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

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2018

OR

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

Commission file number 001-35416

U.S. Silica Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**26-3718801**
(State or other jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

8490 Progress Drive, Suite 300
Frederick, Maryland 21701
(Address of Principal Executive Offices) (Zip Code)

(301) 682-0600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 20, 2018, 77,937,011 shares of common stock, par value $0.01 per share, of the registrant were outstanding.

U.S. Silica Holdings, Inc.
FORM 10-Q
For the Quarter Ended March 31, 2018

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ITEM 1. FINANCIAL STATEMENTS

U.S. SILICA HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited; dollars in thousands)

	March 31, 2018	December 31, 2017
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 329,512	$ 384,567
Accounts receivable, net	251,275	212,586
Inventories, net	76,579	92,376
Prepaid expenses and other current assets	13,023	13,715
Total current assets	670,389	703,244
Property, plant and mine development, net	1,195,722	1,169,155
Goodwill	274,879	272,079
Intangible assets, net	148,702	150,007
Other assets	17,346	12,798
Total assets	$ 2,307,038	$ 2,307,283
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	$ 154,148	$ 171,041
Current portion of long-term debt	4,305	4,504
Current portion of capital leases	631	706
Current portion of deferred revenue	52,305	36,128
Income tax payable	605	1,566
Total current liabilities	211,994	213,945
Long-term debt, net	506,607	506,732
Deferred revenue	69,670	82,286
Liability for pension and other post-retirement benefits	50,167	52,867
Deferred income taxes, net	38,371	29,856
Other long-term obligations	77,246	25,091
Total liabilities	954,055	910,777
Commitments and Contingencies (Note O)		
Stockholders' Equity:		
Preferred stock, $0.01 par value, 10,000,000 shares authorized; zero issued and outstanding at March 31, 2018 and December 31, 2017	—	—
Common stock, $0.01 par value, 500,000,000 shares authorized; 81,518,347 issued and 77,867,261 outstanding at March 31, 2018; 81,267,205 issued and 80,524,255 outstanding at December 31, 2017	814	812
Additional paid-in capital	1,153,336	1,147,084
Retained earnings	314,405	287,992
Treasury stock, at cost, 3,651,086 and 742,950 shares at March 31, 2018 and December 31, 2017, respectively	(103,940)	(25,456)
Accumulated other comprehensive loss	(11,632)	(13,926)
Total stockholders' equity	1,352,983	1,396,506
Total liabilities and stockholders' equity	$ 2,307,038	$ 2,307,283

The accompanying notes are an integral part of these financial statements.

U.S. SILICA HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited; dollars in thousands, except per share amounts)

	Three Months Ended March 31,	
	2018	**2017**
Sales:		
Product	$ 294,788	$ 203,251
Service	74,525	41,546
Total sales	369,313	244,797
Cost of sales (excluding depreciation, depletion and amortization):		
Product	207,239	162,183
Service	53,671	25,292
Total cost of sales (excluding depreciation, depletion and amortization)	260,910	187,475
Operating expenses:		
Selling, general and administrative	34,591	22,341
Depreciation, depletion and amortization	28,592	21,599
Total operating expenses	63,183	43,940
Operating income	45,220	13,382
Other (expense) income:		
Interest expense	(7,070)	(7,646)
Other income (expense), net, including interest income	665	(4,928)
Total other expense	(6,405)	(12,574)
Income before income taxes	38,815	808
Income tax (expense) benefit	(7,521)	1,714
Net income	$ 31,294	$ 2,522
Earnings per share:		
Basic	$ 0.39	$ 0.03
Diluted	$ 0.39	$ 0.03
Weighted average shares outstanding:		
Basic	79,496	80,983
Diluted	80,309	82,244
Dividends declared per share	$ 0.06	$ 0.06

The accompanying notes are an integral part of these financial statements.

U.S. SILICA HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited; dollars in thousands)

	Three Months Ended March 31,	
	2018	**2017**
Net income	$ 31,294	$ 2,522
Other comprehensive income (loss):		
Unrealized gain (loss) on derivatives (net of tax of $1 and $(22) for the three months ended March 31, 2018 and 2017, respectively)	(2)	(36)
Foreign currency translation adjustment (net of tax of $1 and zero for the three months ended March 31, 2018 and 2017, respectively.)	3	—
Pension and other post-retirement benefits liability adjustment (net of tax of $730 and $340 for the three months ended March 31, 2018 and 2017, respectively)	2,293	565
Comprehensive income	$ 33,588	$ 3,051

The accompanying notes are an integral part of these financial statements.

U.S. SILICA HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited; dollars in thousands, except per share amounts)

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at December 31, 2017	$ 812	$ (25,456)	$ 1,147,084	$ 287,992	$ (13,926)	$ 1,396,506
Net income	—	—	—	31,294	—	31,294
Unrealized loss on derivatives	—	—	—	—	(2)	(2)
Foreign currency translation adjustment	—	—	—	—	3	3
Pension and post-retirement liability	—	—	—	—	2,293	2,293
Cash dividend declared ($0.0625 per share)	—	—	—	(4,881)	—	(4,881)
Common stock-based compensation plans activity:						
Equity-based compensation	—	—	6,254	—	—	6,254
Shares withheld for employee taxes related to vested restricted stock and stock units	2	(3,484)	(2)	—	—	(3,484)
Repurchase of common stock	—	(75,000)	—	—	—	(75,000)
Balance at March 31, 2018	$ 814	$ (103,940)	$ 1,153,336	$ 314,405	$ (11,632)	$ 1,352,983

The accompanying notes are an integral part of these financial statements.

U.S. SILICA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; dollars in thousands)

	Three Months Ended March 31,	
	2018	**2017**
Operating activities:		
Net income	$ 31,294	$ 2,522
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation, depletion and amortization	28,592	21,599
Debt issuance amortization	345	347
Original issue discount amortization	93	94
Deferred income taxes	7,786	(1,726)
Deferred revenue	3,562	(4,689)
(Gain) loss on disposal of property, plant and equipment	(5,799)	59
Equity-based compensation	6,254	5,510
Bad debt provision, net of recoveries	237	783
Other	(1,476)	1,012
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(39,077)	(51,747)
Inventories	15,797	9,251
Prepaid expenses and other current assets	694	(78)
Income taxes	(961)	68
Accounts payable and accrued expenses	(27,930)	(3,020)
Short-term and long-term obligations-vendor incentives	57,986	—
Liability for pension and other post-retirement benefits	212	497
Net cash provided by (used in) operating activities	77,609	(19,518)
Investing activities:		
Capital expenditures	(72,327)	(19,896)
Capitalized intellectual property costs	(1,011)	(1,245)
Proceeds from sale of property, plant and equipment	25,960	12
Net cash used in investing activities	(47,378)	(21,129)
Financing activities:		
Dividends paid	(5,069)	(5,092)
Repurchase of common stock	(75,000)	—
Proceeds from options exercised	—	517
Tax payments related to shares withheld for vested restricted stock and stock units	(3,485)	(3,377)
Repayment of long-term debt	(1,657)	(1,405)
Principal payments on capital lease obligations	(75)	(318)
Net cash used in financing activities	(85,286)	(9,675)
Net decrease in cash and cash equivalents	(55,055)	(50,322)
Cash and cash equivalents, beginning of period	384,567	711,225
Cash and cash equivalents, end of period	$ 329,512	$ 660,903
Supplemental cash flow information:		
Cash paid (received) during the period for:		
Interest	$ 6,592	$ 6,157
Taxes, net of refunds	$ 770	$ (57)

Related party purchases	$	672	$	858
Non-cash Items:				
Equipment received	$	—	$	18,185
Accrued capital expenditures	$	20,170	$	4,142
Capital lease assumed by third-party	$	119	$	—
Asset retirement obligation assumed by third-party	$	2,116	$	—

The accompanying notes are an integral part of these financial statements.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The accompanying Condensed Consolidated Financial Statements (the "Financial Statements") of U.S. Silica Holdings, Inc. ("Holdings," and together with its subsidiaries "we," "us" or the "Company") included in this Quarterly Report on Form 10-Q, have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X issued by the U.S. Securities and Exchange Commission ("SEC"). They do not contain certain information included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017; therefore, the interim Condensed Consolidated Financial Statements should be read in conjunction with that Annual Report on Form 10-K. In the opinion of management, all adjustments necessary for a fair presentation of the Financial Statements have been included. Such adjustments are of a normal, recurring nature.

Certain reclassifications of prior year's amounts have been made to conform to the current year presentation. In conforming to the current year's presentation, the Company identified and corrected an immaterial amount in its statement of cash flows for the three months ended March 31, 2017. The correction reduced Capital Expenditures within Net Cash Used in Investing Activities with a corresponding decrease to Accounts Payable and Accrued Expenses within Net Cash Used in Operating Activities. The amount is presented as Non-cash Accrued Capital Expenditures and had no impact in the Company's Balance Sheet, Income Statement or Net Change in Cash and Cash Equivalents in the Statement of Cash Flows.

In order to make this report easier to read, we refer throughout to (i) our Condensed Consolidated Balance Sheets as our "Balance Sheets," (ii) our Condensed Consolidated Statements of Operations as our "Income Statements," and (iii) our Condensed Consolidated Statements of Cash Flows as our "Cash Flows."

Unaudited Interim Financial Statements

The accompanying Balance Sheet as of March 31, 2018; the Income Statements and Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2018 and 2017; the Condensed Consolidated Statements of Stockholders' Equity and Cash Flows for the three months ended March 31, 2018; and other information disclosed in the related notes are unaudited. The Balance Sheet as of December 31, 2017, was derived from our audited consolidated financial statements included in our 2017 Annual Report.

Use of Estimates and Assumptions

The preparation of the Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the related disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. The more significant areas requiring the use of management estimates and assumptions relate to purchase price allocation for businesses acquired; mineral reserves that are the basis for future cash flow estimates utilized in impairment calculations and units-of-production amortization calculations; environmental, reclamation and closure obligations; estimates of recoverable minerals; estimates of allowance for doubtful accounts; estimates of fair value for certain reporting units and asset impairments (including impairments of goodwill and other long-lived assets); write-downs of inventory to net realizable value; equity-based compensation expense; post-employment, post-retirement and other employee benefit liabilities; valuation allowances for deferred tax assets; contingent considerations; reserves for contingencies and litigation and the fair value and accounting treatment of financial instruments including derivative instruments. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may differ significantly from these estimates under different assumptions or conditions.

Revenue Recognition

Products

We derive our product sales by mining and processing minerals that our customers purchase for various uses. Our product sales are primarily a function of the price per ton and the number of tons sold. We primarily sell our products through individual purchase orders executed under short-term price agreements or at prevailing market rates. The amount invoiced reflects product, transportation and / or additional handling services as applicable, such as storage, transloading the product from railcars to trucks and last mile logistics to the customer site. We invoice most of our product customers on a per shipment basis, although for some larger customers, we consolidate invoices weekly or monthly. Standard collection terms are net 30 days, although extended terms are offered in competitive situations.

We recognize revenue for products and materials at a point in time following the transfer of control of such items to the customer, which typically occurs upon shipment or delivery depending on the terms of the underlying contracts. We account for shipping and handling activities related to product and material sales contracts with customers as costs to fulfill our promise

to transfer the associated products pursuant to the accounting policy election allowed under ASC 606-10-18. Accordingly, we record amounts billed for shipping and handling costs as a component of net sales, and accrue and classify related costs as a component of cost of sales at the time revenue is recognized.

For a limited number of customers, we sell under long-term, minimum purchase supply agreements. These agreements define, among other commitments, the volume of product that our customers must purchase, the volume of product that we must provide and the price that we will charge and that our customers will pay for each product. Prices under these agreements are generally fixed and subject to certain contractual adjustments. Sometimes these agreements may undergo negotiations regarding pricing and volume requirements, which may often occur in volatile market conditions. While these negotiations continue, we may deliver sand at prices or at volumes below the requirements in our existing supply agreements. We do not consider these agreements solely representative of contracts with customers. An executed order specifying the type and quantity of product to be delivered, in combination with the noted agreements, comprise our contracts in these arrangements.

Service

We derive our service revenues primarily through the provision of transportation, equipment rental, and contract labor services to companies in the oil and gas industry. Transportation services typically consist of transporting customer proppant from storage facilities to proximal well-sites and are contracted through work orders executed under established pricing agreements. The amount invoiced reflects the transportation services rendered. Equipment rental services provide customers with use of either dedicated or nonspecific wellhead proppant delivery equipment solutions for contractual periods defined either through formal lease agreements or executed work orders under established pricing agreements. The amounts invoiced reflect the length of time the equipment set was utilized in the billing period. Contract labor services provide customers with proppant delivery equipment operators through work orders executed under established pricing agreements. The amounts invoiced reflect the amount of time our labor services were utilized in the billing period.

We typically invoice our customers on a weekly or monthly basis; however, some customers receive invoices upon well-site operation completion. Standard collection terms are net 30 days, although extended terms are offered in competitive situations. We typically recognize revenue for specific, dedicated equipment set rental arrangements under ASC 840, Leases. For the remaining components of service revenue, we have applied the practical expedient allowed under ASC 606-10-55-18 to recognize transportation revenues in proportion to the amount we have the right to invoice.

Contracts with Multiple Performance Obligations

For contracts that contain multiple performance obligations, such as work orders containing a combination of product, transportation, equipment rentals, and contract labor services, we allocate the transaction price to each performance obligation identified in the contract based on relative standalone selling prices, or estimates of such prices, and recognize the related revenue as control of each individual product or service is transferred to the customer, in satisfaction of the corresponding performance obligations.

Taxes Collected from Customers and Remitted to Governmental Authorities.

We exclude from our measurement of transaction prices all taxes assessed by governmental authorities that are both (i) imposed on and concurrent with a specific revenue-producing transaction and (ii) collected from customers. Accordingly, such tax amounts are not included as a component of net sales or cost of sales.

Deferred Revenues

For a limited number of customers, we enter into supply agreements which give customers the right to make advanced payments toward the purchase of certain products at specified volumes over an average initial period of one to five years. These payments represent consideration that is unconditional for which we have yet to transfer the related product. These payments are recorded as contract liabilities referred to as “deferred revenues” upon receipt and recognized as revenue upon delivery of the related product.

Unbilled Receivables

Revenues recognized in advance of invoice issuance create assets referred to as “unbilled receivables.” Any portion of our unbilled receivables for which our right to consideration is conditional on a factor other than the passage of time is considered a contract asset. These assets are presented on a combined basis with accounts receivable and are converted to accounts receivable once billed.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes previous revenue recognition guidance. The new guidance introduces a new principles-based framework for revenue recognition and disclosure. Since its issuance, the

FASB has issued additional ASUs, amending the guidance and the effective dates of amendments, and the SEC has rescinded certain related SEC guidance.

On January 1, 2018, we adopted the new accounting standard and all of the related amendments ("new revenue standard") to all contracts using the modified retrospective method. Adoption of the new revenue standard did not result in a material cumulative effect adjustment to the opening balance of retained earnings. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. We do not expect the adoption of the new revenue standard to have a material impact to our net income on an ongoing basis. See Note S -Revenue to these Financial Statements for additional disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms greater than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition. Similarly, lessors will be required to classify leases as sales-type, finance or operating, with classification affecting the pattern of income recognition. Classification for both lessees and lessors will be based on an assessment of whether risks and rewards as well as substantive control have been transferred through a lease contract. This update is effective for public entities for financial statements issued for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, and early adoption is permitted. This standard mandates a modified retrospective transition method. While we continue to evaluate the effect of the standard, we anticipate that the adoption will result in a material increase in assets and liabilities on our consolidated balance sheet and will not have a material impact on our consolidated income statement or statement of cash flows.

In January 2017, the FASB issued ASU 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment, which removes Step 2 from the goodwill impairment test. It is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed with a measurement date after January 1, 2017. We do not expect the adoption of this standard to have a material impact on our consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, Compensation-Retirement Benefits (Topic 715), Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit. The update requires companies to include the service cost component of net periodic benefit costs in the same line item or items as compensation costs arising from services rendered by the associated employees during the period. The update also disallows capitalization of the other components of net periodic benefit costs and requires those costs to be presented in the income statement separately from the service cost component and outside of a subtotal of income from operations. The update is effective for fiscal years beginning after December 15, 2017, including interim periods within those annual periods for public business entities. Companies are required to retrospectively apply the requirement for a separate presentation in the income statement of service costs and other components of net benefit cost and prospectively adopt the requirement to limit the capitalization of benefit costs to the service component. Application of a practical expedient is allowed permitting an employer to use the amounts disclosed in its pension and other postretirement benefit plan note for the prior comparative periods as the estimation basis for applying the retrospective presentation requirements.

