

Smart Sand, Inc. Related Person Transaction Policy and Procedures

POLICY

Smart Sand, Inc. (the “Company”) recognizes that related person transactions present a heightened risk of conflicts of interest (or the perception thereof) and therefore the Company has adopted this policy pursuant to which all Related Person Transactions shall be subject to approval or ratification in accordance with the procedures set forth in this policy.

For the purposes of this policy, a “Related Person Transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant and the amount involved exceeds \$120,000, and in which any Related Person (as defined below) had, has or will have a direct or indirect interest.

PROCEDURES

Audit Committee Approval

The Audit Committee of the Board of Directors of the Company (the “Committee”) shall review the relevant facts and circumstances of each Related Person Transaction, including (if applicable) but not limited to whether the transaction is on terms comparable to those that could be obtained in arm’s length dealings with an unrelated third party and the extent of the Related Person’s interest in the transaction, take into account the conflicts of interest and corporate opportunity provisions of the Company’s Second Amended and Restated Certificate of Incorporation (the “Charter”) and the Company’s Code of Conduct and Code of Ethics for Chief Executive and Senior Financial Officials (collectively, the “Code”), and either approve or disapprove the Related Person Transaction. Any Related Person Transaction shall be consummated and shall continue only if the Committee has approved or ratified such transaction in accordance with the guidelines set forth in this Policy. If advance Committee approval of a Related Person Transaction requiring the Committee’s approval is impractical, then the transaction may be entered into by management upon prior approval of the transaction by the Chair of the Committee. If the Chair of the Committee is unavailable or if such Chair or his or her immediate family member or affiliate is the subject Related Person, any other member of the Committee may review and approve such transaction.

If the Company becomes aware of a transaction with a Related Person that was not approved under this policy prior to such transaction’s consummation, the Committee shall review the matter as provided herein. The Committee shall consider all of the relevant facts and circumstances respecting such transaction in accordance with the criteria set forth herein, shall evaluate all options available to the Company, including ratification, revision or termination of such transaction, and shall take such course of action as the Committee deems appropriate.

Management shall present to the Committee each proposed Related Person Transaction, including all relevant facts and circumstances relating thereto and shall update the Committee as to any material changes to any approved or ratified Related Person Transaction and shall

provide a status report at least annually at a regularly scheduled meeting of the Committee of all then current Related Person Transactions.

No director may participate in approval of a Related Person Transaction for which he or she is a Related Person.

Pre-Approved Transactions

The Committee has reviewed and pre-approved each of the following types of Related Person Transactions, which shall be deemed to be approved or ratified, as applicable, under this policy:

1. Compensation
 - (a) to an executive officer or director of the Company if the compensation is required to be reported in the Company's proxy statement pursuant to Item 402 of Regulation S-K; or
 - (b) to an executive officer of the Company, if such compensation would have been required to be reported under Item 402 as compensation earned for services to the Company if the executive was a "named executive officer" in the proxy statement and such compensation has been approved, or recommended to the Company's Board of Directors for approval, by the Compensation Committee of the Board of Directors of the Company, provided that such executive officer is not an immediate family member of another Related Person.
2. Transactions that are in Company's ordinary course of business and where the interest of the Related Person arises only
 - (a) from the Related Person's position as a director of another corporation or organization that is a party to the transaction; or
 - (b) from the direct or indirect ownership by such Related Person and all other Related Persons, in the aggregate, of less than a 5% equity interest in another person (other than a partnership) which is a party to the transaction; or
 - (c) from both such positions described in (a) and such ownership described in (b); or
 - (d) from the Related Person's position as a limited partner in a partnership in which the Related Person and all other Related Persons, in the aggregate, have an interest of less than 5%, and the Related Person is not a general partner of and does not have another position in the partnership.

3. Transactions that are in the Company's ordinary course of business and where the interest of the Related Person arises solely from the ownership of a class of equity securities in the Company and all holders of such class of equity securities of the Company will receive the same benefit on a pro rata basis.

Disclosure

All Related Person Transactions are to be disclosed in the Company's applicable filings to the extent required by the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and related rules. Furthermore, any material Related Person Transaction shall be disclosed to the full Board of Directors.

Other Agreements

Management shall assure that all Related Person Transactions are not in violation of and are approved in accordance with any requirements of the Company's financing or other material agreements.

Interpretation

This Policy is intended to comply with Item 404 of Regulation S-K. Notwithstanding anything herein to the contrary, this Policy shall be interpreted only in such a manner as to comply with Item 404 of Regulation S-K. In the event that a Related Person Transaction would constitute a conflict of interest or a corporate opportunity under the Charter or the Code, the provisions of the Charter or the Code, as applicable, also shall apply to such Related Person Transaction. Any such Related Person Transaction may not be approved hereunder unless it is also approved in accordance with the provisions of the Charter or the Code, as applicable, and disclosed to the public to the extent required by law or the rules of the Nasdaq Stock Market LLC.

DEFINITIONS

For purposes of this policy, a "Related Person" is:

1. any person who is, or at any time since the beginning of the Company's last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company;
2. any person who is known to be the beneficial owner of more than 5% of any class of the Company's voting securities;
3. any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee)

sharing the household of such director, executive officer, nominee or more than 5% beneficial owner; and

4. any firm, corporation or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest.