

**CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE  
COMMITTEE OF THE BOARD OF DIRECTORS OF LSB INDUSTRIES, INC.**

**Amended and Approved March 3, 2016**

**Purpose**

Pursuant to the Bylaws of LSB Industries, Inc. (the “Company”), the Board of Directors (the “Board”) of the Company has established a committee designated as the Nominating and Corporate Governance Committee (“Committee”).

The Board hereby reaffirms the composition, authority, responsibility and specific duties of the Committee. The purposes of the Committee are to:

1. Develop criteria for, and identify individuals qualified to become, Board members and recommend to the Board the Director nominees for election at the annual meetings of shareholders or for appointment to fill vacancies;
2. Recommend to the Board Director nominees for each committee of the Board;
3. Advise the Board about the appropriate composition of the Board and its committees, including recommendations related to the Board’s leadership structure and the designation of individuals to serve as Chairman of the Board and Lead Independent Director (if any);
4. Advise the Board about, and develop and recommend to the Board, appropriate corporate governance principles and practices and assist the Board in implementing those practices; and
5. Lead the evaluation of the Board through an annual review of the performance of the Board and its committees.

**Committee Membership**

The Committee shall be composed of at least three (3) members of the Board. Each member of the Committee shall satisfy the requisite independence requirements of relevant law, including the rules and regulations of the Securities and Exchange Commission (the “SEC”) and the listing standards of the New York Stock Exchange (“NYSE”). Accordingly, the Board shall determine annually whether each member is free from any relationship that may interfere with his or her independence from management and the Company. Notwithstanding the foregoing membership requirements, no action of the Committee will be invalid by reason of such requirements not being met at the time such action is taken.

The Board shall appoint the members of the Committee, considering the views of the Chairman of the Board and the Chief Executive Officer (“CEO”), as appropriate. The members of the

Committee shall serve until their qualified successors are appointed. If a chairperson of the Committee is not designated by the Board or present at a meeting, the Committee may designate a chairperson by majority vote of the Committee members then in office.

### **Authority and Responsibilities**

The Committee is granted the authority to perform each of the duties of the Committee as set forth below in this Charter. In addition, the Board may, from time to time, direct specific assignments to the Committee. Management, employees and consultants of the Company are directed to cooperate fully with any request for information or assistance made by members of the Committee. The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has authority to retain and terminate outside counsel, or other experts or consultants, including the sole authority to retain and terminate any search firm used to identify Director candidates, in each case, as it deems appropriate, including authority to approve any of the foregoing firms' fees and other retention terms, and to cause the Company to pay the fees and expenses of any such firms. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

1. **Nominating Responsibility.** The Committee is responsible to present to the Board a list of qualified individuals recommended to be nominated for election (or re-election) as Directors prior to each annual meeting of shareholders and to recommend qualified individuals to fill vacancies as they occur among the Directors during the year. Even where the Company is legally required by contract or otherwise to provide third parties with the ability to nominate or designate Directors, the Committee will review the qualifications of such Director nominees or designees for service on the Board in accordance with this Charter, taking into account the applicable contract or other legal requirements. With respect to its nominating responsibility, the Committee shall:
  - a. Recommend to the Board selection criteria that should be considered for membership on the Board and periodically, but no less than annually, review, assess and recommend to the Board changes to such criteria. The Company endeavors to have a Board representing diverse experience at policy-making levels with a complementary mix of skills and professional experience in areas relevant to the Company's activities.
  - b. Seek out Director candidates meeting the selection criteria and otherwise aid in attracting highly qualified candidates as Directors.
  - c. Be available to the Chairman of the Board and other Directors for consultation concerning candidates as Directors.
  - d. Consider proposed candidates, whether submitted by Directors, officers, employees, shareholders or others, in light of the selection and performance

criteria adopted by the Board and provided that, to the extent applicable, the proposal complies with the Company's Certificate of Incorporation, Bylaws and the procedures with respect to such nominations disclosed in the Company's proxy statement for its annual meeting of shareholders.