We implemented the update on January 1, 2018 and utilized the practical expedient to estimate the impact on the prior comparative period information presented in the interim and annual financial statements. We previously capitalized all net periodic benefit costs incurred for plant personnel in inventory and recorded the majority of net periodic benefit costs incurred by corporate personnel and retirees into selling, general, and administrative expenses. The following is a reconciliation of the effect of the reclassification (in thousands) of the net benefit cost in the Company's condensed consolidated statements of income for the three months ended March 31, 2017:

	As Previously Reported	Adjustments	As Revised
Product cost of sales	$ 162,637	$ (287)	$ 162,350
Total cost of sales	187,475	(287)	187,188
Selling, general and administrative expenses	22,341	(202)	22,139
Operating income	13,382	489	13,871
Other income (expense)	(4,928)	(489)	(5,417)

In February 2018, the FASB issued Accounting Standards Update ASU 2018-02, Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. The ASU provides that the stranded tax effects from the Tax Act in accumulated other comprehensive loss may be reclassified

to retained earnings. The ASU is effective February 1, 2019, with early adoption permitted. We are currently evaluating the effect that the transition guidance will have on our financial statements and related disclosures.

NOTE B—EARNINGS PER SHARE

Basic earnings per common share is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per common share is computed similarly to basic earnings per common share except that the weighted average number of common shares outstanding is increased to include the number of additional common shares that would have been outstanding if the potentially dilutive common shares had been issued.

The following table shows the computation of basic and diluted earnings per share for the three months ended March 31, 2018 and 2017:

In thousands, except per share amounts	Three Months Ended March 31,	
	2018	**2017**
Numerator:		
Net income	$ 31,294	$ 2,522
Denominator:		
Weighted average shares outstanding	79,496	80,983
Diluted effect of stock awards	813	1,261
Weighted average shares outstanding assuming dilution	80,309	82,244
Basic earnings per share	$ 0.39	$ 0.03
Diluted earnings per share	$ 0.39	$ 0.03

Certain stock options, restricted stock awards and performance share units were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive. Weighted-average stock awards (in thousands) excluded from the calculation of diluted earnings per common share were as follows:

	Three Months Ended March 31,	
	2018	**2017**
Weighted-average outstanding stock options excluded	428	195
Weighted-average outstanding restricted stock and performance share units awards excluded	337	—

NOTE C—CAPITAL STRUCTURE AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Common Stock

Our Amended and Restated Certificate of Incorporation authorizes up to 500,000,000 shares of common stock, par value of $0.01. Subject to the rights of holders of any series of preferred stock, all of the voting power of the stockholders of Holdings shall be vested in the holders of the common stock. There were 81,518,347 shares issued and 77,867,261 shares outstanding at March 31, 2018. There were 81,267,205 shares issued and 80,524,255 shares outstanding at December 31, 2017.

During the three months ended March 31, 2018, our Board of Directors declared quarterly cash dividends as follows:

Dividends per Common Share	Declaration Date	Record Date	Payable Date
$ 0.0625	February 16, 2018	March 15, 2018	April 5, 2018

All dividends were paid as scheduled.

Any determination to pay dividends and other distributions in cash, stock, or property by Holdings in the future will be at the discretion of our Board of Directors and will be dependent on then-existing conditions, including our business and

financial condition, results of operations, liquidity, capital requirements, contractual restrictions including restrictive covenants contained in our debt agreements, and other factors. Additionally, because we are a holding company, our ability to pay dividends on our common stock may be limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us, including restrictions under the terms of the agreements governing our indebtedness.

Preferred Stock

Our Amended and Restated Certificate of Incorporation authorizes our Board of Directors to issue up to 10,000,000 shares, in the aggregate, of preferred stock, par value of $0.01 in one or more series, to fix the powers, preferences and other rights of such series, and any qualifications, limitations or restrictions thereof, including the dividend rate, conversion rights, voting rights, redemption rights and liquidation preference, and to fix the number of shares to be included in any such series, without any further vote or action by our stockholders.

There were no shares of preferred stock issued or outstanding at March 31, 2018 or December 31, 2017. At present, we have no plans to issue any preferred stock.

Share Repurchase Program

We are authorized by our Board of Directors to repurchase shares of our outstanding common stock from time to time on the open market or in privately negotiated transactions. As of March 31, 2018, we were authorized to repurchase up to $100 million of our common stock through December 11, 2018. Stock repurchases, if any, will be funded using our available liquidity. The timing and amount of stock repurchases will depend on a variety of factors, including the market conditions as well as corporate and regulatory considerations. During the three months ended March 31, 2018 we repurchased 2,828,023 shares of our common stock at an average price of $26.52. As of March 31, 2018, we have repurchased a total of 3,555,104 shares of our common stock at an average price of $28.13, completing the $100 million authorized under this program.

Our Board of Directors previously had authorized the repurchase of up to $50.0 million of our common stock. This program expired on December 11, 2017. We repurchased a total of 706,093 shares of our common stock at an average price of $23.83 under this program.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) consists of fair value adjustments associated with cash flow hedges, accumulated adjustments for net experience losses and prior service cost related to employee benefit plans and foreign currency translation adjustments primarily related to accounts payable denominated in Euros. The following table presents the changes in accumulated other comprehensive income (loss) by component (in thousands) during the three months ended March 31, 2018:

	For the Three Months Ended March 31, 2018			
	Unrealized gain/(loss) on cash flow hedges	Foreign currency translation adjustments	Pension and other post-retirement benefits liability	Total
Beginning Balance	$ (76)	$ (6)	$ (13,844)	$ (13,926)
Other comprehensive gain (loss) before reclassifications	—	(3)	1,806	1,803
Amounts reclassed from accumulated other comprehensive income	2	—	489	491
Ending Balance	$ (74)	$ (9)	$ (11,549)	$ (11,632)

Amounts reclassified from accumulated other comprehensive income (loss) related to cash flow hedges are included in interest expense in our Income Statements and amounts reclassified related to pension and other post-retirement benefits are included in the computation of net periodic benefit costs at their pre-tax amounts.

NOTE D—BUSINESS COMBINATIONS

2018 Acquisitions:

On March 22, 2018, U.S. Silica entered into a definitive agreement to acquire all of the outstanding capital stock of EP Minerals, a global producer of engineered materials derived from industrial minerals, including diatomaceous earth (DE), clay (calcium bentonite) and perlite. The consideration payable consists of $750.0 million of cash, subject to customary adjustments for net working capital, indebtedness, cash and transaction expenses as of the closing. U.S. Silica expects to fund the

consideration with additional borrowings pursuant to a contemplated amendment to its existing credit facilities and with cash on hand. The consummation of the acquisition is subject to the satisfaction or waiver of closing conditions applicable to both U.S. Silica and EP Minerals and it is expected to close in the second quarter of 2018.

2017 Acquisitions:

White Armor Acquisition:

On April 1, 2017, we completed the acquisition of White Armor, a product line of cool roof granules used in industrial roofing applications, for cash consideration of $18.6 million. The final purchase price was allocated to goodwill of approximately $3.9 million, identifiable intangible assets of $12.8 million and other net assets of approximately $1.9 million.

Goodwill in this transaction is attributable to planned growth in our specialty industrial sand segment. The goodwill amount is included in our Industrial & Specialty Products segment. Identifiable definite lived intangibles, including customer relationships, and goodwill are expected to be deductible for tax purposes.

We incurred $0.2 million of acquisition-related charges which are included in selling, general and administrative expenses during the year ended December 31, 2017. Revenue and earnings for White Armor after the acquisition date are not presented as the business was integrated into our operations subsequent to the acquisition and therefore impracticable to quantify.

MS Sand Acquisition:

On August 16, 2017, we completed the acquisition of Mississippi Sand, LLC ("MS Sand"), a Missouri limited liability company, for cash consideration of approximately $95.4 million, net of cash acquired of $2.2 million. As is normal and customary, subsequent adjustments were made including $(0.5) million to the net working capital adjustment plus an additional $6.1 million consideration paid related to a pre-existing contracted asset sale, which was entered into prior to our acquisition, for total cash consideration of $101.0 million. MS Sand is a frac sand mining and logistics company based in St. Louis, Missouri. The acquisition of MS Sand increased our regional frac sand product offering in our Oil & Gas Proppants segment.

We have accounted for the acquisition of MS Sand under the acquisition method of accounting in accordance with ASC 805, Business Combinations, and have accounted for measurement period adjustments in accordance with ASU 2015-16, Simplifying the Accounting for Measurement-Period Adjustments. Estimates of fair value included in the consolidated financial statements represent our best estimates and valuations. In accordance with the acquisition method of accounting, the allocation of consideration value is subject to adjustment until we complete our analysis, in a period of time, but not to exceed one year after the date of acquisition, or August 16, 2018, in order to provide us with the time to complete the valuation of its assets and liabilities.

The following table sets forth the current allocation of the purchase price to MS Sands' identifiable tangible and intangible assets acquired and liabilities assumed, including measurement period adjustments (in thousands):

	Estimate as of December 31, 2017	Measurement Period Adjustments	Purchase Price Allocation
Accounts receivable	$ 11,201	$ —	$ 11,201
Inventories	8,067	—	8,067
Other current assets	362	—	362
Assets held for sale	9,453	—	9,453
Property, plant and mine development	27,458	—	27,458
Mineral rights	26,300	(2,800)	23,500
Other non-current assets	1,136	—	1,136
Goodwill	22,522	2,800	25,322
Customer relationships	1,840	—	1,840
Total assets acquired	108,339	—	108,339
Accounts payable and accrued expenses	3,761	—	3,761
Unfavorable leasehold positions	2,237	—	2,237
Notes Payable	866	—	866
Other long term liabilities	—	—	—
Asset retirement obligations	474	—	474
Total liabilities assumed	7,338	—	7,338
Net assets acquired	$ 101,001	$ —	$ 101,001

The acquired intangible assets and the related estimated useful lives consist of the following:

	Approximate Fair Value	Estimated Useful Life
	(in thousands)	*(in years)*
Customer relationships	$ 1,840	15

Goodwill in this transaction is attributable to planned growth in our regional frac sand product offering in our Oil & Gas Proppants segment. The goodwill amount is included in our Oil & Gas Proppants segment. Identifiable definite lived intangibles, including customer relationships, and goodwill are expected to be deductible for tax purposes.

We have incurred $0.9 million to date of acquisition-related charges which are included in selling, general and administrative expenses. Revenue and earnings for MS Sand after the acquisition date are not presented as the business was integrated into our operations subsequent to the acquisition and therefore impracticable to quantify.

Both acquisitions were accounted for using the acquisition method of accounting. The purchase price and purchase price allocation for the MS Sand acquisition is preliminary and subject to customary post-closing adjustments and changes in the fair value of assets and liabilities. The above estimated fair values of net assets acquired are based on the information that was available as of the reporting date. We believe that the information provides a reasonable basis for estimating the fair values of the acquired assets and assumed liabilities, but the potential for measurement period adjustments exists based on our continuing review of matters related to the acquisition. As a result, our final purchase price allocation may be significantly different than reflected above. We expect to complete the purchase price allocation as soon as practicable, but no later than one year from the acquisition date.

Unaudited Pro Forma Results

The results of MS Sand's operations have been included in the consolidated financial statements subsequent to the acquisition dates. The following unaudited pro forma consolidated financial information reflects the results of operations as if the MS Sand Acquisition had occurred on January 1, 2016, after giving effect to certain purchase accounting adjustments. These adjustments mainly include incremental depreciation expense related to the fair value adjustment of property, plant, equipment and mine development, amortization expense related to identifiable intangible assets and tax expense related to the combined tax provisions. This information does not purport to be indicative of the actual results that would have occurred if the acquisition had actually been completed on the date indicated, nor is it necessarily indicative of the future operating results or the financial position of the combined company (in thousands, except per share amounts):

	For the year ended December 31,	
	2017	2016
Sales	$ 1,287,202	$ 642,951
Net income (loss)	$ 143,604	$ (55,835)
Basic earnings (loss) per share	$ 1.77	$ (0.86)
Diluted earnings (loss) per share	$ 1.75	$ (0.86)

NOTE E—ACCOUNTS RECEIVABLE

At March 31, 2018 and December 31, 2017, accounts receivable (in thousands) consisted of the following:

	March 31, 2018	December 31, 2017
Trade receivables	$ 247,178	$ 217,649
Less: Allowance for doubtful accounts	(7,250)	(7,100)
Net trade receivables	239,928	210,549
Other receivables	11,347	2,037
Total accounts receivable	$ 251,275	$ 212,586

Changes in our allowance for doubtful accounts (in thousands) during the three months ended March 31, 2018 are as follows:

	March 31, 2018
Beginning balance	$ 7,100
Bad debt provision	237
Write-offs	(87)
Ending balance	$ 7,250

Our ten largest customers accounted for approximately 52% and 55% of total sales during the three months ended March 31, 2018 and 2017, respectively. Sales to one of our customers accounted for 15% of our total sales during the three months ended March 31, 2018. Sales to two of our customers accounted for 14% and 11% of our total sales during the three months ended March 31, 2017. No other customers accounted for 10% or more of our total sales. At March 31, 2018, one of our customers' accounts receivable represented 17% of our total accounts receivable, net of allowance. At December 31, 2017, two of our customers' accounts receivable represented 19% and 11% of our total accounts receivable, net of allowance. No other customers accounted for 10% or more of our total accounts receivable.

NOTE F—INVENTORIES

At March 31, 2018 and December 31, 2017, inventories (in thousands) consisted of the following:

	March 31, 2018	December 31, 2017
Supplies	$ 22,338	$ 21,277
Raw materials and work in process	24,175	28,034
Finished goods	30,066	43,065
Total inventories	$ 76,579	$ 92,376

NOTE G—PROPERTY, PLANT AND MINE DEVELOPMENT

At March 31, 2018 and December 31, 2017, property, plant and mine development (in thousands) consisted of the following:

	March 31, 2018	December 31, 2017
Mining property and mine development	$ 584,778	$ 586,242
Asset retirement cost	12,166	14,184
Land	36,552	36,552
Land improvements	50,793	45,878
Buildings	55,280	56,330
Machinery and equipment	634,807	590,566
Furniture and fixtures	2,862	2,953
Construction-in-progress	187,639	189,970
	1,564,877	1,522,675
Accumulated depletion, depreciation and amortization	(369,155)	(353,520)
Total property, plant and mine development, net	$ 1,195,722	$ 1,169,155

At March 31, 2018 and December 31, 2017, the aggregate cost of machinery and equipment acquired under capital leases was $0.9 million, reduced by accumulated depreciation of $0.2 million. The amount of interest costs capitalized in property, plant and mine development was $1.8 million for the three months ended March 31, 2018. There were no interest costs capitalized for the three months ended March 31, 2017.

On March 21, 2018, we completed the sale of three transload facilities located in the Permian, Eagle Ford, and Marcellus Basins to CIG Logistics (“CIG”) for total consideration of $86.1 million, including the assumption by CIG of $2.2 million of Company obligations. Total cash consideration was $83.9 million. The consideration includes receipt of a vendor incentive from CIG to enter into master transloading service arrangements. Of the total consideration, $25.8 million was allocated to the fair value of the transload facilities, which had a net book value of $20.0 million and resulted in a gain on sale of $5.8 million. The consideration included a related asset retirement obligation of $2.1 million and an equipment note of $0.1 million assumed by CIG. In addition, $60.3 million of the consideration received in excess of the facilities' fair value was allocated to vendor incentives to be recognized as a reduction of costs using a service-level methodology over the contract lives of the transloading service arrangements. At March 31, 2018, vendor incentives are classified in accounts payable and accrued expenses and in other long-term obligations on our balance sheet.

Separately, the Company has accrued $7.9 million in contract termination costs for facilities contracts operated by third-parties, which will not transfer to CIG. These costs of $5.9 million in accounts payable and accrued expenses and $2.0 million of other long-term obligations are on our balance sheet.

NOTE H—GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill (in thousands) consisted of the following:

	Goodwill
Balance at December 31, 2017	$ 272,079
MS Sand acquisition measurement period adjustment	2,800
Balance at March 31, 2018	$ 274,879

The changes in the carrying amount of intangible assets (in thousands) consisted of the following:

	Estimated Useful Life	March 31, 2018 Gross Carrying Amount	March 31, 2018 Accumulated Amortization	March 31, 2018 Net	December 31, 2017 Gross Carrying Amount	December 31, 2017 Accumulated Amortization	December 31, 2017 Net
	(in years)						
Technology and intellectual property	15	$ 71,713	$ (7,127)	$ 64,586	$ 70,703	$ (5,917)	$ 64,786
Customer relationships	13 - 15	61,229	(10,181)	51,048	61,229	(9,076)	52,153
Total definite-lived intangible assets:		$ 132,942	$ (17,308)	$ 115,634	$ 131,932	$ (14,993)	$ 116,939
Trade name		33,068	—	33,068	33,068	—	33,068
Total intangible assets:		$ 166,010	$ (17,308)	$ 148,702	$ 165,000	$ (14,993)	$ 150,007

Amortization expense was $2.3 million and $2.0 million for the three months ended March 31, 2018 and 2017.

The estimated amortization expense related to definite-lived intangible assets (in thousands) for the five succeeding years is as follows:

2018	$ 6,980
2019	9,306
2020	9,306
2021	9,306
2022	9,291

NOTE I—DEBT

At March 31, 2018 and December 31, 2017, debt (in thousands) consisted of the following:

	March 31, 2018	December 31, 2017
Senior secured credit facility:		
Revolver expiring July 23, 2018 (6.25% at March 31, 2018 and 5.75% at December 31, 2017)	$ —	$ —
Term loan facility—final maturity July 23, 2020 (4.94%-5.44% at March 31, 2018 and 4.75%-5.25% December 31, 2017)	487,800	489,075
Less: Unamortized original issue discount	(850)	(944)
Less: Unamortized debt issuance cost	(2,755)	(3,099)
Note payable secured by royalty interest	25,635	24,740
Customer note payable	566	745
Equipment notes payable	516	719
Total debt	510,912	511,236
Less: current portion	(4,305)	(4,504)
Total long-term portion of debt	$ 506,607	$ 506,732

Revolving Line-of-Credit

We have a $50.0 million revolving line-of-credit (the “Revolver”), with zero drawn and $4.5 million allocated for letters of credit as of March 31, 2018, leaving $45.5 million available under the Revolver.

Senior Secured Credit Facility

At March 31, 2018, contractual maturities of our senior secured credit facility (in thousands) are as follows:

2018	$	3,825
2019		5,100
2020		478,875
Total	$	487,800

Our senior secured credit facility is secured by a pledge of substantially all of our assets, including accounts receivable, inventory, property, plant and mine development, and a pledge of the equity interests in certain of our subsidiaries. The facility contains covenants that, among other things, govern our ability to create, incur or assume indebtedness and liens, to make acquisitions or investments, to sell assets and to pay dividends. This includes a restriction on the ability of our operating subsidiaries to make distributions to us to the extent that the incurrence ratio (as defined in the senior secured credit facility) after giving effect to the distribution is 3:1 or greater. The facility also requires us to maintain a consolidated total net leverage ratio of no more than 3.75:1.00 as of the last day of any fiscal quarter whenever usage of the Revolver (other than certain undrawn letters of credit) exceeds 25% of the Revolver commitment. As of March 31, 2018 and December 31, 2017, we are in compliance with all covenants in accordance with our senior secured credit facility.

Note Payable Secured by Royalty Interest

In conjunction with the acquisition of NBI in August 2016, we assumed a note payable secured by a royalty interest. The monthly royalty payment is calculated based on future tonnages and sales related to the sand shipped from our Tyler, Texas facility. The note payable is due by June 30, 2032. The note does not provide a stated interest rate. The minimum payments (in thousands) for the next five years required by the note are as follows:

2018	$	1,313
2019		1,750
2020		1,750
2021		1,750
2022		1,750

Under this agreement once a certain number of tons have been shipped from the Tyler facility, the minimum payments will decrease to $0.5 million per year, subject to proration in the period this threshold is met.

The royalty note payable fair value was estimated to be $22.5 million on the acquisition date. The estimate was made using a discounted cash flow model, which calculated the present value of projected future cash payments required under the agreement using a discounted rate of 14%. As of March 31, 2018, the note payable has a balance of $25.6 million. The increase in the note payable amount is due to interest paid-in-kind. The effective interest rate based on the updated projected future cash payments is 22% at March 31, 2018.

NOTE J—DEFERRED REVENUE

We enter into certain customer supply agreements which give the customers the right to purchase certain products for a discounted price at certain volumes over an average initial contract term of one to five years. The advance payments represent future purchases and are recorded as deferred revenue, recognized as revenue over the contract term of each supply agreement. During the three months ended March 31, 2018 we received advances of $10.5 million. At March 31, 2018 and December 31, 2017, the total deferred revenue balance was $122.0 million and $118.4 million, respectively, of which $52.3 million and $36.1 million was classified as current on our Balance Sheets.

NOTE K—ASSET RETIREMENT OBLIGATION

Mine reclamation or future remediation costs for inactive mines are accrued based on management’s best estimate at the end of each period of the costs expected to be incurred at a site. Such cost estimates include, where applicable, ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised.

As of March 31, 2018, we had a liability of $16.8 million in other long-term obligations related to our asset retirement obligation. Changes in the asset retirement obligation (in thousands) during the three months ended March 31, 2018 are as follows:

	March 31, 2018
Beginning balance	$ 19,032
Accretion	326
Additions and revisions of prior estimates	(486)
Disposal related to sale of transloads	(2,116)
Ending balance	$ 16,756

NOTE L—FAIR VALUE ACCOUNTING

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Inputs that are generally unobservable and typically reflect management’s estimate of assumptions that market participants would use in pricing the asset or liability.

Cash Equivalents

Due to the short-term maturity, we believe our cash equivalent instruments at March 31, 2018 and December 31, 2017 approximate their reported carrying values.

Long-Term Debt, Including Current Maturities

We believe that the fair values of our long-term debt, including current maturities, approximate their carrying values based on their effective interest rates compared to current market rates.

Derivative Instruments

The estimated fair value of our derivative instruments (interest rate caps) are recorded at each reporting period and are based upon widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative contract. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. We also incorporate credit valuation adjustments to appropriately reflect both our nonperformance risk as well as that of the respective counterparty in the fair value measurements.

Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default of ourselves and our counterparties. However, as of March 31, 2018, we have assessed that the impact of the credit valuation adjustments on the overall valuation of our derivative positions is not significant. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy. As of March 31, 2018 and December 31, 2017, the fair value of our derivative instruments was zero. Additional disclosures for derivative instruments are presented in Note M - Derivative Instruments to these Financial Statements.

NOTE M—DERIVATIVE INSTRUMENTS

Cash Flow Hedges of Interest Rate Risk

We enter into interest rate cap agreements in connection with our term loan facility (the "Term Loan") to add stability to interest expense and to manage our exposure to interest rate movements. Interest rate caps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an upfront premium.

The following table summarizes the fair value of our derivative instruments (in thousands, except contract/notional amount). See Note L - Fair Value Accounting for additional disclosures regarding the estimated fair values of our derivative instruments at March 31, 2018 and December 31, 2017.

	March 31, 2018				December 31, 2017			
	Maturity Date	Contract/Notional Amount	Carrying Amount	Fair Value	Maturity Date	Contract/Notional Amount	Carrying Amount	Fair Value
Interest rate cap agreement[1]	2019	$249 million	$ —	$ —	2019	$249 million	$ —	$ —

[1] Agreements limit the LIBOR floating interest rate base to 4%.

We have designated these contracts as qualified cash flow hedges. Accordingly, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and recognized in earnings in the same period or periods during which the hedged transaction affects earnings. During the three months ended March 31, 2018 and 2017, we had no ineffectiveness for such contracts.

The following table summarizes the effect of derivatives instruments (in thousands) on our income statements and our consolidated statements of comprehensive income for the three months ended March 31, 2018 and 2017.

	March 31, 2018	March 31, 2017
Deferred losses from derivatives in OCI, beginning of period	$ (76)	$ (32)
Loss recognized in OCI from derivative instruments	—	(36)
Gain reclassified from Accumulated OCI	2	—
Deferred losses from derivatives in OCI, end of period	$ (74)	$ (68)

NOTE N—EQUITY-BASED COMPENSATION

In July 2011, we adopted the U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan (the “2011 Plan”), which was amended and restated in May 2015. The 2011 Plan provides for grants of stock options, restricted stock, performance share units and other incentive-based awards. We believe our 2011 Plan aligns the interests of our employees and directors with those of our common stockholders. At March 31, 2018, we have 4,481,559 shares of common stock that may be issued under the 2011 Plan. We use a combination of treasury stock and new shares if necessary to satisfy option exercises or vesting of restricted awards and performance share units.

Stock Options

The following table summarizes the status of, and changes in, our stock option awards during the three months ended March 31, 2018:

	Number of Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value (in thousands)	Weighted Average Remaining Contractual Term in Years
Outstanding at December 31, 2017	908,919	$ 28.46	$ 7,008	6.1 years
Granted	—	—	—	
Exercised	—	—	—	
Forfeited	(918)	31.30	—	
Outstanding at March 31, 2018	908,001	$ 28.46	$ 3,679	5.5 years
Exercisable at March 31, 2018	791,868	$ 27.02	$ 3,679	5.3 years

There were no grants of stock options during the three months ended March 31, 2018 and 2017.

There were zero and 24,852 stock options exercised during the three months ended March 31, 2018 and 2017, respectively. The total intrinsic value of stock options exercised was $0.9 million for the three months ended March 31, 2017. Cash received from options exercised during the three months ended March 31, 2017 was $0.5 million. The tax benefit realized from option exercises totaled $0.3 million for the three months ended March 31, 2017.

We recognized $0.5 million and $0.6 million of equity-based compensation expense related to options during the three months ended March 31, 2018 and 2017, respectively. As of March 31, 2018, there was $0.7 million of total unrecognized compensation expense related to these options, which is expected to be recognized over a weighted-average period of approximately 0.5 years. We account for forfeitures as they occur.

Restricted Stock and Restricted Stock Unit Awards

The following table summarizes the status of, and changes in, our unvested restricted stock awards during the three months ended March 31, 2018:

	Number of Shares		Grant Date Weighted Average Fair Value
Unvested, December 31, 2017	461,346	$	30.76
Granted	3,852		30.11
Vested	(132,081)		24.56
Forfeited	(10,309)		35.65
Unvested, March 31, 2018	322,808	$	33.14

We granted 3,852 and 1,500 restricted stock and restricted stock unit awards during the three months ended March 31, 2018 and 2017, respectively. The fair value of the awards was based on the market price of our stock at date of grant.

We recognized $1.8 million and $1.5 million of equity-based compensation expense related to restricted stock awards during the three months ended March 31, 2018 and 2017, respectively. As of March 31, 2018, there was $7.2 million of total unrecognized compensation expense related to these restricted stock awards, which is expected to be recognized over a weighted-average period of 1.6 years.

Performance Share Unit Awards

The following table summarizes the status of, and changes in, our performance share unit awards during the three months ended March 31, 2018:

	Number of Shares		Grant Date Weighted Average Fair Value
Unvested, December 31, 2017	881,416	$	42.16
Granted	—		—
Vested	(225,000)		41.99
Forfeited	(5,972)		58.71
Unvested, March 31, 2018	650,444	$	42.07

There were no grants of performance share unit awards during the three months ended March 31, 2018 and 2017, respectively.

We recognized $4.3 million and $3.4 million of compensation expense related to performance share unit awards during the three months ended March 31, 2018 and 2017, respectively. As of March 31, 2018, there was $13.9 million of estimated total unrecognized compensation expense related to these performance share unit awards, which is expected to be recognized over a weighted-average period of 1 year.

NOTE O—COMMITMENTS AND CONTINGENCIES

Future Minimum Annual Commitments at March 31, 2018 (in thousands):

Year ending December 31,	Operating Lease Minimum Rental Payments	Minimum Purchase Commitments
2018	$ 53,739	$ 18,292
2019	64,746	22,829
2020	52,868	17,951
2021	36,031	9,459
2022	30,301	6,851
Thereafter	55,739	4,565
Total future lease and purchase commitments	$ 293,424	$ 79,947

Operating Leases

We are obligated under certain operating leases for railroad cars, office space, mining property, mining/processing equipment and transportation and other equipment. Certain operating lease agreements include options to purchase the equipment for fair market value at the end of the original lease term. In general, the above leases include renewal options and provide that we pay for all utilities, insurance, taxes and maintenance. Expense related to operating leases and rental agreements totaled approximately $22.8 million and $15.4 million for the three months ended March 31, 2018 and 2017, respectively.

Minimum Purchase Commitments

We enter into service agreements with our transload service providers and transportation service providers. Some of these agreements require us to purchase a minimum amount of services over a specific period of time. Any inability to meet these minimum contract requirements requires us to pay a shortfall fee, which is based on the difference between the minimum amount contracted for and the actual amount purchased.

Contingent Liability on Royalty Agreement

On May 17, 2017, we purchased reserves in Crane County, Texas, for $94.4 million cash consideration plus contingent consideration. The contingent consideration is a royalty that is based on the tonnage shipped to third-parties. Because the contingent consideration is dependent on future tonnage sold, the amounts of which are uncertain, it is not currently possible to estimate the fair value of these future payments. The contingent consideration will be capitalized at the time a payment is probable and reasonably estimable, and the related depletion expense will be adjusted prospectively.

Other Commitments and Contingencies

Our operating subsidiary, U.S. Silica Company (“U.S. Silica”), has been named as a defendant in various product liability claims alleging silica exposure causing silicosis. During the three months ended March 31, 2018, one new claim was brought against U.S. Silica. As of March 31, 2018, there were 60 active silica-related products liability claims pending in which U.S. Silica is a defendant. Although the outcomes of these claims cannot be predicted with certainty, in the opinion of management, it is not reasonably possible that the ultimate resolution of these matters will have a material adverse effect on our financial position or results of operations that exceeds the accrual amounts.

We have recorded estimated liabilities for these claims in other long-term obligations as well as estimated recoveries under the indemnity agreement and an estimate of future recoveries under insurance in other assets on our condensed consolidated balance sheets. As of both March 31, 2018, and December 31, 2017 other non-current assets included zero for insurance for third-party products liability claims and other long-term obligations included $1.0 million for third-party products liability claims.

NOTE P— PENSION AND POST-RETIREMENT BENEFITS

We maintain a single-employer noncontributory defined benefit pension plan covering certain employees. There have been no new entrants to the plan since May 2009 when the plan was frozen to all new employees. The plan provides benefits based on each covered employee's years of qualifying service. Our funding policy is to contribute amounts within the range of the minimum required and maximum deductible contributions for the plan consistent with a goal of appropriate minimization of the unfunded projected benefit obligation. The pension plan uses a benefit level per year of service for covered hourly employees and a final average pay method for covered salaried employees. The plan uses the projected unit credit cost method to determine the actuarial valuation.

Net pension benefit cost (in thousands) consisted of the following for the three months ended March 31, 2018 and 2017:

	Three Months Ended March 31,	
	2018	2017
Service cost	$ 279	$ 295
Interest cost	978	883
Expected return on plan assets	(1,243)	(1,331)
Net amortization and deferral	631	693
Net pension benefit costs	$ 645	$ 540

In addition, we provide defined benefit post-retirement health care and life insurance benefits to some employees. Covered employees become eligible for these benefits at retirement after meeting minimum age and service requirements. The projected future cost of providing post-retirement benefits, such as healthcare and life insurance, is recognized as an expense as employees render services. We previously maintained a Voluntary Employees' Beneficiary Association trust that was used to partially fund health care benefits for future retirees. Benefits were funded to the extent contributions were tax deductible, which under current legislation is limited. In 2017, the trust terminated upon depletion of its assets, which were used in accordance with trust terms. In general, retiree health benefits are paid as covered expenses are incurred.

Net post-retirement benefit cost (in thousands) consisted of the following for the three months ended March 31, 2018 and 2017:

	Three Months Ended March 31,	
	2018	2017
Service cost	$ 27	$ 32
Interest cost	188	192
Net amortization and deferral	—	54
Net post-retirement benefit costs	$ 215	$ 278

We made $0.3 million and zero contributions to the qualified pension plan for the three months ended March 31, 2018 and 2017, respectively. Total expected employer funding contributions during the fiscal year ending December 31, 2018 are $2.5 million for the pension plan and $1.4 million for the post-retirement medical and life plan.

We contribute to three multiemployer defined benefit pension plans under the terms of collective-bargaining agreements for union-represented employees. A multiemployer plan is subject to collective bargaining for employees of two or more unrelated companies. These plans allow multiple employers to pool their pension resources and realize efficiencies associated with the daily administration of the plan. Multiemployer plans are generally governed by a board of trustees composed of management and labor representatives and are funded through employer contributions. However, in most cases, management is not directly represented. Our contributions to individual multiemployer pension funds did not exceed 5% of the fund's total contributions. Additionally, our contributions to the multiemployer post-retirement benefit plans were immaterial for the three months ended March 31, 2018 and 2017

NOTE Q— OBLIGATIONS UNDER GUARANTEES

We have indemnified the Travelers Companies, Inc. and subsidiaries ("Travelers") against any loss Travelers may incur in the event that holders of surety bonds, issued on behalf of us by Travelers, execute the bonds. As of March 31, 2018, Travelers had $12.2 million in bonds outstanding for us. The majority of these bonds, $10.3 million, relate to reclamation requirements issued by various governmental authorities. Reclamation bonds remain outstanding until the mining area is reclaimed and the authority issues a formal release. The remaining bonds relate to such indefinite purposes as licenses, permits, and tax collection.

NOTE R— INCOME TAXES

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code including, but not limited to, (1) bonus depreciation that will allow for full expensing of qualified property; (2) reduction of the U.S. federal corporate tax rate; (3) elimination of the corporate alternative minimum tax; (4) a new limitation on deductible interest expense; (5) the repeal of the domestic production activity deduction; (6) limitations on the deductibility of certain executive compensation; and (7) limitations on net operating losses generated after December 31, 2017, to 80 percent of taxable income.

The SEC staff issued SAB 118, which provides guidance on accounting for the tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act. Additional information that may affect the accounting under ASC 740 would include further clarification and guidance on how the Internal Revenue Service and state taxing authorities will implement the Tax Act. We did not make any Tax Act adjustments to the accounting under ASC 740 for the three months ending March 31, 2018 and we do not believe potential adjustments in future periods would materially impact the Company's financial condition or results of operations.

The Tax Act reduces the corporate tax rate to 21 percent, effective January 1, 2018. Because ASC 740-10-25-47 requires the effect of a change in tax laws or rates to be recognized as of the date of enactment, we were required to adjust deferred tax assets and liabilities as of December 22, 2017. Accordingly, for the year ended December 31, 2017, we recorded a decrease related to deferred tax assets and liabilities of $45.0 million and $80.8 million, respectively, with a corresponding net adjustment to deferred income tax benefit of $35.8 million.

Under the Tax Act, net operating loss (NOL) deductions arising in tax years beginning after December 31, 2017 can only offset up to 80 percent of future taxable income. The Act also prohibits NOL carrybacks, but allows indefinite carryforwards for NOLs arising in tax years beginning after December 31, 2017. Net operating losses arising before January 1, 2018 are accounted for under the previous tax rules that imposed no limit on the amount of the taxable income that can be set off using NOLs and that can be carried back 2 years, and carried forward 20 years.

The Tax Act repeals the corporate alternative minimum tax (AMT), effective for tax years beginning after December 31, 2017, but allows an entity to claim portions of any unused AMT credits over the next four years to offset its regular tax liability. An entity with unused AMT credits as of December 31, 2017 can first use these credits to offset its regular tax for 2017, and can then claim up to 50 percent of the remaining AMT credits in 2018, 2019, and 2020, with all remaining AMT credits refundable in 2021.

For interim period reporting, we record income taxes using an estimated annual effective tax rate based upon projected annual income, forecasted permanent tax differences, discrete items and statutory rates in states in which we operate. At the end of each interim period, we update the estimated annual effective tax rate, and if the estimated tax rate changes based on new information, we make a cumulative adjustment in the period. We record the tax effect of an unusual or infrequently occurring item in the interim period in which it occurs as a discrete item of tax.

In the three months ended March 31, 2018, we recorded a tax expense of $0.5 million related to equity compensation pursuant to ASU 2016-09. In the three months ended March 31, 2017, we recorded a tax benefit of $1.5 million related to equity compensation pursuant to ASU 2016-09.

The effective tax rate was 19% and (212)% for the three months ended March 31, 2018 and 2017, respectively. The tax rate for the three months ended March 31, 2018 and 2017 would have been 18% and (26)%, respectively, without the equity compensation tax expense or benefit recorded discretely.

Historically, our actual effective tax rates have differed from the statutory effective rate primarily due to the benefit received from statutory percentage depletion allowances. The deduction for statutory percentage depletion does not necessarily change proportionately to changes in income before income taxes.

NOTE S— REVENUE

We consider sales disaggregated at the product and service level by segment to depict how the nature, amount, timing and uncertainty of revenues and cash flow are impacted by changes in economic factors. The following table disaggregates our sales by major source for the three months ended March 31, 2018 (in thousands):

Category	Oil & Gas Proppants	Industrial & Specialty Products	Total Sales
Product	$ 238,422	$ 56,366	$ 294,788
Service	74,508	17	74,525
Total Sales	312,930	56,383	369,313

The following tables reflect the changes in our contract assets, which we classify as unbilled receivables and our contract liabilities, which we classify as deferred revenues, for the three months ended March 31, 2018 (in thousands):

	Unbilled Receivables
December 31, 2017	$ 5,245
Reclassifications to billed receivables	(5,245)
Revenues recognized in excess of period billings	2,939
March 31, 2018	$ 2,939

	Deferred Revenue
December 31, 2017	$ 118,414
Revenues recognized from balances held at the beginning of the period	(6,969)
Revenues deferred from period collections on unfulfilled performance obligations	10,530
March 31, 2018	$ 121,975

We have elected to use the practical expedients allowed under ASC 606-10-50-14, pursuant to which we have excluded disclosures of transaction prices allocated to remaining performance obligations and when we expect to recognize such revenue. The majority of our remaining performance obligations are primarily comprised of unfulfilled product, transportation service, and labor service orders, all of which hold a remaining duration of less than one year. The long term portion of deferred revenue primarily represents a combination of refundable and nonrefundable customer prepayments for which related current performance obligations do not yet exist, but are expected to arise, before the expiration of the contract. Our residual unfulfilled performance obligations are comprised primarily of long-term equipment rental arrangements in which we recognize revenues equal to what we have a right to invoice. Generally, no variable consideration exists related to our remaining performance obligations and no consideration is excluded from the associated transaction prices.

NOTE T— RELATED PARTY TRANSACTIONS

A current officer of one of our operating subsidiaries holds an ownership interest in a transportation brokerage and logistics services vendor, from which we made purchases of approximately $0.9 million and $0.6 million for the three months ended March 31, 2018 and 2017, respectively.

NOTE U— SEGMENT REPORTING

Our business is organized into two reportable segments, Oil & Gas Proppants and Industrial & Specialty Products, based on end markets. The reportable segments are consistent with how management views the markets that we serve and the financial information reviewed by the chief operating decision maker. We manage our Oil & Gas Proppants and Industrial & Specialty Products businesses as components of an enterprise for which separate information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assess performance.

In the Oil & Gas Proppants segment, we serve the oil and gas recovery market primarily by providing and delivering fracturing sand, or “frac sand,” which is pumped down oil and natural gas wells to prop open rock fissures and increase the flow rate of oil and natural gas from the wells.

The Industrial & Specialty Products segment consists of over 200 products and materials used in a variety of industries, including container glass, fiberglass, specialty glass, flat glass, building products, fillers and extenders, foundry products, chemicals, recreation products and filtration products.

An operating segment’s performance is primarily evaluated based on segment contribution margin, which excludes certain corporate costs not associated with the operations of the segment. These corporate costs are separately stated below and include costs that are related to functional areas such as operations management, corporate purchasing, accounting, treasury, information technology, legal and human resources. We believe that segment contribution margin, as defined above, is an appropriate measure for evaluating the operating performance of our segments. However, this measure should be considered in addition to, not a substitute for, or superior to, net income (loss) or other measures of financial performance prepared in accordance with generally accepted accounting principles. The other accounting policies of each of the two reporting segments are the same as those in Note A - Summary of Significant Accounting Policies to these Financial Statements.

The following table presents sales and segment contribution margin (in thousands) for the reporting segments and other operating results not allocated to the reported segments for the three months ended March 31, 2018 and 2017:

	Three Months Ended March 31,	
	2018	2017
Sales:		
Oil & Gas Proppants	$ 312,930	$ 192,959
Industrial & Specialty Products	56,383	51,838
Total sales	369,313	244,797
Segment contribution margin:		
Oil & Gas Proppants	99,433	38,842
Industrial & Specialty Products	20,530	20,215
Total segment contribution margin	119,963	59,057
Operating activities excluded from segment cost of sales	(11,560)	(1,735)
Selling, general and administrative	(34,591)	(22,341)
Depreciation, depletion and amortization	(28,592)	(21,599)
Interest expense	(7,070)	(7,646)
Other income (expense), net, including interest income	665	(4,928)
Income tax (expense) benefit	(7,521)	1,714
Net income	$ 31,294	$ 2,522

Asset information, including capital expenditures and depreciation, depletion, and amortization, by segment is not included in reports used by management in its monitoring of performance and, therefore, is not reported by segment. At March 31, 2018, goodwill of $274.9 million has been allocated to these segments with $250.3 million assigned to Oil & Gas Proppants and $24.6 million to Industrial & Specialty Products. At December 31, 2017, goodwill of $272.1 million had been allocated to these segments with $247.5 million assigned to Oil & Gas Proppants and $24.6 million to Industrial & Specialty Products.

NOTE V— SUBSEQUENT EVENTS

On April 5, 2018, we paid a cash dividend of $0.0625 per share to common stockholders of record on March 15, 2018, which had been declared by our Board of Directors on February 16, 2018.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with the Condensed Consolidated Financial Statements and the accompanying notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q as well as the Consolidated Financial Statements, the accompanying notes and the related Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the "2017 Annual Report").

Overview

We are one of the largest domestic producers of commercial silica, a specialized mineral that is a critical input into a variety of attractive end markets. During our 118-year history, we have developed core competencies in mining, processing, logistics and materials science that enable us to produce and cost-effectively deliver 233 products to customers across these markets. As of March 31, 2018, we operate 20 production facilities across the United States and control 763 million tons of reserves of commercial silica, which can be processed to make 323 million tons of finished products that meet American Petroleum Institute (API) frac sand specifications.

Our operations are organized into two segments based on end markets served: (1) Oil & Gas Proppants and (2) Industrial & Specialty Products. Our segments are complementary because our ability to sell to a wide range of customers across end markets allows us to maximize recovery rates in our mining operations, optimize our asset utilization and reduce the cyclicality of our earnings.

Acquisitions

On March 22, 2018, U.S. Silica entered into a definitive agreement to acquire all of the outstanding capital stock of EP Minerals, a global producer of engineered materials derived from industrial minerals, including diatomaceous earth (DE), clay (calcium bentonite) and perlite. The consideration payable consists of $750.0 million of cash, subject to customary adjustments for net working capital, indebtedness, cash and transaction expenses as of the closing. U.S. Silica expects to fund the consideration with additional borrowings pursuant to a contemplated amendment to its existing credit facilities and with cash on hand. The consummation of the acquisition is subject to the satisfaction or waiver of closing conditions applicable to both U.S. Silica and EP Minerals and it is expected to close in the second quarter of 2018.

On April 1, 2017, we completed the acquisition of White Armor (the "White Armor acquisition"), a product line of cool roof granules used in industrial roofing applications. On August 16, 2017, we completed the acquisition of Mississippi Sand, LLC ("MS Sand"). MS Sand is a frac sand mining and logistics company based in St. Louis, Missouri.

See accompanying Note D - Business Combinations to our Consolidated Financial Statements in Part 1, Item 1 of this Quarterly Report on Form 10-Q for pro forma results and other details regarding these acquisitions.

Recent Trends and Outlook

Oil and gas proppants end market trends

Increased demand for frac sand has historically been driven by the growth in the use of hydraulic fracturing as a means to extract hydrocarbons from shale formations. According to the IHS Markit Proppant IQ, Proppant Market Analysis 2018 Q1 release, published February 2018, U.S. raw sand proppant demand was 32% higher in 2017 than its previous peak in 2014, and is expected to continue to grow.

Declines in oil prices beginning in 2015 reduced oil and gas drilling and completion activity in North America during 2015 and most of 2016. As of September 30, 2016, the U.S. land rig count had fallen over 70% from its peak in 2014. Demand for frac sand fell in conjunction with the rig count and activity levels, partially offset by higher proppant per well to optimize recovery and production rates. The North American market for proppant stabilized and began to grow during the last quarter of 2016 due to increases in North America oil and gas drilling and completion activity. As of March 31, 2018, U.S. land rig count has increased 51% since December 31, 2016. Driven by the corresponding increase in frac sand demand, sales and tons sold increased sequentially during the three months ended March 31, 2018 compared to the three months ended December 31, 2017, as summarized below.

Amounts in thousands except per ton data	Three months ended		Percentage Change
Oil & Gas Proppants	**March 31, 2018**	**December 31, 2017**	**March 31, 2018 vs. December 31, 2017**
Sales	$ 312,930	$ 306,019	2%
Tons Sold	3,252	3,171	3%
Average Selling Price per Ton	$ 96.23	$ 96.51	—%

However, if the recovery in oil and gas drilling and completion activity does not continue, demand for frac sand may decline, which could result in us selling fewer tons, selling tons at lower prices, or both. If we sell less frac sand, or sell frac sand at lower prices, our revenue, net income, cash generated from operating activities, and liquidity would be adversely affected. We could evaluate actions to reduce cost and improve liquidity. For instance, depending on market conditions, we could implement additional cost improvement projects or reduce our capital spending by delaying or canceling capital projects.

We believe fluctuations in frac sand demand and price may occur as the market adjusts to changing supply and demand due to energy pricing fluctuations. We continue to expect long-term growth in oil and gas drilling in North American shale basins.

Oil and natural gas exploration and production companies' and oilfield service providers’ preferences and expectations have been evolving in recent years. A proppant supplier's logistics capabilities have become an important differentiating factor when competing for business, on both a spot and contract basis. Many of our customers increasingly seek convenient in-basin and wellhead proppant delivery capability from their proppant supplier. We believe that, over time, proppant customers will prefer to consolidate their purchases across a smaller group of suppliers with robust logistics capabilities and a broad offering of proppants.

Industrial and specialty products end market trends

Demand in the industrial and specialty products end markets is relatively stable and is primarily influenced by key macroeconomic drivers such as housing starts, light vehicle sales, repair and remodel activity and industrial production. The primary end markets served by our production used in Industrial & Specialty Products are foundry, building products, sports and recreation, glassmaking and filtration. We have been increasing our value-added product offerings in the industrial and specialty products end markets. These new higher margin product sales have increased our Industrial & Specialty Products segment's profitability. For instance, on April 1, 2017, we completed the White Armor acquisition, a product line of cool roof granules used in industrial roofing applications.

Our Strategy

The key drivers of our growth strategy include:

- ***Expand our Oil & Gas Proppants production capacity and product portfolio.*** We continue to consider and execute several initiatives to increase our frac sand production capacity and augment our proppant product portfolio. We are evaluating Greenfield opportunities and are expanding production capacities and maximizing production efficiencies of our existing facilities.
- ***Increase our presence and product offering in industrial and specialty products end markets.*** Our research and business development teams work in tandem with our customers to develop new products, which we expect will either increase our presence and market share in certain industrial and specialty products end markets or allow us to enter new markets. We manage a robust pipeline of new products in various stages of development. Some of these products have already come to market, resulting in a positive impact on our financial results. We continue to work toward offering more value-driven industrial and specialty products that will enhance the profitability of the business. For instance, on April 1, 2017, we completed the White Armor acquisition, a product line of cool roof granules used in industrial roofing applications.
- ***Optimize product mix and further develop value-added capabilities to maximize margins.*** We continue to actively manage our product mix at each of our plants to ensure we maximize our profit margins. This requires us to use our proprietary expertise in balancing key variables, such as mine geology, processing capacities, transportation availability, customer requirements and pricing. We expect to continue investing in ways to increase the value we provide to our customers by expanding our product offerings, improving our supply chain management, upgrading our information technology, and creating a world class customer service model.

- ***Expand our supply chain network and leverage our logistics capabilities to meet our customers' needs in each strategic oil and gas basin.*** We continue to strategically position our supply chain in order to deliver sand according to our customers' needs, whether at a plant, a transload, or at the wellhead. We believe that our supply chain network and logistics capabilities are a competitive advantage that enables us to provide superior service for our customers.
    - We continue to expand our transload network to ensure product is available to meet the in-basin needs of our customers. This approach allows us to provide strong customer service and puts us in a position to take advantage of opportunistic spot market sales. Our plant sites are strategically located to provide access to key Class I railroads, which enables us to cost effectively send product to each of the strategic basins in North America. We can ship product by truck, barge and rail with an ability to connect to short-line railroads as necessary to meet our customers' evolving in-basin product needs. We expect to continue to develop strategic partnerships with transload operators and transportation providers that will enhance our portfolio of supply chain services that we can provide to customers. As of March 31, 2018, we have storage capacity at 57 transloads located near all of the major shale basins in the United States.
    - Our acquisition of Sandbox extends our delivery capability directly to our customers' wellhead locations, which increases efficiency and provides a lower cost logistics solution for our customers. Sandbox has operations in Texas (Midland/Odessa, Kenedy, Dallas/Fort Worth, Tyler); Morgantown, West Virginia; western North Dakota; northeast of Denver, Colorado; Oklahoma City, Oklahoma; Cambridge, Ohio and Mansfield, Pennsylvania, where its major customers are located.
- ***Evaluate both Greenfield and Brownfield expansion opportunities and other acquisitions.*** We expect to continue leveraging our reputation, processing capabilities and infrastructure to increase production, as well as explore other opportunities to expand our reserve base.
    - We may accomplish this by developing Greenfield projects, where we can capitalize on our technical knowledge of geology, mining and processing and our strong reputation within local communities. For instance, in May 2017, we purchased a new Greenfield site in Crane County, Texas, which became operational during the first quarter of 2018 and will eventually add approximately 6 million tons of annual frac sand capacity. Additionally, in July 2017, we purchased a new Greenfield site near Lamesa, Texas, which depending on market conditions, could become operational as early as the third quarter of 2018 and will eventually add approximately 2.6 million tons of annual frac sand capacity.
    - We are continuing to actively pursue acquisitions to grow by taking advantage of our asset footprint, our management's experience with high-growth businesses, and our strong customer relationships. Our primary objective is to acquire assets with differing levels of frac sand qualities that are complementary to our Oil & Gas Proppants segment, with a focus on mining, processing and logistics to further enhance our market presence. We prioritize acquisitions that provide opportunities to realize synergies (and, in some cases, the acquisition may be immediately accretive assuming synergies), including entering new geographic and frac sand product markets, acquiring attractive customer contracts and improving operations. On August 16, 2016, we completed our acquisition of NBI, the ultimate parent company of NBR Sand, LLC, a regional sand producer located near Tyler, Texas. On August 22, 2016, we completed the acquisition of Sandbox, a provider of logistics solutions and technology for the transportation of proppant used in hydraulic fracturing in the oil and gas industry. On August 16, 2017, we completed our acquisition of MS Sand, a frac sand mining and logistics company based in St. Louis, Missouri. We are in active discussions to acquire additional assets fitting this strategy, which, if completed, could be "significant" under Regulation S-X and could require additional sources of financing. There can be no assurance that we will reach a definitive agreement and complete any of these potential transactions. See the risk factors disclosed in Item 1A of Part I of our 2017 Annual Report on Form 10-K, including the risk factor entitled, "If we cannot successfully complete acquisitions or integrate acquired businesses, our growth may be limited and our financial condition may be adversely affected."
- ***Maintain financial strength and flexibility***. We intend to maintain financial strength and flexibility to enable us to better manage through industry downturns and pursue acquisitions and new growth opportunities as they arise. As of March 31, 2018, we had $329.5 million of cash on hand and $45.5 million of availability under our revolving credit facility (the "Revolver").

How We Generate Our Sales

Products

We derive our product sales by mining and processing minerals that our customers purchase for various uses. Our product sales are primarily a function of the price per ton and the number of tons sold. We primarily sell our products through individual purchase orders executed under short-term price agreements or at prevailing market rates. The amount invoiced reflects product, transportation and / or additional handling services as applicable, such as storage, transloading the product from railcars to trucks and last mile logistics to the customer site. We invoice most of our product customers on a per shipment basis, although for some larger customers, we consolidate invoices weekly or monthly. Standard collection terms are net 30 days, although extended terms are offered in competitive situations.

Service

We derive our service revenues primarily through the provision of transportation, equipment rental, and contract labor services to companies in the oil and gas industry. Transportation services typically consist of transporting customer proppant from storage facilities to proximal well-sites and are contracted through work orders executed under established pricing agreements. The amount invoiced reflects transportation services rendered. Equipment rental services provide customers with use of either dedicated or nonspecific wellhead proppant delivery equipment solutions for contractual periods defined either through formal lease agreements or executed work orders under established pricing agreements. The amounts invoiced reflect the length of time the equipment set was utilized in the billing period. Contract labor services provide customers with proppant delivery equipment operators through work orders executed under established pricing agreements. The amounts invoiced reflect the amount of time our labor services were utilized in the billing period. We typically invoice our customers on a weekly or monthly basis; however, some customers receive invoices upon well-site operation completion. Standard collection terms are net 30 days, although extended terms are offered in competitive situations.

Our ten largest customers accounted for approximately 52% and 55% of total sales during the three months ended March 31, 2018 and 2017, respectively. Sales to one of our customers accounted for 15% of our total sales during the three months ended March 31, 2018. Sales to two of our customers accounted for 14% and 11% of our total sales during the three months ended March 31, 2017. No other customers accounted for 10% or more of our total sales. At March 31, 2018, one of our customers' accounts receivable represented 17% of our total accounts receivable, net of allowance. At December 31, 2017, two of our customers' accounts receivable represented 19% and 11% of our total accounts receivable, net of allowance. No other customers accounted for 10% or more of our total accounts receivable.

For a limited number of customers, we sell under long-term, minimum purchase supply agreements. These agreements define, among other commitments, the volume of product that our customers must purchase, the volume of product that we must provide and the price that we will charge and that our customers will pay for each product. Prices under these agreements are generally fixed and subject to certain contractual adjustments. Sometimes these agreements may undergo negotiations regarding pricing and volume requirements, which may often occur in volatile market conditions. While these negotiations continue, we may deliver sand at prices or at volumes below the requirements in our existing supply agreements. We do not consider these agreements solely representative of contracts with customers. An executed order specifying the type and quantity of product to be delivered, in combination with the noted agreements, comprise our contracts in these arrangements. Selling more tons under supply contracts enables us to be more efficient from a production, supply chain and logistics standpoint. As discussed in Part I, Item 1A., "Risk Factors, of our 2017 Annual Report on Form 10-K—"A large portion of our sales is generated by our top ten customers, and the loss of, or significant reduction in, purchases by our largest customers could adversely affect our operations," these customers may not continue to purchase the same levels of product in the future due to a variety of reasons, contract requirements notwithstanding.

As of March 31, 2018, we have twenty-one minimum purchase supply agreements in the Oil & Gas Proppants segment with initial terms expiring between 2018 and 2022. As of March 31, 2017, we had seven minimum purchase supply agreements in the Oil & Gas Proppants segment with initial terms expiring between 2018 and 2019. Collectively, sales to customers with minimum purchase supply agreements accounted for 37% and 28% of Oil & Gas Proppants segment sales during the three months ended March 31, 2018 and 2017, respectively. Although sales under minimum purchase supply agreements may result in us realizing lower margins than we otherwise might during periods of high market prices, we believe such lower margins are offset by the benefits derived from the product mix and sales volume stability afforded by such supply agreements, which helps us lower market risk arising from adverse changes in spot prices and market conditions.

In the industrial and specialty end markets we have not historically entered into long term minimum purchase supply agreements with our customers because of the high cost to our customers of switching providers. We may periodically do so when capital or other investment is required to meet customer needs. Instead, we often enter into supply agreements with our customers with targeted volumes and terms of one to five years. Prices under these agreements are generally fixed and subject to annual increases.

The Costs of Conducting Our Business

The principal expenses involved in conducting our business are transportation costs, labor costs, electricity and drying fuel costs, and maintenance and repair costs for our mining and processing equipment and facilities. Transportation and related costs include freight charges, fuel surcharges, transloading fees, switching fees, railcar lease costs, demurrage costs, storage fees and labor costs. We believe the majority of our operating costs are relatively stable in price, but can vary significantly based on the volume of product produced. We benefit from owning the majority of the mineral deposits that we mine and having long-term mineral rights leases or supply agreements for our other primary sources of raw material, which limit royalty payments.

Additionally, we incur expenses related to our corporate operations, including costs for sales and marketing; research and development; and finance, legal, environmental, health and safety functions of our organization. These costs are principally driven by personnel expenses.

How We Evaluate Our Business

Our management team evaluates our business using a variety of financial and operational metrics. Our business is organized into two segments, Oil & Gas Proppants and Industrial & Specialty Products. We evaluate the performance of these segments based on their tons sold, average selling price and contribution margin earned. Additionally, we consider a number of factors in evaluating the performance of the business as a whole, including total tons sold, average selling price, segment contribution margin, and Adjusted EBITDA. We view these metrics as important factors in evaluating our profitability and review these measurements frequently to analyze trends and make decisions.

Segment Contribution Margin

Segment contribution margin, a non-GAAP measure, is a key metric that management uses to evaluate our operating performance and to determine resource allocation between segments. Segment contribution margin excludes certain corporate costs not associated with the operations of the segment. These unallocated costs include costs that are related to corporate functional areas such as operations management, corporate purchasing, accounting, treasury, information technology, legal and human resources.

Segment contribution margin is not a measure of our financial performance under GAAP and should not be considered an alternative to measures derived in accordance with GAAP. For more details on the reconciliation of segment contribution margin to its most directly comparable GAAP financial measure, net income, see Note U -Segment Reporting to our Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Adjusted EBITDA

Adjusted EBITDA, a non-GAAP measure, is included in this report because it is a key metric used by management to assess our operating performance and by our lenders to evaluate our covenant compliance. Adjusted EBITDA excludes certain income and/or costs, the removal of which improves comparability of operating results across reporting periods. Our target performance goals under our incentive compensation plan are tied, in part, to our Adjusted EBITDA. In addition, our Revolver contains a consolidated total net leverage ratio that we must meet as of the last day of any fiscal quarter whenever usage of the Revolver (other than certain undrawn letters of credit) exceeds 25% of the Revolver commitment, which is calculated based on our Adjusted EBITDA. Noncompliance with the financial ratio covenant contained in the Revolver could result in the acceleration of our obligations to repay all amounts outstanding under the Revolver and the Term Loan. Moreover, the Revolver and the Term Loan contain covenants that restrict, subject to certain exceptions, our ability to make permitted acquisitions, incur additional indebtedness, make restricted payments (including dividends) and retain excess cash flow based, in some cases, on our ability to meet leverage ratios calculated based on our Adjusted EBITDA.

Adjusted EBITDA is not a measure of our financial performance or liquidity under GAAP and should not be considered as an alternative to net income as a measure of operating performance, cash flows from operating activities as a measure of liquidity or any other performance measure derived in accordance with GAAP. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow for management’s discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and cash costs to replace assets being depreciated and amortized, and excludes certain non-recurring charges. Management compensates for these limitations by relying primarily on our GAAP results and by using Adjusted EBITDA only supplementally. Our measure of Adjusted EBITDA is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the methods of calculation.

The following table sets forth a reconciliation of net income (loss), the most directly comparable GAAP financial measure, to Adjusted EBITDA.

(All amounts in thousands)	Three Months Ended March 31,	
	2018	2017
Net income	$ 31,294	$ 2,522
Total interest expense, net of interest income	5,855	6,311
Provision for taxes	7,521	(1,714)
Total depreciation, depletion and amortization expenses	28,592	21,599
EBITDA	73,262	28,718
Non-cash incentive compensation [(1)]	6,254	5,510
Post-employment expenses (excluding service costs) [(2)]	555	489
Merger and acquisition related expenses [(3)]	2,507	1,252
Plant capacity expansion expenses[(4)]	9,380	1
Contract termination expenses[(5)]	—	325
Other adjustments allowable under our existing credit agreement [(6)]	3,408	6,416
Adjusted EBITDA	$ 95,366	$ 42,711

(1) Reflects equity-based non-cash compensation expense.

(2) Includes net pension cost and net post-retirement cost relating to pension and other post-retirement benefit obligations during the applicable period, but in each case excluding the service cost relating to benefits earned during such period. Non-service net periodic benefit costs are not considered reflective of our operating performance as these costs do not exclusively originate from employee services during the applicable period and may experience periodic fluctuations as a result of changes in non-operating factors, including changes in discount rates, changes in expected returns on benefit plan assets, and other demographic actuarial assumptions. See Note P - Pension and Post-Retirement Benefits to our Financial Statements in Part 1, Item 1 of this Quarterly Report on Form 10-Q.

(3) Merger and acquisition related expenses include legal fees, consulting fees, bank fees, severance costs, certain purchase accounting items, inventory write-offs, information technology integration costs and similar charges. While these costs are not operational in nature and are not expected to continue for any singular transaction on an ongoing basis, similar types of costs, expenses and charges have occurred in prior periods and may recur in the future as we continue to integrate prior acquisitions and pursue any future acquisitions.

(4) Plant capacity expansion expenses include expenses that are not inventoriable or capitalizable as related to plant expansion projects greater than $5 million in capital expenditures or plant start up projects. While these expenses are not operational in nature and are not expected to continue for any singular project on an ongoing basis, similar types of expenses have occurred in prior periods and may recur in the future as we continue to pursue future plant capacity expansion.

(5) Reflects contract termination expenses related to strategically exiting a service contract. While these expenses are not operational in nature and are not expected to continue for any singular event on an ongoing basis, similar types of expenses have occurred in prior periods and may recur in the future as we continue to strategically evaluate our contracts.

(6) Reflects miscellaneous adjustments permitted under our existing credit agreement. The three months ended March 31, 2018 includes a net loss of $3.4 million on divestiture of assets, consisting of $7.9 million of contract termination costs and $1.3 million of divestiture related expenses such as legal fees and consulting fees, partially offset by a $5.8 million gain on sale of assets. While the gain and costs related to a divestiture of assets are not operational in nature and are not expected to continue for any singular divestiture on an ongoing basis, similar types of expenses have occurred in prior periods and may recur in the future. The three months ended March 31, 2017 amount includes a contract restructuring cost of $6.3 million.

Results of Operations for the Three Months Ended March 31, 2018 and 2017

Sales

(All numbers in thousands except per ton data)	Three Months Ended March 31,		Percent Change
	2018	2017	'18 vs.'17
Sales:			
Oil & Gas Proppants	$ 312,930	$ 192,959	62%
Industrial & Specialty Products	56,383	51,838	9%
Total Sales	$ 369,313	$ 244,797	51%
Tons:			
Oil & Gas Proppants	3,252	2,532	28%
Industrial & Specialty Products	877	861	2%
Total Tons	4,129	3,393	22%
Average Selling Price per Ton:			
Oil & Gas Proppants	$ 96.23	$ 76.21	26%
Industrial & Specialty Products	64.29	60.21	7%
Overall Average Selling Price per Ton:	$ 89.44	$ 72.15	24%

Total sales increased 51% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017, driven by a 22% increase in total tons sold and a 24% increase in overall average selling price. Tons sold in-basin represented 52% and 50% of total company tons sold for the three months ended March 31, 2018 and 2017, respectively.

The increase in total sales was driven by Oil & Gas Proppants sales, which increased 62% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. Oil & Gas Proppants tons sold increased 28% and average selling price increased 26%. These increases were driven by year over year growth in demand for our frac sand and for our Sandbox last mile logistics solution, as well as the acquisition of MS Sand.

Industrial & Specialty Products sales increased by 9% for the three months ended March 31, 2018 compared to the three months ended March 31, 2017, driven by a 2% increase in tons sold and a 7% increase in average selling price. The increase in tons sold was mainly due to additional business with existing customers. The increase in average selling price was primarily a result of new higher-margin product sales and price increases.

