii) existing Series F redeemable Class C preferred stock of the Company (Series F Preferred) held by the selling stockholder for a share of newly created Series F-1 redeemable Class C preferred stock of the Company, in each case on a one-share-for-one-share basis (the Preferred Exchange).

On October 18, 2018, the Company and the selling stockholder completed the Preferred Exchange. Pursuant thereto, the selling stockholder (i) surrendered all of its shares of Series E Preferred and was issued 139,768 shares of Series E-1 Preferred and (ii) surrendered its one share of Series F Preferred and was issued one share of Series F-1 Preferred.

Apart from implementing the adjustments contemplated by the Letter Agreement, which will increase the per annum dividend rate payable on the preferred stock in future years as described above, the terms of the Series E-1 Preferred and Series F-1 Preferred are substantively identical to the terms of the now-retired Series E Preferred and Series F Preferred, respectively. The dividend rate on the Series E-1 Preferred at issuance is 14.0% per annum.



*Amendments to Registration Rights Agreement and Board Representation and Standstill Agreement*

As described in our Current Report on Form 8-K filed with the SEC on October 19, 2018, in connection with the Preferred Exchange, we and the relevant counterparties amended the Registration Rights Agreement and the Board Representation and Standstill Agreement (each as defined below), which agreements were previously entered into as part of the Private Placement (as defined below). The amendments modify the Registration Rights Agreement and the Board Representation and Standstill Agreement in part by replacing the references therein to Series E Preferred and Series F Preferred with references to the Series E-1 Preferred and Series F-1 Preferred, respectively.

**Table of Contents**

**Corporate Information**

Our common stock is listed on the New York Stock Exchange under the ticker symbol LXU. Our principal executive offices are located at 3503 NW 63rd Street, Suite 500, Oklahoma City, Oklahoma 73116, and our telephone number is (405) 235-4546. Our website address is [www.lsbindustries.com](http://www.lsbindustries.com). Neither our website nor any information contained on our website is part of this prospectus.

**Table of Contents**

**THE OFFERING**

Common stock offered by the selling stockholder	4,069,324 shares of common stock held by the selling stockholder.
Common stock outstanding	28,618,441 shares (1).
Selling stockholder	LSB Funding LLC. See <b>Selling Stockholder</b> for further discussion.
Use of proceeds	We will not receive any proceeds from the sale of shares of our common stock by the selling stockholder in this offering. See <b>Use of Proceeds</b> .
Risk factors	Investing in our common stock involves risks. You should read carefully the <b>Risk Factors</b> section of this prospectus for a discussion of factors that you should carefully consider before deciding to invest in shares of our common stock.
NYSE ticker symbol	LXU

(1) Excludes 2,662,244 shares held in treasury and includes the 4,069,324 shares that the selling stockholder is offering pursuant to this prospectus.

**Table of Contents**

**RISK FACTORS**

*An investment in our securities involves a high degree of risk. In addition to the other information included in this prospectus, you should carefully consider each of the risk factors set forth in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q on file with the SEC, which are incorporated by reference into this prospectus. See Incorporation of Certain Information by Reference. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus and any prospectus supplement. Any of these risks and uncertainties could have a material adverse effect on our business, financial condition, cash flows and results of operations. If that occurs, the trading price of our common stock could decline materially and you could lose all or part of your investment.*

*The risks included in this prospectus and the documents we have incorporated by reference into this prospectus are not the only risks we face. We may experience additional risks and uncertainties not currently known to us, or as a result of developments occurring in the future. Conditions that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, cash flows and results of operations.*

**Risks Related to Our Common Stock and this Offering**

***The trading price of our common stock may decline, and you may not be able to resell shares of our common stock at prices equal to or greater than the price you paid or at all.***

The trading price of our common stock may decline for many reasons, some of which are beyond our control, including, among others:

our results of operations and financial condition;

changes in expectations as to our future results of operations and prospects, including financial estimates and projections by securities analysts and investors;

results of operations that vary from those expected by securities analysts and investors;

strategic actions by our competitors;

strategic decisions by us, our clients or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;

changes in applicable laws and regulations;

changes in accounting principles;

announcements of claims against us by third parties;

future sales of our common stock by us, the selling stockholder, significant stockholders or our directors or executive officers;

the realization of any risks described under this Risk Factors section or those incorporated by reference;

additions or departures of key management personnel;

changes in general market and economic conditions;

volatile and unpredictable developments, including man-made, weather-related and other natural disasters, catastrophes or terrorist attacks in the geographic regions in which we operate; and

increased competition, or the performance, or the perceived or anticipated performance, of our competitors. In addition, the stock market in general, including recently, has experienced significant volatility that often has been unrelated to the operating performance of companies whose shares are traded. These market fluctuations could adversely affect the trading price of our common stock, regardless of our actual operating performance. As a result, the trading price of our common stock may decline, and you may not be able to sell your shares at or above the price you pay to purchase them, or at all. Further, we could be the subject of securities class action litigation due to any such stock price volatility, which could divert management's attention and adversely affect our results of operations.

**Table of Contents**

***Future sales of our common stock could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us.***

We may sell additional shares of common stock in subsequent public or private offerings. We may also issue additional shares of common stock or convertible securities. As of October 19, 2018, we had 28,618,441 outstanding shares of common stock, excluding 2,662,244 shares held in treasury. This number includes the 4,069,324 shares that the selling stockholder is offering pursuant to this prospectus, which may be resold immediately in the public market.

We cannot predict the size of future issuances of our common stock or securities convertible into common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock.

***There is an increased potential for short sales of our common stock due to the potential sales of the shares offered by this prospectus, which could materially affect the market price of the stock.***

Downward pressure on the market price of our common stock that may result from sales of our common stock offered by this prospectus could encourage short sales of our common stock by market participants. Generally, short selling means selling a security, contract or commodity not owned by the seller. The seller is committed to eventually purchase the financial instrument previously sold. Short sales are used to capitalize on an expected decline in the security's price. Such sales of our common stock could have a tendency to depress the price of the stock, which could increase the potential for short sales.

***Because we currently have no plans to pay cash dividends on our common stock, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.***

We currently do not expect to pay any cash dividends on our common stock. Any future determination to pay cash dividends or other distributions on our common stock will be at the discretion of our board of directors and will be dependent on our earnings, financial condition, operation results, capital requirements, and contractual, regulatory and other restrictions, including restrictions contained in the senior secured credit facility or agreements governing any existing and future outstanding indebtedness we or our subsidiaries may incur, on the payment of dividends by us or by our subsidiaries to us, and other factors that our board of directors deems relevant. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it.

***Our ability to raise capital in the future may be limited, which could make us unable to fund our capital requirements.***

Our business and operations may consume resources faster than we anticipate, or we may require additional funds to pursue acquisition or expansion opportunities. In the future, we may need to raise additional funds through the issuance of new equity securities, debt or a combination of both. Additional financing may not be available on favorable terms or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. If we issue new debt securities, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. If we issue additional equity securities, existing stockholders may experience dilution. Our board is authorized to issue preferred stock which could have rights and preferences senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions

and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future securities offerings reducing the market price of our common stock, diluting their interest or being subject to rights and preferences senior to their own.

***If securities analysts do not publish research or reports about our business or if they downgrade or provide negative outlook on our stock or our sector, our stock price and trading volume could decline.***

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrade or provide negative outlook on our stock or our industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts cease coverage of our business or fail to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

**Table of Contents**

***Anti-takeover provisions in our organizational documents could delay or prevent a change of control.***

Certain provisions of our Restated Certificate of Incorporation, as amended (our Certificate of Incorporation ) and Amended and Restated Bylaws, as amended (our Bylaws ), may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. These provisions provide for, among other things:

a classified board of directors with staggered three-year terms;

the ability of our board of directors to issue, and determine the rights, powers and preferences of, one or more series of preferred stock;

advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; and

certain limitations on convening special stockholder meetings.

Further, as a Delaware corporation, we are also subject to provisions of Delaware law, which may impair a takeover attempt that our stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of our Company, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. See Description of Capital Stock.



---

**Table of Contents**

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus and the documents that we incorporate by reference in the prospectus contain statements that are considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements, including statements about industry trends and other matters that do not relate strictly to historical facts, are based on management's expectations and assumptions, and are often identified by such forward-looking terminology as expect, look, believe, anticipate, estimate, seek, may, trend, target, a statements or variations of such terms. Forward-looking statements may include, among other things, statements regarding:

projections of revenue, margins, expenses, earnings from operations, cash flows or other financial items;

plans, strategies and objectives of management for future operations, including statements relating to developments or performance of our products;

future economic conditions or performance;

the outcome of outstanding claims or legal proceedings;

assumptions underlying any of the foregoing;

any other statements that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future; and

statements described under the heading **Special Note Regarding Forward Looking Statements** in our Annual Report on Form 10-K for the year ended December 31, 2017 ( **Form 10-K** ), and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018, in each case, filed with the SEC, which are hereby incorporated herein by reference.

Forward-looking statements are subject to various risks and uncertainties, which change over time, are based on management's expectations and assumptions at the time the statements are made, and are not guarantees of future results. Our management's expectations and assumptions, and the continued validity of the forward-looking statements, are subject to change due to a broad range of factors affecting the national and global economies, the financial markets, as well as factors specific to us and our subsidiaries, as discussed under the heading **Risk Factors** in our Form 10-K and Form 10-Qs and other filings with the SEC and incorporated into this prospectus by reference.

Actual outcomes and results may differ materially from what is expressed in our forward-looking statements and from our historical financial results due to the factors discussed above and elsewhere in this prospectus, including, without limitation, our Form 10-K and Form 10-Qs, or in our other SEC filings. Forward-looking statements should not be relied upon as representing our expectations or beliefs as of any time subsequent to the time this prospectus is filed

with the SEC. Unless specifically required by law, we undertake no obligation to revise the forward-looking statements contained in this prospectus to reflect events after the time it is filed with the SEC. The factors discussed above are not intended to be a complete summary of all risks and uncertainties that may affect our businesses. Though we strive to monitor and mitigate risk, we cannot anticipate all potential economic, operational and financial developments that may adversely affect our operations and our financial results.

Forward-looking statements should not be viewed as predictions, and should not be the primary basis upon which investors evaluate us. Any of our investors should consider all risks and uncertainties disclosed in our SEC filings, described under the section entitled **Where You Can Find More Information**, all of which are accessible on the SEC's website at <http://www.sec.gov>. We note that all website addresses given in this prospectus are for information only and are not intended to be an active link or to incorporate any website information into this document.

---

**Table of Contents****PRIVATE PLACEMENT OF COMMON STOCK WARRANTS**

*The following description is a summary and is qualified in its entirety by reference to the Securities Purchase Agreement, the Warrants, the Registration Rights Agreement (all as defined below), the Letter Agreement, the Exchange Agreement, the Certificate of Designations setting forth the rights, preferences, privileges and restrictions applicable to the Series E-1 Preferred and the Certificate of Designations setting forth the rights, preferences, privileges and restrictions applicable to the Series F-1 Preferred, each which are filed as exhibits to the Company's most recent Annual Report on Form 10-K or the subsequent Quarterly Reports on Form 10-Q, each incorporated by reference herein, and by applicable law.*

On December 4, 2015, we entered into a securities purchase agreement (the **Securities Purchase Agreement**) with LSB Funding LLC, a Delaware limited liability company (the **selling stockholder**), and Security Benefit Corporation, a Kansas corporation, pursuant to which the Company agreed to sell to the selling stockholder, in a private placement (the **Private Placement**) exempt from registration under the Securities Act, (i) \$210,000,000 of Series E Preferred, (ii) warrants to purchase 4,103,746 shares of common stock, par value \$0.10, of the Company (the **common stock**), which was equal to 17.99% of the outstanding shares of common stock before the completion of the Private Placement (each a **Warrant** and collectively, the **Warrants**), and (iii) one share of Series F Preferred. The Private Placement closed on December 4, 2015 (the **Closing Date**).

In connection with the Refinancing Transactions completed on April 25, 2018, the Company entered into the Letter Agreement with the selling stockholder to extend the date upon which a holder of Series E Preferred has the right to elect to have such holder's shares of Series E Preferred redeemed by the Company from August 2, 2019 to October 25, 2023. The Letter Agreement also provided for the adjustment of certain other terms relating to the Series E Preferred, including an increase in the per annum dividend rate payable in respect of the Series E Preferred (a) by 0.50% on the third anniversary of the Refinancing Transactions, (b) by an additional 0.50% on the fourth anniversary of the Refinancing Transactions and (c) by an additional 1.0% on the fifth anniversary of the Refinancing Transactions. In furtherance of the Letter Agreement and as expressly contemplated by Section 3 and Section 5(a) therein, the Company and the selling stockholder entered into the Preferred Exchange, which was completed on October 18, 2018. Pursuant thereto, the selling stockholder (i) surrendered all of its shares of Series E Preferred and was issued 139,768 shares of Series E-1 Preferred and (ii) surrendered its one share of Series F Preferred and was issued one share of Series F-1 Preferred.

Apart from implementing the adjustments contemplated by the Letter Agreement, which will increase the per annum dividend rate payable on the preferred stock in future years as described above, the terms of the Series E-1 Preferred and Series F-1 Preferred are substantively identical to the terms of the now-retired Series E Preferred and Series F Preferred, respectively. The per annum dividend rate on the Series E-1 Preferred at issuance is 14.0% per annum.

In connection with the Securities Purchase Agreement, on December 4, 2015, we entered into the registration rights agreement (the **Registration Rights Agreement**) with the selling stockholder relating to the registered resale of the common stock issuable upon exercise of the Warrants and certain other common stock. Pursuant to the Registration Rights Agreement, the Company was required to file or cause to be filed a registration statement for such registered resale within nine months following the Closing Date and was required to use commercially reasonable efforts to cause the registration statement to become effective as soon as practicable thereafter. In certain circumstances, the selling stockholder will have piggyback registration rights and rights to request an underwritten offering as described in the Registration Rights Agreement. The selling stockholder will cease to have registration rights under the Registration Rights Agreement on the later of the tenth anniversary of the Closing Date and the date on which the Registrable Securities (as defined in the Registration Rights Agreement) covered by the Registration Statement (as defined in the Registration Rights Agreement) cease to be Registrable Securities. The Exchange Agreement amends

the Registration Rights Agreement in part by replacing the references therein to the Series E Preferred with references to the Series E-1 Preferred.

Each Warrant afforded the holder the opportunity to purchase one share of common stock at a warrant exercise price of \$0.10. The original expiration date for the Warrants was on December 4, 2025.

The selling stockholder exercised the Warrants in full by means of an exercise notice dated May 19, 2016. The selling stockholder elected a cashless, or net, exercise as permitted in the Warrants. The selling stockholder was issued 4,069,324 shares of common stock.

Pursuant to the Securities Purchase Agreement and the Registration Rights Agreement, we are registering 4,069,324 shares of our common stock issued to the selling stockholder upon the exercise of the Warrants in 2016.

**Table of Contents**

**USE OF PROCEEDS**

The shares of our common stock being offered by this prospectus are solely for the account of the selling stockholder. We will not receive any proceeds from the sale of these shares by the selling stockholder.

---

**Table of Contents****SELLING STOCKHOLDER**

This prospectus covers the public resale of the shares of common stock purchased in the Private Placement by the selling stockholder named below, which we refer to collectively herein as the Shares. The selling stockholder may from time to time offer and sell pursuant to this prospectus any or all of the Shares owned by it, but makes no representation that any of the Shares will be offered for sale. The selling stockholder is not a director, officer or employee of ours or an affiliate of such person. There is not, and has not been within the past three years, any material relationship between the Company and any entities or natural persons who have control over the selling stockholder. On December 4, 2015, in connection with the Private Placement, the Company entered into a board representation and standstill agreement (as subsequently amended on October 26, 2017 and October 18, 2018, the Board Representation and Standstill Agreement ). The Board Representation and Standstill Agreement amendment on October 18, 2018 amends the Board Representation and Standstill Agreement in part by replacing the references therein to the Series E Preferred and Series F Preferred with references to the Series E-1 Preferred and Series F-1 Preferred, respectively. Pursuant to the Board Representation and Standstill Agreement, the Company agreed to permit the selling stockholder to appoint three nominees to the board of directors of the Company (the Board ), at least one of which will meet the New York Stock Exchange standards of independence. Until the Board Designation Termination Date (as defined in the Board Representation and Standstill Agreement), so long as the selling stockholder or its affiliates own the Series E-1 Preferred or the Warrants, the selling stockholder will continue to be entitled to designate three directors. In the event of redemption in full of the Series E-1 Preferred by the Company, the selling stockholder will be entitled to designate only two directors so long as the selling stockholder owns the Warrants or any shares of common stock issuable thereunder. However, the selling stockholder will be entitled to designate only one director nominee in the event the selling stockholder and its affiliates collectively cease to beneficially own at least 10% (but not greater than 24.99%) of the common stock issued pursuant to the Warrants (whether owned directly or as a right to acquire upon exercise of the Warrants). The selling stockholder's rights to designate any directors will terminate when the selling stockholder and its affiliates collectively cease to beneficially own at least 10% of the common stock issued pursuant to the Warrants (whether owned directly or as a right to acquire upon exercise of the Warrants).

The table below presents information regarding the selling stockholder and the Shares that the selling stockholder may offer and sell from time to time under this prospectus.

The following table sets forth:

the name of the selling stockholder;

the number of Shares owned by the selling stockholder prior to the sale of the Shares covered by this prospectus;

the number of Shares that may be offered by the selling stockholder pursuant to this prospectus;

the number of Shares owned by the selling stockholder following the sale of any Shares covered by this prospectus; and

the percentage of common stock owned by the selling stockholder following the sale of any Shares covered by this prospectus.

All information with respect to common stock ownership of the selling stockholder has been furnished by or on behalf of the selling stockholder and is as of October 19, 2018. We believe, based on information supplied by the selling stockholder, that except as may otherwise be indicated in the footnotes to the table below, the selling stockholder has sole voting and dispositive power with respect to the common stock reported as beneficially owned by it. Because the selling stockholder identified in the table may sell some or all of the Shares owned by it which are included in this prospectus, and because there are currently no agreements, arrangements or understandings with respect to the sale of any of the Shares, no estimate can be given as to the number of Shares available for resale hereby that will be held by the selling stockholder upon termination of this offering. In addition, the selling stockholder may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time and from time to time, the common stock it holds in transactions exempt from the registration requirements of the Securities Act after the date on which the selling stockholder provided the information set forth on the table below. We have, therefore, assumed for the purposes of the following table, that the selling stockholder will sell all of the Shares beneficially owned by it that are covered by this prospectus, but will not sell any other shares of our common stock that it may presently own. The percent of beneficial ownership for the selling stockholder is based on 28,618,441 shares of our common stock, excluding 2,662,244 shares held in treasury, outstanding as of October 19, 2018. This number includes the 4,069,324 shares that the selling stockholder is offering pursuant to this prospectus.

**Table of Contents**

<b>Name of Selling Stockholder</b>	<b>Number of Shares of Common Stock Owned Prior to Offering(1)</b>	<b>Maximum Number of</b>		
		<b>Shares of Common Stock to be Sold Pursuant to this Prospectus</b>	<b>Number of Shares of Common Stock Beneficially Owned After Offering</b>	<b>Percentage of Common Stock Owned After Offering</b>
LSB Funding LLC(2)	4,069,324	4,069,324	0	0%

- (1) We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the selling stockholder named in the table above has sole voting and investment power with respect to all shares of common stock that it beneficially owns, subject to applicable community property laws. Represents 4,069,324 shares of common stock issued to the selling stockholder upon the cashless exercise of the Warrants.
- (2) The address of the selling stockholder is 350 Park Avenue, 14th Floor, New York, New York 10022. The selling stockholder owns one share of Series F-1 Preferred, which entitles the selling stockholder to a number of votes equal to 456,225 shares (the Voting Shares ) of common stock, provided, that the number of votes that may be cast by the Series F-1 Preferred shall be automatically reduced by redemption or exchange of Series E-1 Preferred for common stock or if all the Series E-1 Preferred are redeemed or exchanged for common stock, cash or otherwise, such Voting Shares will be reduced to zero. As of October 19, 2018, the Series E-1 Preferred has a participating right in dividends and liquidating distributions equal to 303,646 shares of common stock. Following the cashless exercise of the Warrants on May 19, 2016, the selling stockholder is entitled to 4,525,549 votes represented by 4,069,324 shares of common stock plus an additional 456,225 Voting Shares. The selling stockholder purchased the securities in the ordinary course of business, and at the time of the purchase of securities to be resold, had no agreements or understandings, directly or indirectly, with any person to distribute the securities.



**Table of Contents**

**DESCRIPTION OF CAPITAL STOCK**

The following description of our common stock and preferred stock, together with the additional information we include in any applicable prospectus supplements, summarizes the material terms and provisions of the common stock and preferred stock that we may offer, in the case of our common stock, under this prospectus. It may not contain all the information that is important to you. For the complete terms of our common stock and preferred stock, please refer to our Certificate of Incorporation, and our Bylaws, which are incorporated by reference into the registration statement which includes this prospectus. The Delaware General Corporation Law may also affect the terms of these securities.

**Authorized capital stock**

Our authorized capital stock consists of

75,000,000 shares of common stock, \$0.10 par value per share;

250,000 shares of preferred stock, \$100 par value per share ( Preferred Stock ); and

5,000,000 shares of Class C Preferred Stock, no par value ( Class C Preferred Stock ).

**Common Stock**

On October 19, 2018, 28,618,441 shares of our common stock were issued and outstanding, excluding 2,662,244 shares held in treasury. All outstanding shares of our common stock are duly authorized, fully paid and nonassessable.

*Dividends.* Subject to preferential dividend rights of any other class or series of stock, the holders of shares of our common stock are entitled to receive dividends, including dividends of our stock, if, as and when declared by our board of directors, subject to any limitations applicable by law and to the rights of the holders, if any, of our preferred stock.

*Liquidation.* In the event we are liquidated, dissolved or our affairs are wound up, after we pay or make adequate provision for all of our known debts and liabilities, each holder of our common stock will be entitled to share ratably in all assets that remain, subject to any rights that are granted to the holders of any class or series of preferred stock.

*Voting Rights.* For all matters submitted to a vote of stockholders, each holder of our common stock is entitled to one vote for each share registered in the holder's name. Holders of our common stock vote together as a single class. There is no cumulative voting in the election of our directors, which means that, subject to any rights to elect directors that are granted to the holders of any class or series of preferred stock, a majority of the votes cast at a meeting of stockholders at which a quorum is present is sufficient to elect a director.

*Other Rights and Restrictions.* Subject to the preferential rights of any other class or series of stock, all shares of our common stock have equal dividend, distribution, liquidation and other rights, and have no preference, appraisal or exchange rights, except for any appraisal rights provided by Delaware law. Furthermore, holders of our common stock have no conversion, sinking fund or redemption rights, or preemptive rights to subscribe for any of our securities. Our Certificate of Incorporation and Bylaws do not restrict the ability of a holder of our common stock to transfer the holder's shares of our common stock.

The rights, powers, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of holders of shares of our outstanding preferred stock and of any series of preferred stock which we may designate and issue in the future.

*Listing.* Our common stock is listed on the New York Stock Exchange under the symbol LXU.

*Transfer Agent and Registrar.* The transfer agent for our common stock is Computershare Limited.

### **Preferred Stock**

Under our Certificate of Incorporation we have authority, subject to any limitations prescribed by law and without further stockholder approval, to issue from time to time up to 250,000 shares of Preferred Stock, and 5,000,000 shares of Class C Preferred Stock. Our board of directors has authorized 350,000 shares of Series A Junior Participating Class C Preferred ( Series A Preferred Stock ) for issuance under our stockholder rights plan. See Preferred Share Rights Plan below.

**Table of Contents**

The Preferred Stock and Class C Preferred Stock are issuable in one or more series, each with such designations, preferences, rights, qualifications, limitations and restrictions as our board of directors may determine in resolutions providing for their issuance. As of October 19, 2018, the following shares of Preferred Stock and Class C Preferred Stock are authorized:

20,000 shares of our Series B 12% cumulative, convertible preferred stock, \$100 par value ( Series B Preferred ), of which 20,000 shares are issued and outstanding;

1,000,000 shares of our Series D 6% cumulative, convertible Class C preferred stock no par value ( Series D Preferred ), of which 1,000,000 shares are issued and outstanding;

139,768 shares of our Series E-1 14% cumulative, redeemable Class C preferred stock, no par value ( Series E-1 Preferred ), of which 139,768 shares are issued and outstanding; and

1 share of our Series F-1 redeemable Class C preferred stock, no par value ( Series F-1 Preferred ), of which one share is issued and outstanding.

The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of us without further action by the stockholders and may adversely affect the voting and other rights of the holders of our common stock. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of common stock, including loss of voting control to others.

As of October 19, 2018, we had outstanding the following series of Preferred Stock and Class C Preferred Stock:

*Series B Preferred, par value \$100.* All of the Series B Preferred shares are owned by the Golsen Group (defined under Preferred Share Rights Plan, below). Each share of the Series B Preferred:

is entitled to receive cumulative cash dividends, when and as declared by our board of directors, at the annual rate of 12% of the par value of each outstanding share;

is entitled to one vote for each outstanding share on all matters submitted to a vote of shareholders and votes together with our common stock and each series of voting preferred stock as a single class or as otherwise required by law;

is convertible, at any time and at the option of the holder, into 33.3333 shares of our common stock, subject to adjustment under certain conditions; and

in the event of our liquidation, each outstanding share will be entitled to be paid its par value, plus accrued and unpaid dividends, before any payment is made to holders of our common stock, but will not be entitled

to participate any further in our assets.

*Series D Preferred, no par value.* All outstanding shares of Series D Preferred are owned by the Golsen Group. Each outstanding share of Series D Preferred:

has a liquidation preference of \$1.00 per share;

is to receive cumulative cash dividends, when and if declared by our board of directors, at the rate of 6% per annum of the liquidation preferences;

shall be entitled to .875 votes on all matters submitted to a vote of shareholders and vote together with our common stock and each series of voting preferred stock as a single class or as otherwise required by law;

shall have the right to convert four shares of Series D Preferred into one share of our common stock (equivalent to a conversion price of \$4 per share of our common stock), subject to adjustment under certain conditions;

in the event of our liquidation, dissolution or winding up or any reduction in our capital resulting from any distribution of assets to our shareholders, shall receive the sum \$1.00, plus all accrued and unpaid dividends, before any amount is paid to holders of our common stock; and

there shall be no mandatory or optional redemption of these shares.

---

**Table of Contents**

*Series E-1 Preferred, no par value.* All of the Series E-1 Preferred shares are owned by LSB Funding LLC. Each share of the Series E-1 Preferred affords the holder thereof the following rights:

each share of Series E-1 Preferred is entitled to receive dividends that are cumulative and payable semi-annually, commencing November 1, 2018, in arrears at an annual rate of 14% of the liquidation value per share (such liquidation value as of October 19, 2018 was approximately \$1,476 per share of Series E-1 Preferred). As further described above under Prospectus Summary Recent Events Exchange of Series E Preferred and Series F Preferred for Series E-1 Preferred and Series F-1 Preferred, in connection with the Refinancing Transactions and the completion of the Preferred Exchange, the per annum dividend rate payable in respect of the Series E-1 Preferred is scheduled to increase (a) by 0.50% on the third anniversary of the Refinancing Transactions, (b) by an additional 0.50% on the fourth anniversary of the Refinancing Transactions and (c) by an additional 1.0% on the fifth anniversary of the Refinancing Transactions;

We also must declare a dividend on the Series E-1 Preferred on a pro rata basis with our common stock. As long as LSB Funding LLC holds at least 10% of the Series E-1 Preferred, we may not declare dividends on our common stock and other preferred stocks unless and until dividends have been declared and paid on the Series E-1 Preferred for the then current dividend period in cash;

generally, the holders of the Series E-1 Preferred will not have any voting rights or powers, and consent of holders of Series E-1 Preferred will not be required for taking of any action by LSB, provided that the vote or consent of the holders of a majority of the Series E-1 Preferred shall be necessary for effecting or validating the following actions: (i) the issuance of any shares of Series E-1 Preferred or any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase or decrease the authorized amount of, any shares of Series E-1 Preferred, (ii) any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, or otherwise effectuate the issuance of, any shares of any class or series of capital stock of the Company ranking *pari passu* with or senior to the Series E-1 Preferred with respect to either or both the payment of dividends or the distribution of assets on any liquidation, dissolution or winding up of the Company or a Change of Control (as such term is defined in the Certificate of Designations setting forth the rights, preferences, privileges and restrictions applicable to the Series E-1 Preferred, as filed with the Secretary of State of the State of Delaware (the Series E-1 COD )) and (iii) any amendment, alteration or repeal of any provision of the Certificate of Incorporation so as to adversely affect the powers, preferences or special rights of the Series E-1 Preferred;

at any time on or after October 25, 2023, each Series E-1 Holder has the right to elect to have such holder's shares redeemed by LSB at a redemption price per share equal to the Liquidation Preference of such share as of the redemption date. The Series E-1 Preferred has a liquidation preference per share equal to the sum of (i) the quotient obtained by dividing \$206,335,049 by 139,768 (subject to adjustment for any stock split, stock dividend, stock combination or similar transaction with respect to the Series E-1 Preferred), which as of October 19, 2018 was approximately \$1,476, plus (ii) accrued and unpaid dividends thereon plus (iii) the participation rights value (the Liquidation Preference ). Additionally, LSB, at its option, may redeem the Series E-1 Preferred at any time at a redemption price per share equal to the Liquidation Preference of such share as of the redemption date. Lastly, with receipt of (i) prior consent of the electing Series E-1 holder or a majority of shares of Series E-1 Preferred and (ii) all other required approvals, including under any principal U.S. securities exchange on which our common stock is then listed for trading, LSB can redeem the Series

E-1 Preferred by the issuance of shares of common stock having an aggregate common stock price equal to the amount of the aggregate Liquidation Preference of such shares being redeemed in shares of common stock in lieu of cash at the redemption date;

in the event of liquidation, the Series E-1 Preferred is entitled to receive its Liquidation Preference before any such distribution of assets or proceeds is made to or set aside for the holders of our common stock and any other Junior Stock (as defined below). In the event of a Change of Control (as defined in the Series E-1 COD), we must make an offer to purchase all of the shares of Series E-1 Preferred outstanding;

with respect to the payment of dividends and distribution of assets upon liquidation, dissolution or winding up of LSB, whether voluntary or involuntary, all shares of Series E-1 Preferred shall rank (i) senior to the common stock, the Series B Preferred, the Series D Preferred, the Series 4 Junior Participating Class C Preferred Stock and any other class or series of stock of LSB (other than Series E-1 Preferred) that ranks junior to the Series E-1 Preferred either or both as to the payment of dividends and/or as to the distribution of assets on any liquidation, dissolution or winding up of the Company (the Junior Stock ), (ii) on a parity with the other shares of Series E-1 Preferred and any other class or series of stock of LSB (other than Series E-1 Preferred) created after the date of the Series E-1 COD (that specifically ranks pari passu to the Series E-1 Preferred) and (iii) junior to any other class or series of stock of LSB created after the date of the Series E-1 COD that specifically ranks senior to the Series E-1 Preferred.

**Table of Contents**

*Series F-1 Preferred, no par value.* The sole Series F-1 Preferred share is owned by LSB Funding LLC. Such share has the following terms:

no dividends shall be payable in respect of the Series F-1 Preferred;

the Series F-1 Preferred has voting rights (the Series F-1 Voting Rights ) to vote as a single class on all matters which the common stock have the right to vote and is entitled to a number of votes currently equal to 456,225 shares of common stock (provided, that the number of votes that may be cast by the Series F-1 Preferred shall be automatically reduced by redemption or exchange of Series E-1 Preferred for common stock or if all the Series E-1 Preferred are redeemed or exchanged for common stock, cash or otherwise, the Series F-1 Voting Rights will be reduced to zero);

the Series F-1 Preferred will be automatically redeemed by LSB, in whole and not in part, for \$0.01 immediately following the date upon which the Series F-1 Voting Rights have been reduced to zero;

in the event of liquidation, the Series F-1 Preferred is entitled to receive its liquidation preference of \$100 before any such distribution of assets or proceeds is made to or set aside for the holders of common stock and any other stock junior to the Series F-1 Preferred;

with respect to the distribution of assets upon liquidation, dissolution or winding up of LSB, whether voluntary or involuntary, the Series F-1 Preferred ranks (i) senior to the common stock and (ii) junior to Series B Preferred, Series D Preferred, Series 4 Junior Participating Class C Preferred Stock, Series E-1 Preferred and any other class or series of stock of LSB after the date of the Certificate of Designations setting forth the rights, preferences, privileges and restrictions applicable to the Series F-1 Preferred, as filed with the Secretary of State of the State of Delaware that specifically ranks senior to the Series F-1 Preferred.

Pursuant to our Certificate of Incorporation we are authorized to issue blank check preferred stock, which may be issued from time to time in one or more series upon authorization by our board of directors. Our board of directors, without further approval of the stockholders, is authorized to fix the dividend rights and terms, conversion rights, voting rights, redemption rights and terms, liquidation preferences, and any other rights, preferences, privileges and restrictions applicable to each series of the preferred stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes could, among other things, adversely affect the voting power or rights of the holders of our common stock and, under certain circumstances, make it more difficult for a third party to gain control of us, discourage bids for our common stock at a premium or otherwise adversely affect the market price of the common stock.

The summaries above of selected provisions of our common stock and preferred stock are qualified entirely by the provisions of our Certificate of Incorporation, our Bylaws and our debt agreements, all of which are included or incorporated by reference as exhibits to the registration statement of which this prospectus is a part. You should read our Certificate of Incorporation, our Bylaws and our debt agreements. To the extent that any particular provision described in a prospectus supplement differs from any of the provisions described in this prospectus, then the provisions described in this prospectus will be deemed to have been superseded by that prospectus supplement.

## Preferred Share Rights Plan

We maintain a preferred share rights plan, which is governed by a Renewed Rights Agreement, dated December 2, 2008, as amended on December 4, 2015, with UMB Bank n.a., as rights agent ( Renewed Rights Agreement ). The Renewed Rights Agreement became effective on January 5, 2009. Pursuant to the Renewed Rights Agreement, our board of directors declared a dividend distribution of one Right for each outstanding share of our common stock to stockholders of record on January 5, 2009 (the Record Date ). The Renewed Rights Agreement also contemplates the issuance of one Right (as described below) for each share of common stock which is issued by us between the Record Date and the Distribution Date (as defined below) (or earlier redemption or termination of the Rights).

Each Right entitles the registered holder to purchase from us one one-hundredth of a share of our Series A Preferred Stock, at an initial purchase price of \$47.75 per one one-hundredth of a Preferred Share (the Purchase Price ), subject to adjustment. The description of the Rights is set forth in the Renewed Rights Agreement.

Until the earlier of (a) 10 days following a public announcement that a person or group of affiliated or associated persons (an Acquiring Person which excludes LSB Funding LLC and its Affiliates and Associates (as defined therein) in connection with the issuance of certain securities of the Company, and additional securities issuable as contemplated by the terms of those securities, to LSB Funding LLC in connection with the transactions contemplated by the Securities Purchase Agreement) have acquired beneficial ownership of 15% or more of our outstanding common stock (except pursuant to a Permitted Offer, as defined below, or by Excluded Persons, as defined below) or (b) 10 business days (or such later date as may be determined by action of our board of directors prior to such time as any person becomes an Acquiring Person) following the commencement of, or announcement of an intention (which intention remains in effect for five business days after the announcement) to make a tender or exchange offer, the consummation of which would result in a person or group becoming an Acquiring Person of 15% or more of our common stock, except pursuant to a Permitted Offer or by an Excluded Person (the earlier of such dates being called the Distribution Date ), the Rights are not exercisable and are not



**Table of Contents**

transferable apart from our common stock. Under the Renewed Rights Plan, a person is also deemed to beneficially own shares of our common stock that are the subject of a derivative transaction entered into, or a derivative security acquired by, such person, which gives such person the economic equivalent of ownership. As soon as practicable after the Rights become exercisable, separate Rights certificates would be issued and the Rights would become transferable apart from our common stock. The Rights held by the person or group who triggers the Rights shall be null and void and are not exercisable.

The Rights will not become exercisable or non-redeemable based on the common stock held or beneficially owned by any of the following persons or entities ( Excluded Persons ):

LSB;

any of our subsidiaries;

any employee benefit plan of LSB or our subsidiaries;

any entity holding common stock for or pursuant to any employee benefit plan of LSB or our subsidiaries;

any member of the Golsen Group, which are (a) Jack E. Golsen, (b) his wife and children, (c) the spouse and children of Jack E. Golsen's children, (d) the estate, executor administrator, guardian or custodian of persons described in (a), (b) and (c) above, (e) any corporation, partnership, limited liability company, other entity or trust of which at least 80% of the voting stock, membership or equity interest (or, as to trusts, presumptive interest in principle and income) is beneficially owned by persons described in (a), (b), (c) and (d) above, and (f) certain other affiliates, or associates of the persons described in (a), (b), (c) and (d) above;

any person whom our board of directors determines acquired 15% or more of the common stock inadvertently (including, without limitation, (a) any person who was unaware that he, she or it was the beneficial owner of a percentage of the common stock that would otherwise cause such person to trigger the Rights or (b) such person was unaware of the extent of its beneficial ownership of common stock but had no actual knowledge of the consequences of such and had no intention on influencing control of us) and such person divests, within 10 business days from the date of the board's determination a sufficient number of shares (or derivative common shares) so as to no longer beneficially own 15% of the common stock; or

any person who acquires beneficial ownership of 15% or more of the common stock solely as the result of purchases by us of common stock, unless such person shall, after such share repurchase by us, become the beneficial owner of an additional 1% or more of the then outstanding shares of our common stock.

The Renewed Rights Agreement provides that, until the Distribution Date (or earlier redemption or expiration of the Rights):

the Rights will be transferred with and only with our common stock;

new common stock certificates issued after the Record Date, upon transfer or new issuance of common stock by us will contain a notation incorporating the Renewed Rights Agreement by reference; and

the surrender for transfer of any certificates for common stock, even without such notation (or a copy of this Summary of Rights) being attached thereto, will also constitute the transfer of Rights associated with the common stock represented by such certificate.

As soon as practicable following the Distribution Date, separate certificates evidencing the Rights ( Right Certificates ) will be mailed to the holders of record of the common stock as of the close of business on the Distribution Date and such separate Right Certificates alone will evidence the Rights.

The Rights are not exercisable until the Distribution Date. The Rights will expire on January 4, 2019 (the Final Expiration Date ), unless the Final Expiration Date is extended or unless the Rights are earlier redeemed by us, in each case, as described below.

In the event that any person becomes an Acquiring Person (except pursuant to a tender or exchange offer which is for all outstanding shares of common stock at a price and on terms which a majority of certain members of the board of directors determines to be adequate and in the best interests of us, our stockholders and other relevant constituencies, other than the Acquiring Person, its affiliates and associates (a Permitted Offer )), each holder of a Right (except Rights which have been voided as set forth herein) will thereafter have the Right to receive upon exercise the number of shares of common stock or of one one-hundredths of a share of Series A Preferred Stock (or, in certain circumstances, other securities of the Company) having a value (on the date such person became an Acquiring Person) equal to two times the Purchase Price of the Right.

If an acquiring company were to merge or otherwise combine with us, or we were to sell 50% or more of our assets or earning power, each Right then outstanding would flip-over and thereby would become a right to buy that number of shares of common stock of the acquiring company which at the time of such transaction would have a market value of two times the exercise price of the Right.

**Table of Contents**

The acquirer who triggered the Rights is excluded from the ability to flip-over. A merger or other combination would not entitle the Rights to flip-over if such transaction is consummated with a person or group who acquired our common stock pursuant to a Permitted Offer (as defined below), the price per share of common stock paid to all holders of common stock is not less than the price per share of common stock pursuant to the Permitted Offer, and the form of consideration offered in such transaction is the same as the form of consideration paid pursuant to the Permitted Offer. Permitted Offer is a tender or exchange offer for all shares of our common stock at a price and on terms that a majority of the board of directors, who are not officers or the person or group who could trigger the exercisability of the Rights, deems adequate and in our best interest and our stockholders' best interest.

The Purchase Price payable, and the number of Series A Preferred Stock, our common stock or other securities or property issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution:

in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Series A Preferred Stock;

upon the grant to holders of the Series A Preferred Stock of certain rights or warrants to subscribe for or purchase Series A Preferred Stock at a price, or securities convertible into Series A Preferred Stock with a conversion price, less than the then current market price of the Series A Preferred Stock; or

upon the distribution to holders of the Series A Preferred Stock of evidences of indebtedness or assets (excluding regular periodic cash dividends paid out of earnings or retained earnings or dividends payable in Series A Preferred Stock) or of subscription rights or warrants (other than those referred to above).

The number of outstanding Rights and the number of one one-hundredths of a Preferred Share issuable upon exercise of each Right are also subject to adjustment in the event of a stock split of our common stock or a stock dividend on the common stock payable in common stock or subdivisions, consolidations or combinations of our common stock occurring, in any such case, prior to the Distribution Date.

Any Rights that are beneficially owned by (a) any Acquiring Person (or any affiliate or associate of such Acquiring Person), (b) a transferee of an Acquiring Person (or any affiliate or associate thereof) who becomes a transferee after the Acquiring Person becomes such, or (c) under certain conditions, a transferee of any Acquiring Person (or any affiliate or associate thereof) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such, shall be null and void and no holder of such Rights shall thereafter have rights to exercise such Rights.

At any time after a person becomes an Acquiring Person and prior to the acquisition by such Person (or affiliate or associate of an Acquiring Person) of 50% or more of our outstanding common stock, our board of directors may exchange the Rights (other than Rights owned by such Acquiring Person which have become void), in whole or in part, at an exchange ratio of one share of our common stock, or one one-hundredth of a Preferred Share (or of a share of a class or series of our preferred stock having equivalent Rights, preferences and privileges), per Right (subject to adjustment). Upon our board of directors ordering the exchange, the right to exercise the Right shall terminate and the only right thereafter shall be to receive the shares in accordance with the exchange.

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments require an adjustment of at least 1% in such Purchase Price. No fractional Series A Preferred Stock will be issued (other than fractions which are integral multiples of one one-hundredth of a Preferred Share, which may, at our election, be

evidenced by depositary receipts) and in lieu thereof, an adjustment in cash will be made based on the market price of the Series A Preferred Stock on the last trading day prior to the date of exercise.

At any time prior to the earlier of the Distribution Date or Final Expiration Date, our board of directors may redeem the Rights in whole, but not in part, at a price of \$0.01 per Right (the Redemption Price ), adjusted to reflect any stock split, stock dividend or similar transaction, and payable, at the option of the Company, either in cash, shares of our common stock, or any other form of consideration deemed appropriate by our board of directors. The redemption of the Rights may be made effective at such time, on such basis and with such conditions as our board of directors in its sole discretion may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holder of Rights will be to receive the Redemption Price.

The terms of the Renewed Rights Agreement and the Rights may be amended by us without the consent of the holders of the Rights, in order to cure any ambiguity, to correct or supplement any provision contained therein which may be defective or inconsistent with any other provisions contained therein, or to make any other changes or amendments to the provisions contained therein which we may deem necessary or desirable, except that from and after such time as any person becomes an Acquiring Person, no such amendment may adversely affect the interests of the holders of the Rights (other than the Acquiring Person or any affiliate or associate of the Acquiring Person). No amendment to the Renewed Rights Agreement or our Rights shall be made which changes the redemption price or the number of Series A Preferred Stock or shares of common stock for which a Right is exercisable or exchangeable.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of LSB, including, without limitation, the right to vote or to receive dividends.