- e. Before recommending an incumbent, replacement or additional Director, review his or her qualifications, including capability, availability to serve, service on other boards, conflicts of interest and other relevant factors.
  - f. Periodically review and make recommendations to the Board regarding the size and composition of the Board.
2. Governance Responsibility. The Committee shall recommend to the Board a set of guidelines on significant corporate governance principles (the "Corporate Governance Guidelines"), which shall address, among other matters, the size, composition and responsibilities of the Board and its committees, including the Board's participation in the executive management succession process. The Corporate Governance Guidelines shall be reviewed by the Committee no less frequently than once a year, and the Committee shall report to the Board any recommended changes. Additional governance responsibilities of the Committee include:
- a. **Director Orientation and Continuing Education.** The Committee will make recommendations to management regarding orientation for new Directors and ensure that continuing education opportunities are extended to Directors.
  - b. **Annual Performance Evaluation of the Board.** The Committee will establish a framework for self-evaluation of the Board with a particular focus on overall effectiveness of the Board. The Committee will lead the Board in its annual review of Board and Board committee performance and oversight of the Company's management.
  - c. **Board Composition.** The Committee will continually evaluate the composition of the Board to ensure that its combination of attributes fits the Company's strategy and direction.
  - d. **Board Leadership.** The Committee will periodically review the Board's policy regarding the structure of the offices of Chairman of the Board and CEO and shall annually recommend a Director to be designated as Chairman of the Board. If the Chairman of the Board is not an independent Director, the Committee shall recommend the designation of a Lead Independent Director of the Board, and shall annually recommend from among the independent Directors a Director to be designated as Lead Independent Director.
  - e. **Committee Assignment.** The Committee is responsible for making recommendations to the Board regarding the appointment of specific Directors to

particular committees of the Board, endeavoring to cause one member of the Audit Committee to satisfy the attributes of an “audit committee financial expert” as defined by rules of the SEC, and making recommendations regarding the advisability or need for any changes in the Board’s committee structure.

- f. **Director Independence.** The Committee will (i) review the relationships between the Company and each Director and report the results of its review to the Board, which will then determine which Directors satisfy the applicable independence standards, and (ii) review whether or not each Director serving on a Board committee is an independent, disinterested, non-employee or outside director under the standards applicable to the committee on which such Director is serving or may serve and report the results of its review to the Board, which will then determine which Directors, if any, qualify as independent, disinterested, non-employee or outside directors under applicable standards.
- g. **Corporate Governance.** The Committee shall consider any other corporate governance issues that arise from time to time and develop appropriate recommendations for the Board, including issues related to the Company’s Certificate of Incorporation and Bylaws.
- h. **Other Directorships.** Where a Director is seeking to serve on the board of directors or advisory board of another for-profit entity (whether public or private), the chairperson of the Committee shall determine whether such service presents any independence, conflicts or other legal or business issues for the Company. Following such determination, the chairperson shall report to the full Committee whether or not such additional service was approved.

## **Meetings**

The Committee will hold as many regularly scheduled meetings each year and as many additional special meetings as necessary to complete its assigned duties. The Committee will meet at the call of its chairperson or two or more members of the Committee, in each case on at least 24 hours personal, written, telegraphic, cable, wireless or electronic notice to each member.

The Committee may request any other Director, employee or officer of the Company, independent advisors, counsel and consultants to attend a meeting or to meet with the Committee or its advisors. Those in attendance who are not members of the Committee may observe, but may not participate in, any discussion or deliberation unless invited to do so by the Committee, and in any event are not entitled to vote at the meeting. The Committee may also exclude from its meetings any person it deems appropriate, other than members of the Committee.

The Committee may fix its own rules of procedure, subject to the requirements of this Charter, the Company’s Certificate of Incorporation and Bylaws, NYSE rules and applicable laws and regulations. The Committee shall ensure that minutes and/or other records related to the meetings and activities of the Committee are maintained.

The Committee may delegate to its chairperson, any one of its members or any subcommittee it may form, the responsibility and authority for any particular matter, as it deems appropriate from time to time under the circumstances. Each subcommittee will keep minutes and regularly report to the Committee.

At every meeting of the Committee, the majority of the members of the Committee shall constitute a quorum, and the affirmative vote of a majority of members present shall be necessary for the adoption by it of any resolutions. The Committee may also act by unanimous written consent in lieu of a meeting.

Each Director serving as a member of Committee shall be indemnified with respect to such Director's service on the Committee pursuant to the Company's Certificate of Incorporation, Bylaws and any contractual arrangements between such Director and the Company that provide for Director indemnification.

### **Self-Assessment**

The Committee shall develop criteria for self-evaluation of its performance and annually conduct a Committee self-assessment. From such assessment the Committee shall make recommendations, as applicable, to improve its performance.

### **Reports**

The Committee shall make regular reports to the Board.

Annually, the Committee shall review this Charter and report the results of that review and make recommendations for any changes to the Board.

### **Website Posting**

The Company will make this Charter available on or through the Company's website. In addition, the Company will disclose in its proxy statement for its annual meeting of shareholders or in its Annual Report on Form 10-K, as appropriate, that a copy of this Charter is available on the Company's website and will provide the website address.

*Nothing contained in this Charter is intended to alter or impair the operation of the "business judgment rule" as interpreted by the courts under the Delaware General Corporation Law. Further, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under federal or state law, or to alter or impair the right of the members of the Committee under the Delaware General Corporation Law to rely, in discharging their responsibilities, on the records of the Company and on other information presented to the Committee, the Board, or the Company by officers or employees or by outside experts.*