Cost of Sales

Cost of sales increased by $73.4 million, or 39%, to $260.9 million for the three months ended March 31, 2018 compared to $187.5 million for the three months ended March 31, 2017. As a percentage of sales, cost of sales decreased to 71% for the three months ended March 31, 2018 compared to 77% for the same period in 2017. These changes result from the main components of cost of sales as discussed below.

We incurred $134.2 million and $104.2 million of transportation and related costs for the three months ended March 31, 2018 and 2017, respectively. This increase was due to increased tons sold through our transloads and incremental costs related to Sandbox operations. As a percentage of sales, transportation and related costs decreased to 36% for the three months ended March 31, 2018 compared to 43% for the same period in 2017.

We incurred $44.9 million and $30.4 million of operating labor costs for the three months ended March 31, 2018 and 2017, respectively. The $14.5 million increase in labor costs incurred was primarily due to more tons sold and incremental costs related to Sandbox operations. As a percentage of sales, operating labor costs represented 12% for both the three months ended March 31, 2018 and 2017.

We incurred $10.0 million and $8.7 million of electricity and drying fuel (principally natural gas) costs for the three months ended March 31, 2018 and 2017, respectively. The $1.3 million increase in electricity and drying fuel costs incurred was mainly due to more tons sold. As a percentage of sales, electricity and drying fuel costs represented 3% for the three months ended March 31, 2018 compared to 4% for the same period in 2017.

We incurred $19.1 million and $12.8 million of maintenance and repair costs for the three months ended March 31, 2018 and 2017, respectively. The increase in maintenance and repair costs incurred was mainly due to higher production volume and incremental costs related to Sandbox. As a percentage of sales, maintenance and repair costs represented 5% for both the three months ended March 31, 2018 and 2017.

Segment Contribution Margin

Oil & Gas Proppants contribution margin increased by $60.6 million to $99.4 million for the three months ended March 31, 2018 compared to $38.8 million for the three months ended March 31, 2017, driven by a $120.0 million increase in revenue, partially offset by $59.4 million in higher cost of sales. The increase in segment contribution margin was driven by year over year growth in demand for our frac sand and for our Sandbox last mile logistics solution, as well as the acquisition of MS Sand.

Industrial & Specialty Products contribution margin increased by $0.3 million, or 2%, to $20.5 million for the three months ended March 31, 2018 compared to $20.2 million for the three months ended March 31, 2017, driven by a $4.5 million increase in revenue, partially offset by $4.2 million in higher cost of sales. The increase in segment contribution margin was mainly due to additional business with existing customers, new higher-margin product sales and price increases,.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $12.3 million, or 55%, to $34.6 million for the three months ended March 31, 2018 compared to $22.3 million for the three months ended March 31, 2017. The increase was due to the following factors:

- Compensation related expense increased by $6.1 million for the three months ended March 31, 2018 compared to the three months ended March 31, 2017, mainly due to increased equity-based compensation and higher employee head count.
- Bad debt expense decreased by $0.5 million for the three months ended March 31, 2018 compared to the three months ended March 31, 2017, mainly due to improvements in our collection efforts.
- Merger and acquisition related expense increased by $1.3 million to $2.5 million for the three months ended March 31, 2018 compared to $1.3 million for the three months ended March 31, 2017. The increase was mainly due to costs related to our growth and expansion initiatives, including costs related to the evaluation of business acquisitions.
- A net loss of $3.4 million on divestiture of assets, consisting of $7.9 million of contract termination costs and $1.3 million of divestiture related expenses such as legal fees and consulting fees, partially offset by a $5.8 million gain on sale of assets.

In total, our selling, general and administrative costs represented approximately 9% of our sales for the three months ended March 31, 2018 and 2017.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization expense increased by $7.0 million, or 32%, to $28.6 million for the three months ended March 31, 2018 compared to $21.6 million for the three months ended March 31, 2017. The increase was mainly driven by our acquisitions as well as other continued capital spending. Depreciation, depletion and amortization costs represented approximately 8% and 9% of our sales for the three months ended March 31, 2018 and 2017, respectively.

Operating Income

Operating income increased by $31.8 million to $45.2 million for the three months ended March 31, 2018 compared to $13.4 million for the three months ended March 31, 2017. The increase was due to a 51% increase in total sales partially offset by a 39% increase in cost of sales, a 55% increase in selling, general and administrative expense and a 32% increase in depreciation, depletion and amortization expense.

Interest Expense

Interest expense decreased by $0.6 million, or 8%, to $7.1 million for the three months ended March 31, 2018 compared to $7.6 million for the three months ended March 31, 2017, mainly driven by an increase in capitalizable interest costs.

Other Income, net, including interest income

Other income increased by $5.6 million, or 113%, to $0.7 million for the three months ended March 31, 2018 compared to $4.9 million in other expense for the three months ended March 31, 2017. The increase was mainly due to the prior year containing contract restructuring costs.

Provision for Income Taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act reduces the corporate tax rate to 21 percent, effective January 1, 2018. Because ASC 740-10-25-47 requires the effect of a change in tax laws or rates to be recognized as of the date of enactment, we are required to adjust deferred tax assets and liabilities as of December 22, 2017. Accordingly, we recorded a deferred income tax benefit of $35.8 million for the year ended December 31, 2017.

The income tax expense increased by $9.2 million to $7.5 million for the three months ended March 31, 2018 compared to $1.7 million in income tax benefit for the three months ended March 31, 2017. The increase was due to increased profit before income tax during the three months ended March 31, 2018. See accompanying Note R - Income Taxes of our Financial Statements for more information.

Historically, our actual effective tax rates have differed from the statutory effective rate primarily due to the benefit received from statutory percentage depletion allowances. The deduction for statutory percentage depletion does not necessarily change proportionately to changes in income before income taxes.

Net Income

Net income was $31.3 million for the three months ended March 31, 2018 compared to a net income of $2.5 million for the three months ended March 31, 2017. The year over year change was due to the factors noted above.

Liquidity and Capital Resources

Overview

Our principal liquidity requirements have historically been to service our debt, to meet our working capital, capital expenditure and mine development expenditure needs, to return cash to our stockholders, and to finance acquisitions. We have historically met our liquidity and capital investment needs with funds generated through operations. We have historically funded our acquisitions through cash on hand or borrowings under our credit facilities and equity issuances. Our working capital is the amount by which current assets exceed current liabilities and is a measure of our ability to pay our liabilities as they become due. As of March 31, 2018, our working capital was $458.4 million and we had $45.5 million of availability under the Revolver.

We believe that cash on hand, cash generated through operations and cash generated from financing arrangements will be sufficient to meet working capital requirements, anticipated capital expenditures, scheduled debt payments and any dividends declared for at least the next 12 months.

Management and our Board remain committed to evaluating additional ways of creating shareholder value. Any determination to pay dividends and other distributions in cash, stock, or property in the future will be at the discretion of our Board and will be dependent on then-existing conditions, including our business conditions, our financial condition, results of operations, liquidity, capital requirements, contractual restrictions including restrictive covenants contained in debt agreements, and other factors. Additionally, because we are a holding company, our ability to pay dividends on our common stock may be limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us, including restrictions under the terms of the agreements governing our indebtedness.

Cash Flow Analysis

A summary of operating, investing and financing activities (in thousands) is shown in the following table:

	Three Months Ended March 31,	
	2018	2017
Net cash provided by (used in):		
Operating activities	$ 77,609	$ (19,518)
Investing activities	(47,378)	(21,129)
Financing activities	(85,286)	(9,675)

Net Cash Provided by / Used in Operating Activities

Operating activities consist primarily of net income adjusted for certain non-cash and working capital items. Adjustments to net income for non-cash items include depreciation, depletion and amortization, deferred revenue, deferred income taxes, equity-based compensation and bad debt provision. In addition, operating cash flows include the effect of changes in operating assets and liabilities, principally accounts receivable, inventories, prepaid expenses and other current assets, income taxes payable and receivable, accounts payable and accrued expenses.

Net cash provided by operating activities was $77.6 million for the three months ended March 31, 2018. This was mainly due to $31.3 million in net income adjusted for non-cash items, including $28.6 million in depreciation, depletion and amortization, $7.8 million in deferred income taxes, $6.3 million in equity-based compensation, $5.8 million gain on the sale of three transload facilities, and $2.8 million in other miscellaneous non-cash items; partially offset by a $39.1 million increase in accounts receivable, a $15.8 million decrease in inventories, a $27.9 million decrease in accounts payable and accrued liabilities, $58.0 million in short-term and long-term vendor incentives, and $0.1 million in other operating assets and liabilities. The primary driver of the change in accounts receivable is a 51% increase in sales.

Net cash used in operating activities was $19.5 million for the three months ended March 31, 2017. This was mainly due to $2.5 million in net income adjusted for non-cash items, including $21.6 million in depreciation, depletion and amortization, $1.7 million in deferred income taxes, $5.5 million in equity-based compensation and $2.4 million in other miscellaneous non-cash items; offset by a $51.7 million increase in accounts receivable, a $9.3 million decrease in inventories, a $3.0 million decrease in accounts payable and accrued liabilities and $0.5 million in other operating assets and liabilities.

Net Cash Provided by / Used in Investing Activities

Investing activities consist primarily of cash consideration paid to acquire businesses and capital expenditures for growth and maintenance.

Net cash used in investing activities was $47.4 million for the three months ended March 31, 2018. This was mainly due to capital expenditures of $72.3 million, partially offset by proceeds from the sale of three transload facilities of $26.0 million. Capital expenditures for the three months ended March 31, 2018 were mainly for engineering, procurement and construction of our growth projects and other maintenance and cost improvement capital projects.

Net cash used in investing activities was $21.1 million for the three months ended March 31, 2017. This was mainly due to capital expenditures of $19.9 million and capitalized intellectual costs of $1.2 million. Capital expenditures for the three months ended March 31, 2017 were mainly for engineering, procurement and construction of our growth projects and other maintenance and cost improvement capital projects.

Subject to our continuing evaluation of market conditions, we anticipate that our capital expenditures in 2018 will be in the range of $300 million to $350 million, which is primarily associated with previously announced growth projects and other maintenance and cost improvement capital projects. We expect to fund our capital expenditures through cash on our balance sheet, cash generated from our operations and cash generated from financing activities.

Net Cash Provided by / Used in Financing Activities

Financing activities consist primarily of equity issuances, capital contributions, dividend payments, borrowings and repayments related to the Revolver, Term Loan, as well as fees and expenses paid in connection with our credit facilities, advance payments from our customers and capital leases.

Net cash used in financing activities was $85.3 million for the three months ended March 31, 2018. This was mainly due to $75.0 million in common stock repurchases, $5.1 million of dividends paid, $1.7 million of long-term debt payments, and $3.5 million of tax payments related to shares withheld for vested restricted stock and stock units.

Net cash used in financing activities was $9.7 million for the three months ended March 31, 2017. This was mainly due to $5.1 million of dividends paid, $3.4 million of tax payments related to shares withheld for vested restricted stock and stock units, and $1.4 million of long-term debt payments.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have a current material effect or are likely to have a future material effect on our financial condition, changes in financial condition, sales, expenses, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations

There have been no significant changes outside the ordinary course of business to our "Contractual Obligations" table in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of our 2017 Annual Report. For more details on future minimum annual commitments under operating leases, please see accompanying Note O - Commitments and Contingencies to our Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Environmental Matters

We are subject to various federal, state and local laws and regulations governing, among other things, hazardous materials, air and water emissions, environmental contamination and reclamation and the protection of the environment and natural resources. We have made, and expect to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. As of March 31, 2018, we had $16.8 million accrued for future reclamation costs, as compared to $19.0 million as of December 31, 2017.

We discuss certain environmental matters relating to our various production and other facilities, certain regulatory requirements relating to human exposure to crystalline silica and our mining activity and how such matters may affect our business in the future under Item 1, "Business," Item 1A, "Risk Factors" Item 3, "Legal Proceedings", and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Environmental Matters" in our 2017 Annual Report.

Critical Accounting Estimates

Our unaudited condensed consolidated financial statements have been prepared in conformity with GAAP, which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the reporting period. While we do not believe that the reported amounts would be materially different, application of these policies involves the exercise of judgment and the use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on experience and on various other assumptions that are believed to be reasonable under the circumstances. All of our significant accounting policies, including certain critical accounting policies and estimates, are disclosed in our 2017 Annual Report.

Recent Accounting Pronouncements

New accounting guidance that we have recently adopted, as well as accounting guidance that has been recently issued but not yet adopted by us, are included in Note A - Summary of Significant Accounting Policies to our Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Availability of Reports; Website Access; Other Information

Our internet address is http://www.ussilica.com. Through "Investors"—"SEC Filings" on our home page, we make available free of charge our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our proxy statements, our Current Reports on Form 8-K, SEC Forms 3, 4 and 5 and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our reports filed with the SEC are also made available to read and copy at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information about the Public Reference Room may be obtained by contacting the SEC at 1-800-SEC-0330. Reports filed with the SEC are also made available on its website at www.sec.gov.

Copies of our Corporate Governance Guidelines, our Audit Committee Charter, Compensation Committee Charter, and Nominating and Governance Committee Charter, the Code of Conduct for our Board and Code of Conduct and Ethics for our employees (including our chief executive officer, chief financial officer and corporate controller) can also be found on our website. We will disclose any amendments or waivers to our Code of Conduct and Ethics applicable to the chief executive officer, chief financial officer and corporate controller in the "Investors" section of our website. Stockholders may also request a free copy of these documents from: U.S. Silica Holdings, Inc., attn.: Investor Relations, 8490 Progress Drive, Suite 300, Frederick, Maryland 21701 or view them on our website at IR@ussilica.com.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

We are exposed to certain market risks, which exist as a part of our ongoing business operations. Such risks arise from adverse changes in market rates, prices and conditions. We address such market risks in "How We Generate Our Sales" in Item 2 of this Quarterly Report on Form 10-Q, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Interest Rate Risk

We are exposed to interest rate risk arising from adverse changes in interest rates. As of March 31, 2018, we have $487.8 million of debt outstanding under our senior credit facility. Assuming LIBOR is greater than the 1.0% minimum base rate on the Term Loan, a hypothetical increase in interest rates by 1.0% would have changed our interest expense by $4.9 million per year.

We use interest rate derivatives in the normal course of our business to manage both our interest cost and the risks associated with changing interest rates. We do not use derivatives for trading or speculative purposes. As of March 31, 2018 and December 31, 2017, the fair value of our derivative instruments was zero. Additional disclosures for derivative instruments are presented in Note M - Derivative Instruments to these Financial Statements.

Credit Risk

We are subject to risks of loss resulting from nonpayment or nonperformance by our customers. We examine the creditworthiness of third-party customers to whom we extend credit and manage our exposure to credit risk through credit analysis, credit approval, credit limits and monitoring procedures, and for certain transactions, we may request letters of credit, prepayments or guarantees, although collateral is generally not required.

Despite enhancing our examination of our customers' credit worthiness, we may still experience delays or failures in customer payments. Some of our customers have reported experiencing financial difficulties. With respect to customers that may file for bankruptcy protection, we may not be able to collect sums owed to us by these customers and we also may be required to refund pre-petition amounts paid to us during the preference period (typically 90 days) prior to the bankruptcy filing.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2018. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures as of March 31, 2018, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the quarter ended March 31, 2018 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

During the quarter ended March 31, 2018, we continued to integrate Mississippi Sand, LLC ("MS Sand") processes, information technology systems and other components of internal control over financial reporting into our internal control structure.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In addition to the matter described below, we are subject to various legal proceedings, claims, and governmental inspections, audits or investigations arising out of our business which cover matters such as general commercial, governmental regulations, antitrust and trade regulations, product liability, environmental, intellectual property, employment and other actions. Although the outcomes of these routine claims cannot be predicted with certainty, in the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on our financial position or results of operations.

Prolonged inhalation of excessive levels of respirable crystalline silica dust can result in silicosis, a disease of the lungs. Breathing large amounts of respirable silica dust over time may injure a person's lungs by causing scar tissue to form. Crystalline silica in the form of quartz is a basic component of soil, sand, granite and most other types of rock. Cutting, breaking, crushing, drilling, grinding and abrasive blasting of or with crystalline silica containing materials can produce fine silica dust, the inhalation of which may cause silicosis, lung cancer and possibly other diseases including immune system disorders such as scleroderma. Sources of exposure to respirable crystalline silica dust include sandblasting, foundry manufacturing, crushing and drilling of rock, masonry and concrete work, mining and tunneling, and cement and asphalt pavement manufacturing.