**Table of Contents**

**Anti-Takeover Effects of Delaware Law, Our Certificate of Incorporation and Our Bylaws**

Some provisions of Delaware law, our Certificate of Incorporation and our Bylaws contain provisions that could make the following transactions more difficult: acquisitions of us by means of a tender offer, a proxy contest or otherwise or removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

*Delaware Law*

Section 203 of the DGCL prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

the transaction is approved by the board of directors before the date the interested stockholder attained that status;

upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or

on or after such time the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

An interested stockholder is defined as a person who, together with any affiliates or associates of such person, beneficially owns, directly or indirectly, 15% or more of the outstanding voting shares of a Delaware corporation. The term *business combination* is broadly defined to include a broad array of transactions, including mergers, consolidations, sales or other dispositions of assets having a total value in excess of 10% of the consolidated assets of the corporation or all of the outstanding stock of the corporation, and some other transactions that would increase the interested stockholder's proportionate share ownership in the corporation.

*Our Certificate of Incorporation and Our Bylaws*

Provisions of our Certificate of Incorporation and our Bylaws may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock.

Among other things, our Certificate of Incorporation and Bylaws:

provide for the division of the Board into three classes, each class consisting as nearly as possible of one-third of the whole. The term of office of one class of directors expires each year; with each class of directors elected for a term of three years and until the stockholders elect their qualified successors;

provide that all vacancies, including newly created directorships, may, except as otherwise required by law or, if applicable, the rights of holders of a series of preferred stock, be filled by a majority of directors then in office, even if less than a quorum, or by the sole remaining director;

provide that our Certificate of Incorporation and Bylaws may be amended by the affirmative vote of the holders of at least two-thirds of our then outstanding voting stock;

provide that special meetings of our stockholders may only be called by our chairman or by a majority of the directors then in office;

provide that the affirmative vote of the holders of not less than two-thirds of the outstanding voting stock of LSB voting as a single class shall be required for the approval or authorization of any (i) merger or consolidation of

---

**Table of Contents**

LSB with or into any other corporation, or (ii) sale, lease or exchange of all or substantially all of the assets of LSB to or with any other corporation, person or entity; provided, however, that such two-thirds voting requirement shall not be applicable if (a) LSB is merged with a corporation in which at least two-thirds of the outstanding shares of each class of stock of such corporation is owned by LSB, or (b) if a transaction described in clauses (i) or (ii) above has been approved by a vote of at least a majority of the members of the board of directors of LSB. If such two-thirds voting requirement of the outstanding voting stock of LSB shall not be applicable under the provisions of clauses (a) or (b) above, then in such event transactions specified in (i) or (ii) above shall require only such affirmative vote as is required by law, regulation or any other provision of our Certificate of Incorporation; and

provide that our Bylaws can be amended by our board of directors.

**Limitations of Liability and Indemnification Matters**

Our Certificate of Incorporation limits the liability of our directors for monetary damages for breach of their fiduciary duty as directors, except for liability that cannot be eliminated under the DGCL. Delaware law provides that directors of a company will not be personally liable for monetary damages for breach of their fiduciary duty as directors, except for liabilities:

for any breach of their duty of loyalty to us or our stockholders;

for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

for unlawful payment of dividend or unlawful stock repurchase or redemption, as provided under Section 174 of the DGCL; or

for any transaction from which the director derived an improper personal benefit.

Any amendment, repeal or modification of these provisions will be prospective only and would not affect any limitation on liability of a director for acts or omissions that occurred prior to any such amendment, repeal or modification.

Our Bylaws also provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our Bylaws also permit us to purchase insurance on behalf of any officer, director, employee or other agent for any liability arising out of that person's actions as our officer, director, employee or agent, regardless of whether Delaware law would permit indemnification. We have entered into indemnification agreements with each of our directors and officers. These agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liability that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that the limitation of liability provision in Certificate of Incorporation and the indemnification agreements facilitates our ability to continue to attract and retain qualified individuals to serve as directors and officers.

The limitation of liability and indemnification provisions in our Certificate of Incorporation and Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Computershare Limited.

**Listing**

Our common stock is listed on the NYSE under the symbol LXU.



**Table of Contents**

**MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS**

The following is a summary of the material U.S. federal income tax considerations related to the purchase, ownership and disposition of our common stock by a non-U.S. holder (as defined below), that holds our common stock as a capital asset (generally property held for investment). This summary is based on the provisions of the Internal Revenue Code of 1986, as amended (the Code), U.S. Treasury regulations, administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. We have not sought any ruling from the Internal Revenue Service (IRS) with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, this summary does not address the Medicare tax on certain investment income, U.S. federal estate or gift tax laws, any state, local or non-U.S. tax laws or any tax treaties. This summary also does not address tax considerations applicable to investors that may be subject to special treatment under the U.S. federal income tax laws, such as:

banks, insurance companies or other financial institutions;

tax-exempt or governmental organizations;

qualified foreign pension funds (or any entities all of the interests of which are held by a qualified foreign pension fund);

dealers in securities or foreign currencies;

persons whose functional currency is not the U.S. dollar;

controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax;

traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes;

persons subject to the alternative minimum tax;

partnerships or other pass-through entities for U.S. federal income tax purposes or holders of interests therein;

persons deemed to sell our common stock under the constructive sale provisions of the Code;

persons that acquired our common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;

certain former citizens or long-term residents of the United States;

real estate investment trusts or regulated investment companies; and

persons that hold our common stock as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction or other integrated investment or risk reduction transaction.

**PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.**

#### **Non-U.S. Holder Defined**

For purposes of this discussion, a non-U.S. holder is a beneficial owner of our common stock that is not for U.S. federal income tax purposes a partnership or any of the following:

an individual who is a citizen or resident of the United States;

a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income tax regardless of its source; or

---

## **Table of Contents**

a trust (i) the administration of which is subject to the primary supervision of a U.S. court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (ii) which has made a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, upon the activities of the partnership and upon certain determinations made at the partner level. Accordingly, we urge partners in partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes) considering the purchase of our common stock to consult their tax advisors regarding the U.S. federal income tax considerations of the purchase, ownership and disposition of our common stock by such partnership.

## **Distributions**

We do not expect to pay any distributions on our common stock in the foreseeable future. However, in the event we do make distributions of cash or other property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the distributions will be treated as a non-taxable return of capital to the extent of the non-U.S. holder's tax basis in our common stock and thereafter as capital gain from the sale or exchange of such common stock. See **Gain on Disposition of Common Stock**. Subject to the withholding requirements under FATCA (as defined below) and with respect to effectively connected dividends, each of which is discussed below, any distribution made to a non-U.S. holder on our common stock generally will be subject to U.S. withholding tax at a rate of 30% of the gross amount of the distribution unless an applicable income tax treaty provides for a lower rate. To receive the benefit of a reduced treaty rate, a non-U.S. holder must provide the applicable withholding agent with an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) certifying qualification for the reduced rate.

Dividends paid to a non-U.S. holder that are effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, are treated as attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be taxed on a net income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code). Such effectively connected dividends will not be subject to U.S. withholding tax if the non-U.S. holder satisfies certain certification requirements by providing the applicable withholding agent with a properly executed IRS Form W-8ECI certifying eligibility for exemption. If the non-U.S. holder is a corporation for U.S. federal income tax purposes, it may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on its effectively connected earnings and profits (as adjusted for certain items), which will include effectively connected dividends.

## **Gain on Disposition of Common Stock**

Subject to the discussions below under **Backup Withholding and Information Reporting** and **Additional Withholding Requirements under FATCA**, a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on any gain realized upon the sale or other disposition of our common stock unless:

the non-U.S. holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other

conditions are met;

the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States); or

our common stock constitutes a United States real property interest by reason of our status as a United States real property holding corporation ( USRPHC ) for U.S. federal income tax purposes and as a result such gain is treated as effectively connected with a trade or business conducted by the non-U.S. holder in the United States.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as specified by an applicable income tax treaty) on the amount of such gain, which generally may be offset by U.S. source capital losses.

A non-U.S. holder whose gain is described in the second bullet point above or, subject to the exceptions described in the next paragraph, the third bullet point above, generally will be taxed on a net income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code) unless an applicable income tax treaty provides otherwise. If the non-U.S. holder is a corporation for U.S. federal income tax purposes whose gain is described in the second bullet point above, then such gain would also be included in its effectively connected earnings and profits (as adjusted for certain items), which may be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty).

## **Table of Contents**

Generally, a corporation is a USRPHC if the fair market value of its United States real property interests (as defined in the Code) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. Although a significant portion of our assets may be considered United States real property interests, we have not made a determination as to whether we are a USRPHC. However, even if we are, or were to become, a USRPHC, as long as our common stock continues to be regularly traded on an established securities market (within the meaning of the U.S. Treasury Regulations), only a non-U.S. holder that actually or constructively owns, or owned at any time during the shorter of the five-year period ending on the date of the disposition or the non-U.S. holder's holding period for the common stock, more than 5% of our common stock will be treated as disposing of a U.S. real property interest and will be taxable on gain realized on the disposition of our common stock as a result of our status as a USRPHC. If we are, or were to become, a USRPHC and our common stock were not considered to be regularly traded on an established securities market, such holder (regardless of the percentage of stock owned) would be treated as disposing of a U.S. real property interest and would be subject to U.S. federal income tax on a taxable disposition of our common stock (as described in the preceding paragraph), and a 15% withholding tax would apply to the gross proceeds from such disposition.

Non-U.S. holders should consult their tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our common stock.

## **Backup Withholding and Information Reporting**

Any dividends paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder. Copies of these information returns may be made available to the tax authorities in the country in which the non-U.S. holder resides or is established. Payments of dividends to a non-U.S. holder generally will not be subject to backup withholding if the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form).

Payments of the proceeds from a sale or other disposition by a non-U.S. holder of our common stock effected by or through a U.S. office of a broker generally will be subject to information reporting and backup withholding (at the applicable rate) unless the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) and certain other conditions are met. Information reporting and backup withholding generally will not apply to any payment of the proceeds from a sale or other disposition of our common stock effected outside the United States by a non-U.S. office of a broker. However, unless such broker has documentary evidence in its records that the non-U.S. holder is not a United States person and certain other conditions are met, or the non-U.S. holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the disposition of our common stock effected outside the United States by such a broker if it has certain relationships within the United States.

Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability (if any) of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is timely furnished to the IRS.

## **Additional Withholding Requirements under FATCA**

Sections 1471 through 1474 of the Code, and the U.S. Treasury regulations and administrative guidance issued thereunder (FATCA), impose a 30% withholding tax on any dividends paid on our common stock and on the gross proceeds from a disposition of our common stock (if such disposition occurs after December 31, 2018), in each case if paid to a foreign financial institution or a non-financial foreign entity (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless

(i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are non-U.S. entities with U.S. owners), (ii) in the case of a non-financial foreign entity, such entity certifies that it does not have any substantial United States owners (as defined in the Code) or provides the applicable withholding agent with a certification identifying the direct and indirect substantial United States owners of the entity (in either case, generally on an IRS Form W-8BEN-E), or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W-8BEN-E). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these rules may be subject to different rules. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Non-U.S. holders are encouraged to consult their own tax advisors regarding the effects of FATCA on an investment in our common stock.

**INVESTORS CONSIDERING THE PURCHASE OF OUR COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE APPLICABILITY AND EFFECT OF U.S. FEDERAL ESTATE AND GIFT TAX LAWS AND ANY STATE, LOCAL OR NON-U.S. TAX LAWS AND TAX TREATIES.**

**Table of Contents**

**PLAN OF DISTRIBUTION**

The selling stockholder may, from time to time, sell, transfer or otherwise dispose of any or all of its shares or interests in the shares on any stock exchange, market or trading facility on which the shares are traded or in private transactions. The selling stockholder may sell its shares of common stock from time to time at the prevailing market price or in privately negotiated transactions.

The selling stockholder may use any one or more of the following methods when disposing of shares or interests therein:

ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

an exchange distribution in accordance with the rules of the applicable exchange;

privately negotiated transactions;

short sales effected after the date the registration statement of which this prospectus is a part is declared effective by the SEC;

through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;

broker-dealers may agree with the selling stockholder to sell a specified number of such shares at a stipulated price per share; and

a combination of any such methods of sale.

The selling stockholder may sell the shares at fixed prices, at prices then prevailing or related to the then current market price or at negotiated prices. The offering price of the shares from time to time will be determined by the selling stockholder and, at the time of the determination, may be higher or lower than the market price of our common stock on the NYSE or any other exchange or market.

The shares may be sold directly or through broker-dealers acting as principal or agent, or pursuant to a distribution by one or more underwriters on a firm commitment or best-efforts basis. The selling stockholder may also enter into

hedging transactions with broker-dealers. In connection with such transactions, broker-dealers of other financial institutions may engage in short sales of our common stock in the course of hedging the positions they assume with the selling stockholder. The selling stockholder may also enter into options or other transactions with broker-dealers or other financial institutions which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction). In connection with an underwritten offering, underwriters or agents may receive compensation in the form of discounts, concessions or commissions from the selling stockholder or from purchasers of the offered shares for whom they may act as agents. In addition, underwriters may sell the shares to or through dealers, and those dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents. The selling stockholder and any underwriters, dealers or agents participating in a distribution of the shares may be deemed to be underwriters within the meaning of the Securities Act, and any profit on the sale of the shares by the selling stockholder and any commissions received by broker-dealers may be deemed to be underwriting commissions under the Securities Act.

The selling stockholder may agree to indemnify an underwriter, broker-dealer or agent against certain liabilities related to the selling of its shares, including liabilities arising under the Securities Act. Under the registration rights agreement entered into with the selling stockholder, we have agreed to indemnify the selling stockholder against certain liabilities related to the sale of the common stock, including certain liabilities arising under the Securities Act. Under the registration rights agreement, we have also agreed to pay the costs, expenses and fees of registering the shares of common stock. All underwriting fees, discounts and selling commissions or similar fees or arrangements allocable to the sale of the shares of common stock will be borne by the selling stockholder.



**Table of Contents**

The selling stockholder is subject to the applicable provisions of the Exchange Act, and the rules and regulations under the Exchange Act, including Regulation M. This regulation may limit the timing of purchases and sales of any of the shares of common stock offered in this prospectus by the selling stockholder. The anti-manipulation rules under the Exchange Act may apply to sales of shares in the market and to the activities of the selling stockholder and its affiliates. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of the shares to engage in market-making activities for the particular securities being distributed for a period of up to five business days before the distribution. The restrictions may affect the marketability of the shares and the ability of any person or entity to engage in market-making activities for the shares.

To the extent required, this prospectus may be amended and/or supplemented from time to time to describe a specific plan of distribution. Instead of selling the shares of common stock under this prospectus, the selling stockholder may sell the shares of common stock in compliance with the provisions of Rule 144 under the Securities Act, if available, or pursuant to other available exemptions from the registration requirements of the Securities Act.

Under the securities laws of some states, if applicable, the securities registered hereby may be sold in those states only through registered or licensed brokers or dealers. In addition, in some states such securities may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We cannot assure you that the selling stockholder will sell all or any portion of our common stock offered hereby.

Under the Registration Rights Agreement entered into with the selling stockholder, we agreed to use our commercially reasonable efforts to keep the registration statement of which this prospectus constitutes a part continuously effective under the Securities Act until the earlier of (a) December 4, 2025 and (b) the date that all Registrable Securities (as such term is defined in the Registration Rights Agreement) covered by this registration statement have ceased to be Registrable Securities.

**Table of Contents**

**LEGAL MATTERS**

The validity of our common stock offered by this prospectus will be passed upon for us by Vinson & Elkins L.L.P., Dallas, Texas. Any underwriter will be advised about other issues relating to any offering by its own legal counsel.

**EXPERTS**

The consolidated financial statements of LSB Industries, Inc. appearing in LSB Industries, Inc.'s Annual Report (Form 10-K) for the year ended December 31, 2017 (including the schedule appearing therein), and the effectiveness of LSB Industries Inc.'s internal control over financial reporting as of December 31, 2017 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly, current and other reports and other information with the SEC. Our SEC filings are available to the public from commercial document retrieval services and through the SEC's website at <http://www.sec.gov>. Our common stock is listed on the New York Stock Exchange under the symbol LXU. Our reports and other information filed with the SEC can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We also make available free of charge on our internet website at [www.lsbindustries.com](http://www.lsbindustries.com), our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our website is not incorporated by reference into this prospectus and you should not consider information contained on our website as part of this prospectus.

**Table of Contents**

**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we have filed with the SEC. This means we can disclose important information to you without actually including the specific information in this prospectus by referring to those documents. The information incorporated by reference is an important part of this prospectus.

If information in incorporated documents conflicts with information in this prospectus, you should rely on the most recent information. If information in an incorporated document conflicts with information in another incorporated document, you should rely on the most recent incorporated document. We incorporate by reference the documents listed below.

our annual report on Form 10-K for the year ended December 31, 2017;

our quarterly reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018;

our current reports on Form 8-K filed with the SEC on March 30, 2018, April 20, 2018, April 25, 2018, May 1, 2018, May 24, 2018 and October 19, 2018;

the information specifically incorporated by reference into our annual report on Form 10-K for the year ended December 31, 2017, from our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 23, 2018; and

the description of our common stock contained in our Registration Statement on Form 8-A, filed on October 24, 2008 including any amendments or reports filed for the purpose of updating the description.

All documents subsequently filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the termination of this offering, shall be deemed to be incorporated by reference into this prospectus.

All filings filed by us pursuant to the Exchange Act after the date of the initial filing of this registration statement and prior to the effectiveness of such registration statement (excluding information furnished pursuant to Items 2.02 and 7.01 of Form 8-K) shall also be deemed to be incorporated by reference into the prospectus.

We will provide a copy of these filings (including certain exhibits that are specifically incorporated by reference therein) to each person, including any beneficial owner, to whom a prospectus is delivered. You may request a copy of any or all of these filings at no cost, by writing or calling us at:

3503 NW 63rd Street, Suite 500

Oklahoma City, Oklahoma 73116

(405) 235-4546

Edgar Filing: LSB INDUSTRIES INC - Form S-3

Attention: Michael J. Foster

[mfoster@lsbindustries.com](mailto:mfoster@lsbindustries.com)

Copies of certain information filed by us with the SEC, including our annual report and quarterly reports, are also available on our website at [www.lsbindustries.com](http://www.lsbindustries.com). Information contained on our website or that can be accessed through our website is not incorporated by reference herein.

You should read the information relating to us in this prospectus together with the information in the documents incorporated by reference. Nothing contained herein shall be deemed to incorporate information furnished to, but not filed with, the SEC.

**Table of Contents**

**4,069,324 Shares**

**LSB INDUSTRIES, INC.**

**Common Stock**

**Prospectus**

**, 2018**

Table of Contents**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 14. Other Expenses of Issuance and Distribution**

The following table sets forth the expenses payable by the Registrant expected to be incurred in connection with the issuance and distribution of common stock being registered hereby (other than underwriting discounts and commissions). All of such expenses are estimates, except for the Securities and Exchange Commission ( SEC ) registration fee.

SEC registration fee	\$ 3,792.72
Financial printer fees and expenses	1,750.00
Legal fees and expenses	50,000.00
Accounting fees and expenses	15,000.00
<b>Total</b>	<b>\$ 70,542.72</b>

**Item 15. Indemnification of Directors and Officers.**

Section 145(a) of the Delaware General Corporation Law ( DGCL ) provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. Section 145(b) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper. To the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145 of the DGCL, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses

(including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Any indemnification under subsections (a) and (b) of Section 145 of the DGCL (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsections (a) and (b) of Section 145. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders. Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this section. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate. The indemnification and advancement of expenses provided by, or granted pursuant to, Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

**Table of Contents**

Section 145 of the DGCL also empowers a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under Section 145.

The Certificate of Incorporation also contains indemnification rights for the directors and officers. Specifically, the Certificate of Incorporation provides for the indemnity of the officers and directors to the fullest extent authorized by the DGCL.

In addition, the DGCL permits the Company and its subsidiaries to purchase and maintain insurance on behalf of any person who is a director or officer for acts committed in their capacities as such directors or officers. The Company currently maintains such liability insurance.

The general effect of the foregoing is to provide indemnification to officers and directors for liabilities that may arise by reason of their status as officers or directors, other than liabilities arising from willful or intentional misconduct, acts or omissions not in good faith, unlawful distributions of corporate assets or transactions from which the officer or director derived an improper personal benefit.

**Item 16. Exhibits.**

<b>Exhibit Number</b>	<b>Exhibit Title</b>	<b>Incorporated by Reference to the Following</b>
3(i).1	<u>Restated Certificate of Incorporation of LSB Industries, Inc., dated January 21, 1977, as amended August 27, 1987</u>	Exhibit 3(i).1 to the Company's Form 10-K filed on February 28, 2013
3(ii).1	<u>Amended and Restated Bylaws of LSB Industries, Inc. dated August 20, 2009, as amended February 18, 2010, January 17, 2014, February 4, 2014 and August 21, 2014</u>	Exhibit 3(ii).1 to the Company's Form 8-K filed August 27, 2014
3(ii).2	<u>Fifth Amendment to the Amended and Restated Bylaws of LSB Industries, Inc., dated as of April 26, 2015</u>	Exhibit 3(ii) to the Company's Form 8-K filed April 30, 2015
3(ii).3	<u>Sixth Amendment to the Amended and Restated Bylaws of LSB Industries, Inc., dated as of December 2, 2015</u>	Exhibit 3(ii) to the Company's Form 8-K filed December 8, 2015
3(ii).4	<u>Seventh Amendment to the Amended and Restated Bylaws of LSB Industries, Inc., dated as of December 22, 2015</u>	Exhibit 3(ii) to the Company's Form 8-K filed December 29, 2015
4.1(P)	Specimen Certificate for the Company's Series B Preferred Stock	Exhibit 4.27 to the Company's Registration Statement No. 33-9848



Edgar Filing: LSB INDUSTRIES INC - Form S-3

4.2	<u>Specimen Certificate for the Company's Series D 6% Cumulative, Convertible Class C Preferred Stock</u>	Exhibit 4.3 to the Company's Form 10-K filed March 3, 2011
4.3	<u>Specimen Certificate for the Company's Common Stock</u>	Exhibit 4.3 to the Company's Registration Statement on Form S-3 ASR filed November 16, 2012
4.4	<u>Certificate of Designations of Series E-1 Cumulative Redeemable Class C Preferred Stock of LSB Industries, Inc., dated as of October 18, 2018</u>	Exhibit 4.1 to the Company's Form 8-K filed October 19, 2018
4.5	<u>Certificate of Designations of Series F-1 Redeemable Class C Preferred Stock of LSB Industries, Inc., dated as of October 18, 2018</u>	Exhibit 4.2 to the Company's Form 8-K filed October 19, 2018
4.6	<u>Renewed Rights Agreement, dated as of December 2, 2008, between the Company and UMB Bank n.a.</u>	Exhibit 4.1 to the Company's Form 8-K filed December 5, 2008
4.7	<u>Amendment to Renewed Rights Agreement, dated December 3, 2008, between LSB Industries, Inc. and UMB Bank n.a.</u>	Exhibit 4.3 to the Company's Form 8-K filed December 5, 2008
4.8	<u>Amendment to Renewed Rights Agreement, dated as of December 4, 2015, by and between LSB Industries, Inc. and UMB Bank n.a., dated as of December 4, 2015</u>	Exhibit 4.3 to the Company's Form 8-K filed December 8, 2015
5.1(a)	<u>Opinion of Vinson &amp; Elkins L.L.P.</u>	
23.1(a)	<u>Consent of Vinson &amp; Elkins L.L.P. (included in Exhibit 5.1)</u>	
23.2(a)	<u>Consent of Independent Registered Public Accounting Firm</u>	

- (a) Filed herewith.  
(P) Paper copy filed.

**Table of Contents**

**Item 17. Undertakings.**

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
  - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
  - (ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and
  - (iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement;  
*Provided, however,* that paragraphs (1)(i), (1)(ii) and (1)(iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:
  - (i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
  - (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the

Edgar Filing: LSB INDUSTRIES INC - Form S-3

Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after

II-3

**Table of Contents**

effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however,* that no statement made in a registration statement or prospectus that is part of this registration statement or made in a document incorporated or deemed incorporated by reference into this registration statement or prospectus that is a part of this registration statement will, as to a purchaser with a time of contract sale prior to such effective date, supersede or modify any statement that was made in this registration statement or prospectus that was a part of this registration statement or made in any such document immediately prior to such effective date.

- (5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
  - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
  - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
  - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (6) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (7) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or

otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted against the registrant by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

II-4

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City, State of Oklahoma, on November 2, 2018.

**LSB INDUSTRIES, INC.**

By: /s/ Daniel D. Greenwell  
 Name: Daniel D. Greenwell  
 Title: President, Chief Executive Officer and  
 Chairman of the Board of Directors

**POWER OF ATTORNEY**

Each person whose signature appears below constitutes and appoints Mark T. Behrman and Michael Foster, and each of them, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments), and to sign any registration statement for the same offering covered by this registration statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary and desirable to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all the said attorneys-in-fact and agents, or their or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities held on the dates indicated.

<b>Signature</b>	<b>Capacity</b>	<b>Date</b>
/s/ Daniel D. Greenwell Daniel D. Greenwell	President and Chief Executive Officer (Principal Executive Officer) and Chairman of the Board of Directors	November 2, 2018
/s/ Mark T. Behrman Mark T. Behrman	Executive Vice President of Finance, Chief Financial Officer (Principal Financial Officer)	November 2, 2018
/s/ Harold L. Rieker, Jr. Harold L. Rieker, Jr.	Vice President and Corporate Controller (Principal Accounting Officer)	November 2, 2018

Edgar Filing: LSB INDUSTRIES INC - Form S-3

/s/ Jonathan S. Bobb	Director	November 2, 2018
Jonathan S. Bobb		
/s/ Jack E. Golsen	Chairman Emeritus	November 2, 2018
Jack E. Golsen		
/s/ Mark R. Genender	Director	November 2, 2018
Mark R. Genender		
/s/ Barry H. Golsen	Director	November 2, 2018
Barry H. Golsen		
/s/ Richard W. Roedel	Director	November 2, 2018
Richard W. Roedel		
/s/ Richard S. Sanders, Jr.	Director	November 2, 2018
Richard S. Sanders, Jr.		
/s/ Lynn F. White	Director	November 2, 2018
Lynn F. White		