Since at least 1975, we and/or our predecessors have been named as a defendant, usually among many defendants, in numerous lawsuits brought by or on behalf of current or former employees of our customers alleging damages caused by silica exposure. Prior to 2001, the number of silicosis lawsuits filed annually against the commercial silica industry remained relatively stable and was generally below 100, but between 2001 and 2004 the number of silicosis lawsuits filed against the commercial silica industry substantially increased. This increase led to greater scrutiny of the nature of the claims filed, and in June 2005 the U.S. District Court for the Southern District of Texas issued an opinion in the former federal silica multi-district litigation remanding almost all of the 10,000 cases then pending in the multi-district litigation back to the state courts from which they originated for further review and medical qualification, leading to a number of silicosis case dismissals across the United States. In conjunction with this and other favorable court rulings establishing "sophisticated user" and "no duty to warn" defenses for silica producers, several states, including Texas, Ohio and Florida, have passed medical criteria legislation that requires proof of actual impairment before a lawsuit can be filed.

As a result of the above developments, the filing rate of new claims against us over the past few years has decreased to below pre-2001 levels, and we were named as a defendant in zero, two, and zero new silicosis cases filed in 2015, 2016 and 2017, respectively. During the three months ended March 31, 2018, one new claim was brought against U.S. Silica. As of March 31, 2018, there were 60 active silica-related products liability claims pending in which U.S. Silica is a defendant. Almost all of the claims pending against us arise out of the alleged use of our silica products in foundries or as an abrasive blast media, and involve various other defendants. Prior to the fourth quarter of 2012, we had insurance policies for both our predecessors that cover certain claims for alleged silica exposure for periods prior to certain dates in 1985 and 1986 (with respect to certain insurance). As a result of a settlement with a former owner and its insurers in the fourth quarter of 2012, some of these policies are no longer available to us and we will not seek reimbursement for any defense costs or claim payments from these policies. Other insurance policies, however, continue to remain available to us and will continue to make such payments on our behalf.

The silica-related litigation brought against us to date has not resulted in material liability to us. However, we continue to have silica-related products liability claims filed against us, including claims that allege silica exposure for periods for which we do not have insurance coverage. Any such pending or future claims or inadequacies of our insurance coverage could have a material adverse effect on our business, reputation or results of operations. For more information regarding silica-related litigation, see Part I, Item 1A of our 2017 Annual Report "Risk Factors—Risks Related to Environmental, Mining and Other Regulation—Silica-related health issues and litigation could have a material adverse effect on our business, reputation or results of operations."

ITEM 1A. RISK FACTORS

As of March 31, 2018, there have been no material changes to the risk factors disclosed in Item 1A of Part I in our 2017 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Share Repurchase Program

The following table presents the total number of shares of our common stock that we purchased during the first quarter of 2018, the average price paid per share, the number of shares that we purchased as part of our publicly announced repurchase program, and the approximate dollar value of shares that still could have been purchased at the end of the applicable fiscal period pursuant to our share repurchase program:

Period	Total Number of Shares Purchased		Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program[1]	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Program[1]
January 2018	670	[2]	$ 26.47	—	
February 2018	2,210,915	[2]	$ 26.67	2,133,174	
March 2018	736,021	[2]	$ 26.48	694,849	
Total	2,947,606		$ 26.62	2,828,023	$ —

(1) A program covering the repurchase of up to $100.0 million of our common stock was approved by the Board in November 2017.

(2) Includes 482; 77,741; and 39,972 shares withheld by U.S. Silica to pay taxes due upon the vesting of employee restricted stock and restricted stock units for the monthly periods ended January, February and March 2018, respectively.

From March 31, 2018 to the date of the filing of this Quarterly Report on Form 10-Q, we have not repurchased any shares of our common stock except in connection with the vesting of employee restricted stock and restricted stock units.

For more details on the stock repurchase program, see Note C - Capital Structure and Accumulated Comprehensive Income (loss) to our Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Safety is one of our core values and we strive for excellence in the achievement of a workplace free of injuries and occupational illnesses. Our health and safety leadership team has developed comprehensive safety policies and standards, which include detailed standards and procedures for safe production, addressing topics such as employee training, risk management, workplace inspection, emergency response, accident investigation and program auditing. We place special emphasis on the importance of continuous improvement in occupational health, personal injury avoidance and prevention, emergency preparedness, and property damage elimination. In addition to strong leadership and involvement from all levels of the organization, these programs and procedures form the cornerstone of our safety initiatives, ensuring that employees are provided a safe and healthy environment and are intended as a means to reduce workplace accidents, incidents and losses, comply with all mining-related regulations and provide support for both regulators and the industry to improve mine safety. While we want to have productive operations in full regulatory compliance, we know it is equally essential that we motivate and train our people to think, practice and feel a personal responsibility for health and safety on and off the job.

All of our production facilities, with the exception of our resin-coated sand facility, are classified as mines and are subject to regulation by the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”). MSHA inspects our mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. Following passage of The Mine Improvement and New Emergency Response Act of 2006, MSHA significantly increased the numbers of citations and orders charged against mining operations. The dollar penalties assessed for citations issued has also increased in recent years. Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95.1 to this Quarterly Report filed on Form 10-Q.

ITEM 5. OTHER INFORMATION

Forward Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “will,” “should,” “can have,” “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated and projected costs, expenditures, cash flows, growth rates and financial results, our plans and objectives for future operations, growth or initiatives, strategies or the expected outcome or impact of pending or threatened litigation are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including:

- fluctuations in demand for commercial silica;
- the cyclical nature of our customers’ businesses;
- operating risks that are beyond our control, such as changes in the price and availability of transportation, natural gas or electricity; unusual or unexpected geological formations or pressures; cave-ins, pit wall failures or rock falls; or unanticipated ground, grade or water conditions;
- our dependence on five of our plants for a significant portion of our sales;
- the level of activity in the natural gas and oil industries;
- decreased demand for frac sand or the development of either effective alternative proppants or new processes to replace hydraulic fracturing;
- federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing and the potential for related regulatory action or litigation affecting our customers’ operations;
- our rights and ability to mine our properties and our renewal or receipt of the required permits and approvals from governmental authorities and other third parties;
- our ability to implement our capacity expansion plans within our current timetable and budget and our ability to secure demand for our increased production capacity, and the actual operating costs once we have completed the capacity expansion;
- our ability to succeed in competitive markets;
- loss of, or reduction in, business from our largest customers;
- increasing costs or a lack of dependability or availability of transportation services and transload network access or infrastructure;
- extensive regulation of trucking services;
- our ability to recruit and retain truckload drivers;
- increases in the prices of, or interruptions in the supply of, natural gas and electricity, or any other energy sources;
- increases in the price of diesel fuel;
- diminished access to water;

- our ability to successfully complete acquisitions or integrate acquired businesses;
- our ability to make capital expenditures to maintain, develop and increase our asset base and our ability to obtain needed capital or financing on satisfactory terms;
- our substantial indebtedness and pension obligations;
- restrictions imposed by our indebtedness on our current and future operations;
- contractual obligations that require us to deliver minimum amounts of frac sand or purchase minimum amounts of services;
- the accuracy of our estimates of mineral reserves and resource deposits;
- a shortage of skilled labor and rising costs in the mining industry;
- our ability to attract and retain key personnel;
- our ability to maintain satisfactory labor relations;
- our reliance on patents, trade secrets and contractual restrictions to protect our proprietary rights;
- our significant unfunded pension obligations and post-retirement health care liabilities;
- our ability to maintain effective quality control systems at our mining, processing and production facilities;
- seasonal and severe weather conditions;
- fluctuations in our sales and results of operations due to seasonality and other factors;
- interruptions or failures in our information technology systems;
- the impact of a terrorist attack or armed conflict;
- extensive and evolving environmental, mining, health and safety, licensing, reclamation and other regulation (and changes in their enforcement or interpretation);
- silica-related health issues and corresponding litigation;
- our ability to acquire, maintain or renew financial assurances related to the reclamation and restoration of mining property; and
- other factors included and disclosed in Part I, Item 1A, “Risk Factors” of our 2017 Annual Report.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under Item 1A, “Risk Factors” and Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2017 Annual Report. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other filings with the SEC, including this Quarterly Report on Form 10-Q, and public communications. You should evaluate all forward-looking statements made in this Quarterly Report on Form 10-Q in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

ITEM 6. EXHIBITS

The information called for by this Item is incorporated herein by reference from the Exhibit Index included in this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, this 24th day of April, 2018.

U.S. Silica Holdings, Inc.

/s/ DONALD A. MERRIL

Name: Donald A. Merril

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description	Incorporated by Reference			
		Form	**File No.**	**Exhibit**	**Filing Date**
2.1*	Agreement and Plan of Merger, dated as of March 22, 2018, by and among EP Acquisition Parent, Inc. US Silica Company, Tranquility Acquisition Corp., EPMC Parent LLC, as the Stockholders' Representative, and solely for the purposes of Section 11.17, Golden Gate Private Equity, Inc.				
10.1*+	Form of Performance Share Unit Agreement Pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan.				
10.2*+	Form of Restricted Stock Unit Agreement Pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan.				
10.3*+	Form of Restricted Stock Agreement Pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan.				
10.4*+	Form of Restricted Stock Agreement Pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan.				
31.1*	Rule 13a-14(a)/15(d)-14(a) Certification by Bryan A. Shinn, Chief Executive Officer.				
31.2*	Rule 13a-14(a)/15(d)-14(a) Certification by Donald A. Merril, Chief Financial Officer.				
32.1*	Section 1350 Certification by Bryan A. Shinn, Chief Executive Officer.				
32.2*	Section 1350 Certification by Donald A. Merril, Chief Financial Officer.				
95.1*	Mine Safety Disclosure				
99.1*	Consent of IHS Markit.				
101*	101.INS XBRL Instance				
	101.SCH XBRL Taxonomy Extension Schema				
	101.CAL XBRL Taxonomy Extension Calculation				
	101.LAB XBRL Taxonomy Extension Labels				
	101.PRE XBRL Taxonomy Extension Presentation				
	101.DEF XBRL Taxonomy Extension Definition				

\+ Management contract or compensatory plan/arrangement

* Filed herewith

We will furnish any of our stockholders a copy of any of the above Exhibits not included herein upon the written request of such stockholder and the payment to U.S. Silica Holdings, Inc. of the reasonable expenses incurred in furnishing such copy or copies.

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

EP ACQUISITION PARENT, INC.

U.S. SILICA COMPANY,

TRANQUILITY ACQUISITION CORP.,

EPMC PARENT LLC, AS THE STOCKHOLDERS' REPRESENTATIVE,

and, solely for the purposes of Section 11.17,

GOLDEN GATE PRIVATE EQUITY, INC.

Dated as of March 22, 2018

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (as amended, modified or supplemented from time to time pursuant to the terms hereof, this "Agreement"), dated as of March 22, 2018, among EP Acquisition Parent, Inc., a Delaware corporation (the "Company"), U.S. Silica Company, a Delaware corporation ("Buyer"), Tranquility Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Buyer ("MergerSub"), EPMC Parent LLC, a Delaware limited liability company, solely in its capacity as representative of the Stockholders pursuant to Article 10 hereof (the "Stockholders' Representative"), and solely for the purposes of Section 11.17, Golden Gate Private Equity, Inc., a Delaware corporation ("GGPE").

RECITALS

WHEREAS, this Agreement contemplates a transaction in which Buyer will acquire the Company pursuant to a transaction in which MergerSub, a wholly-owned subsidiary of Buyer, will merge with and into the Company, with the Company surviving the Merger, in accordance with the Delaware General Corporation Law (the "DGCL"), and the holders of the Company's Common Stock will receive cash as consideration in the Merger;

WHEREAS, the board of directors of the Company, subject to the terms and conditions set forth herein, has (i) determined that the Merger upon the terms and conditions set forth in this Agreement is in the best interests of the Company and the Stockholders, (ii) approved and declared advisable this Agreement, the Merger and the other Contemplated Transactions to which the Company is party and (iii) recommended approval and adoption by the Stockholders of this Agreement and the other Contemplated Transactions to which the Company is a party;

WHEREAS, the board of directors of MergerSub, subject to the terms and conditions set forth herein, has (i) determined that the Merger is in the best interests of MergerSub and its sole stockholder, Buyer, (ii) approved and declared advisable this Agreement, the Merger and the other Contemplated Transactions to which MergerSub is a party and (iii) recommended approval and adoption by Buyer of this Agreement and the other Contemplated Transactions to which MergerSub is a party;

WHEREAS, the board of directors of Buyer has approved and adopted this Agreement and the other Contemplated Transactions to which Buyer and MergerSub are parties; and

WHEREAS, concurrently with the execution and delivery of this Agreement, the Company and the Stockholders are delivering to Buyer and MergerSub the irrevocable written consent of Stockholders holding all of the outstanding shares of Common Stock in lieu of a meeting that constitutes the Stockholder Approval.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, covenants and agreements contained herein and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

Article 1
DEFINITIONS

Section 1.01 Definitions.

(a) The following terms, as used herein, have the following meanings:

"Acquired Companies" means the Company and the Company Subsidiaries.

"Adjustment Escrow Account" means a separate account established in accordance with the terms in the Escrow Agreement, which will hold the Adjustment Escrow Amount, and all interest and other amounts earned thereon, in escrow pursuant to the Escrow Agreement.

"Adjustment Escrow Amount" means Six Million Four Hundred Thirty Thousand Dollars ($6,430,000).

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have correlative meanings.

"Aggregate Merger Consideration" means an amount equal to:

(A) Seven Hundred Fifty Million Dollars ($750,000,000),

(B) plus the sum of the following:

(1) the total amount of the Closing Cash Balance (if the Closing Cash Balance is a positive amount), and

(2) if Closing Working Capital exceeds Target Working Capital, the amount of such excess.

(C) minus the sum of the following:

(1) the total amount of the Closing Cash Balance (if the Closing Cash Balance is a negative amount),

(2) the Closing Debt Amount,

(3) the Closing Transaction Expenses, and

(4) if Target Working Capital exceeds Closing Working Capital, the amount of such excess.

"APA" means that certain Asset Purchase Agreement, dated April 5, 2017, by and between BASF Corporation and EP Engineered Clays Corporation (f/k/a Sandbox Acquisition Corp.), as amended on July 17, 2017.

"Applicable Law" means, with respect to any Person, any federal, state, provincial, local, municipal or foreign law, constitution, treaty, convention, statute, ordinance, code, rule, regulation, order, injunction, writ, judgment, award, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person.

"Approval" means all notices, reports, filings, approvals, orders, authorizations, consents, licenses, permits, qualifications or registrations or waivers of any of the foregoing, required to be obtained from or made with, or any notice, statement or other communications required to be filed with or delivered to, any Governmental Authority or any other Person.

"Business" means the business of the Acquired Companies as such business is currently conducted.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks are authorized or required to close in New York, New York.

"Buyer Covered Parties" means, collectively, Buyer and its Affiliates (which, after the Closing, shall include the Acquired Companies) and their respective partners, general partners, officers, directors, employees, agents, and representatives.

"Cash" means (i) unrestricted cash and cash equivalents (including deposits in transit) of any Acquired Company, provided, that cash held in foreign bank accounts will not be deemed to be restricted solely because it is held in such foreign bank accounts, (ii) demand deposits, money markets or similar accounts and (iii) short-term highly liquid investments with original maturities of ninety (90) days or less, less all outstanding checks, bank overdrafts and negative account balances. For the avoidance of doubt, "Cash" does not include cash in the Escrow Account (as such term is defined in the APA).

"Closing Cash Balance" means the amount of all Cash that is held by any Acquired Company as at the close of business on the Business Day immediately preceding the Closing Date, which may be a positive or negative balance.

"Closing Date" means the date on which the Closing actually occurs.

"Closing Debt Amount" means the amount of all Debt of the Acquired Companies as at the close of business on the Business Day immediately preceding the Closing Date; provided that Debt relating to income Taxes, subject to and modified by clause (m)(ii) of the definition of Debt, shall include any and all income Tax obligations of the Acquired Companies for any Tax period (or portion thereof) ending on or prior to the Closing Date (and in the case of any Straddle Period, determined in the manner set forth in Section 7.04(a)).

"Closing Transaction Expenses" means the aggregate amount of all Transaction Expenses (including the cost of the Tail Policy) that remain unpaid as at the close of business on the Business Day immediately preceding the Closing Date.

"Closing Working Capital" means the amount of the Acquired Companies' consolidated (i) current assets, excluding all (A) Cash, (B) deferred Tax assets (which for the avoidance of doubt, the term "deferred Tax assets" includes any Tax net operating loss carryforwards, Tax credit carryforwards, or other similar Tax assets or attributes), (C) current income Tax assets, (D) receivables of any kind or nature from an employee, Affiliate, any Stockholder or its Affiliates or any director or officer of any Acquired Company or any Affiliates of such director or officer (including intercompany receivables) and (E) pre-paid costs of capital expenditures, less (ii) current liabilities, excluding all income Tax liabilities and deferred Tax liabilities, in each case as at the close of business on the Business Day immediately preceding the Closing Date, as determined on a consolidated basis in accordance the accounting policies, principles, practices and methodologies used in the preparation of the audited Financials of EP Minerals and its consolidated Subsidiaries as of November 30, 2017 and otherwise in accordance with GAAP, and utilizing only those line items and accounts of the type set forth on Schedule 1.01(a); provided, that such determination shall use the same accounting policies, principles, practices and methodologies for collections of receivables and payments of payables as are consistent with the historical practices of the Acquired Companies; provided, further, that current liabilities will not include any amounts payable in respect of Transaction Expenses, Debt (including accrued interest) or capital expenditures or any intercompany payables.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Common Stock" means the common stock, par value $0.01 per share, of the Company.

"Common Stock Certificates" means certificates representing shares of the Common Stock.

"Company Subsidiaries" means (a) Holdings, (b) 2473428 Ontario, Inc., a corporation existing under the laws of the Province of Ontario, (c) EP Management Corporation, a Delaware corporation, (d) EP Minerals, (e) EP Engineered Clays Corporation, a Delaware corporation, (f) EP Minerals International S.A.S., formed in the country of France, (g) EP Minerals Europe Verwaltungs and Betelligungs GmbH, formed in the country of Germany, (h) EP Minerals Europe GmbH & Co. KG, formed in the country of Germany, (i) EP Mexican Parent, Inc., a Delaware corporation, (j) EP Minerals de Mexico S. de R.L. de C.V., formed in the country of Mexico, and (k) Celatom de Mexico S. de R.L. de C.V., formed in the country of Mexico.

"Confidential Information" means, with respect to any Person, all trade secrets, know-how and other confidential, nonpublic or proprietary information of that Person, including any such information derived from reports, investigations, research, studies, work in progress, codes, marketing, sales or service programs, customer lists, records relating to past service provided to customers, capital expenditure projects, cost summaries, equipment or production system designs or drawings, pricing formulae, contract analyses, financial information, projections, present and future business plans, agreements with vendors, joint venture agreements, confidential filings with any Governmental Authority and all other confidential, nonpublic concepts, methods, techniques

or processes of doing business, ideas, materials or information prepared or performed for, by or on behalf of that Person.

"Contemplated Transactions" means the Merger and other transactions contemplated by this Agreement and the Transaction Documents.

"Contractual Obligation" means, with respect to any Person, any contract, agreement, deed, mortgage, lease, license, indenture, note, bond, loan, insurance policy, sales order or other document or instrument (including any document or instrument evidencing any Debt and Purchase Orders but excluding the Organizational Documents of such Person) to which or by which such Person is legally bound, other than a Company Plan.

"Credit Facility" means, collectively, (a) that certain First Lien Credit Agreement, dated as of August 20, 2014, by and among Holdings, EP Management Corporation, a Delaware corporation (the "Parent"), the Lenders (as defined therein), and Bank of Montreal ("BMO"), a Canadian chartered bank acting through its Chicago branch, as Administrative Agent and Collateral Agent for the Lenders and the L/C issuers, as defined therein, (b) that certain Second Lien Credit Agreement, dated as of August 20, 2014, by and among EP Minerals, Holdings, the Parent, the Lenders (as defined therein), and BMO, a Canadian chartered bank acting through its Chicago branch, as Administrative Agent and Collateral Agent for the Lenders, as defined therein.

"Damages" means all claims, proceedings, orders, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities, royalties, payments, obligations, Taxes, Liens, losses, expenses, and fees (including court costs and reasonable fees and expenses of attorneys, accountants, and other professional advisors) of any kind or nature whatsoever.

"Data Room" means the Company's electronic data room established in connection with the Contemplated Transactions to which Buyer and its Representatives have been granted access.

"Debt" means, with respect to any Person and without duplication, all obligations (including all obligations in respect of principal, accrued interest, penalties, fees and premiums) of such Person (a) payable for borrowed money (including all principal, interest, premiums, penalties and breakage fees, as well as any principal amounts outstanding under the Credit Facility, and all premiums, penalties, fees and other amounts included in the Debt Payoff Amount), (b) evidenced by notes, bonds, debentures or similar instruments, (c) in respect of amounts drawn under letters of credit and bankers' acceptances, (d) for amounts outstanding under leases required to be capitalized in accordance with GAAP, (e) for deferred and unpaid purchase price of property and equipment which have been delivered (other than (x) accounts payable and other current liabilities that are taken into account in the determination of Closing Working Capital and (y) any amounts payable in connection with the earnout obligation under Section 2.07 of the APA), (f) under any sale and leaseback transaction, any synthetic lease or tax ownership operating lease transaction (whether or not recorded on a balance sheet) and any other off-balance sheet arrangement as defined by Item 303(a)(4)(ii) of Regulation S-K promulgated by the U.S. Securities and Exchange Commission, (g) under swaps, options, derivatives and other hedging agreements or arrangements (provided that for purposes of this clause (g) only the net amount (i.e., after taking into account any such arrangements which are in such Person's favor) shall be included in the definition of Debt), (h) arising from the Deferred

Compensation Plan (net of the rabbi trust and life insurance policies that exist to fund the Deferred Compensation Plan) and the employer portion of payroll Taxes relating thereto, (i) relating to any related party accounts payable where the account creditor is not an Acquired Company, other than (x) contingent indemnification obligations and (y) employee wages and compensation and ordinary course reimbursement of employee expenses, (j) payable for underfunded pension liabilities (it being understood that such liabilities shall be determined by reference to the underfunded pension liability referenced on page 24 of the audited Financials of EP Minerals and its consolidated Subsidiaries as of November 30, 2017, in the amount of $8,749,000, as such amount is reduced by plan contributions and increased by plan expenses during the period commencing December 1, 2017 and extending through the Business Day immediately preceding the Closing Date), (k) for any existing and pending workers' compensation claims constituting long-term liabilities, (l) for state or local taxes on the net proceeds from mining, (m) for income Taxes (which for the avoidance of doubt includes any and all income, franchise, capital, net worth or similar Taxes, including the German trade or commercial tax); provided that Debt relating to income Taxes (i) shall be determined, for avoidance of doubt, taking into account (A) any deductions attributable to the payment of the Transaction Expenses or other (non-income Tax) Debt ("Transaction Tax Deductions") that are allowable to the Acquired Companies under income Tax Applicable Laws for any Tax period of the Acquired Companies that ends on or prior to the Closing Date but such determination shall also take into account the restriction on the carryback of net operating losses under Section 172(b)(1)(A)(i) of the Code and (B) any current non-deferred income Tax assets other than those attributable to Transaction Tax Deductions for any Tax period of the Acquired Companies beginning after the Closing Date), (ii) for the avoidance of doubt, will include any and all liabilities of the Acquired Companies arising under Section 965 of the Code (and will include any such liabilities regardless of whether an election is or will be made to pay such liabilities in installments under Section 965(h) of the Code, regardless of the Tax period of the Acquired Companies in which any such liabilities will arise, and regardless of whether the taxable years of the applicable foreign Acquired Companies that are causing such liabilities to arise do not close for U.S. federal income tax purposes on or prior to the Closing Date), and (iii) for the avoidance of doubt, shall not be less than zero; and (n) in the nature of guarantees of, or assurances to a creditor against, a loss with respect to the obligations described in clauses (a) through (m) above of any other Person. For the avoidance of doubt, any liabilities taken into account in the determination of Closing Working Capital and any Transaction Expenses shall not be considered Debt.

"Debt Commitment Letter" means the debt commitment letter, together with any related fee letter (with provisions in the fee letter related to the amount of fees and other economics and "flex" provisions, but only to the extent not affecting conditionality, redacted in the customary manner), in each case, as amended, supplemented or replaced in compliance with this Agreement.

"Debt Financing" means the debt financing incurred or intended to be incurred pursuant to the Debt Commitment Letter.

"Debt Payoff Amount" means the aggregate amount required to be paid to terminate and satisfy all obligations under the Credit Facility as reflected in the Debt Payoff Letter to be received by the Company from BMO on behalf of the lenders for which it is acting as agent.

"Debt Payoff Letter" means a payoff letter, in form and substance reasonably satisfactory to Buyer, duly executed by BMO on behalf of the lenders for which it is acting as agent, indicating that upon payment of the applicable Debt Payoff Amount, (i) the Credit Facility and all commitments thereunder will be terminated (other than obligations under the Credit Facility that survive such termination), (ii) all outstanding obligations of the Acquired Companies arising under or related to the Credit Facility shall be repaid and extinguished in full and the Company and any other Acquired Company party to the Credit Facility or any guaranty, pledge, security or other ancillary agreement executed in connection therewith will be released from any and all liabilities, guaranties, pledges, grants and other obligations under the Credit Facility and the documents ancillary thereto (other than obligations under the Credit Facility that survive such termination), and (iii) upon receipt of such Debt Payoff Amount, BMO, on behalf of the lenders for which it is acting as agent, shall promptly release its Liens and other security interests in, and agree to promptly deliver Uniform Commercial Code Termination Statements and such other customary documents or endorsements necessary to release on record its Liens and other security interest in, the assets and properties of the Acquired Companies.

"Effective Time" means the date and time at which the Certificate of Merger is filed with the Secretary of State of the State of Delaware in accordance with Section 251 of the DGCL.

"Employee Plan" means any plan, program, agreement, policy or arrangement that is: (a) a welfare benefit plan as defined in Section 3(1) of ERISA; (b) a pension benefit plan within the meaning of Section 3(2) of ERISA; (c) a stock bonus, stock purchase, stock option, restricted stock, stock appreciation right or similar equity-based plan; or (d) any other deferred-compensation, retirement, welfare-benefit, bonus, incentive or material fringe benefit plan or arrangement.

"Environmental Laws" means any and all statutes, laws, regulations and rules, in each case as in effect on the date of this Agreement, that have as their principal purpose the protection of the environment, and workplace health and safety laws and regulations, including those related to mining operations and activities.

"EP Minerals" means EP Minerals, LLC, a Delaware limited liability company.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" of any entity means any other entity that, together with such entity, would be treated as a single employer under Section 414 of the Code.

"Escrow Agent" means Wilmington Trust, National Association.

"Escrow Agreement" means an escrow agreement substantially in the form of Exhibit A hereto, as further modified prior to the Closing to address the reasonable changes requested by the Escrow Agent.

"Fraud" means actual fraud involving a knowing and intentional misrepresentation of a material fact made with the intent of inducing any other party to rely thereon to its detriment (as opposed to any fraud claim based on constructive knowledge, negligent misrepresentation or a

similar theory under Applicable Laws with respect to torts); provided, solely in the case of clause (B) of the last sentence of Section 11.09, "Fraud" shall also include any knowing and intentional concealment of a material fact necessary in order to make the reserve information set forth in Section 3.30 of the Disclosure Schedules, in light of the purposes for which such reserve information was anticipated to be used, not misleading.

"Fundamental Representations" means those representations set forth in Section 3.01 (Organization), Section 3.02 (Power and Authorization), Section 3.03 (No Violation or Approval; Consents), Section 3.04 (Capitalization of the Acquired Companies), Section 3.10 (Intellectual Property) and Section 3.24 (No Brokers).

"Financing Sources" means the financial institutions or other financing sources that have committed to provide or otherwise entered into agreements in connection with the Debt Financing in connection with the Contemplated Transactions.

"GAAP" means United States generally accepted accounting principles.

"Golden Gate" means GGPE and its affiliated funds and their respective portfolio companies.

"Governmental Authority" means any transnational, domestic or foreign federal, state, municipal, or local governmental authority, department, court, tribunal, board, agency, ministry, bureau, commission or official, authority or instrumentality, including any political subdivision thereof.

"Governmental Order" means any ruling, award, decision, injunction, judgment, order, writ, decree or subpoena entered, issued or made by any Governmental Authority.

"Hazardous Substances" means any pollutant, contaminant or any toxic, radioactive or otherwise hazardous substance, as such terms are defined in, identified pursuant to or regulated by any Environmental Law.

"Holdings" means EP Acquisition LLC, a Delaware limited liability company.

"HSR Act" means the Hart-Scott-Rodino Act of 1976.

"Insurance Policy" means a buyer-side representations and warranties liability insurance policy written by the Insurer naming the Buyer Covered Parties as the insured beneficiaries and insuring against losses arising from breaches of the representations and warranties of the Company set forth in Article 3 of this Agreement on the terms and conditions set forth therein.

"Insurer" means Berkshire Hathaway Specialty Insurance Group, Euclid and Iron-Starr Excess Agency Ltd, collectively.

"Intellectual Property" means all patents, patent applications, trademarks, service marks and trade names, all goodwill associated therewith and all registrations and applications therefor, copyrights, copyright registrations and applications; internet domain names, software, trade secrets, and know how, in each case, to the extent protectable by Applicable Law.

"Knowledge of the Company", "the Company's Knowledge" or any other similar knowledge qualification in this Agreement has the meaning set forth on Schedule 1.01(b).

"Lien" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, right of first refusal, preemptive or similar right of a third party or restriction or other encumbrance in respect any property or asset (including any restriction on (a) the voting of any security or the transfer of any security or other asset, (b) the receipt of any income derived from any asset, (d) the use of any asset and (e) the possession, exercise or transfer of any other attribute of ownership of any asset); the term "Lien" will not be deemed to include any license of Intellectual Property.

"Material Adverse Effect" means any change, event, fact, condition, development, circumstance or effect (each, an "Effect") that is or would, individually or in the aggregate with all other Effects, reasonably be expected to (a) be materially adverse to the Business, assets, liabilities, condition (financial or otherwise) or results of operations of the Acquired Companies, taken as a whole, or (b) materially impede or delay the ability of the Company to consummate the transactions contemplated by this Agreement in accordance with its terms and Applicable Law; provided, however, that the term "Material Adverse Effect" will not include any Effect that is, or that results from, any of the following: (i) changes in general business or economic conditions (including changes in interest rates and the availability of debt financing), and events or conditions generally affecting the industries in which the Acquired Companies operate, (ii) changes in Applicable Laws or interpretations thereof by any Governmental Authority, in each case after the date of this Agreement, (iii) changes in financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (iv) changes in GAAP after the date of this Agreement, (v) national or international political or social conditions, including the engagement by the United States in hostilities or the escalation thereof, whether or not pursuant to the declaration of a national emergency or war, or the occurrence or the escalation of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (vi) pandemics, earthquakes, hurricanes, tornados or other natural disasters, (vii) the taking of any action required by this Agreement or the other agreements contemplated hereby or the announcement or disclosure of, entry into, pendency of or consummation of this Agreement, the other agreements contemplated hereby or the transactions contemplated hereby or thereby, including any change resulting or arising from the identity of Buyer, MergerSub or any of their respective Affiliates, (viii) matters that arise from any actions or omissions of Buyer and its Affiliates, (ix) the failure by the Company or its Subsidiaries to take any action that is prohibited by this Agreement or (x) any failure to meet any projections, forecasts, guidance, estimates, milestones, budgets or internal or published financial or operating predictions of revenue, earnings, cash flow or cash position (provided, that clause (x) shall not prevent a determination that any change or effect underlying any such change or failure, as applicable, has resulted in a Material Adverse Effect, to the extent such change or effect is not otherwise excluded from this definition of Material Adverse Effect), so long as, in the cases of clauses (i), (ii), (iii), (iv), (v) and (vi), the Acquired Companies are not disproportionately affected by such Effects as compared with other businesses in the same industry.

"Organizational Documents" means, with respect to any Person (other than a natural person), the certificate or articles of incorporation or organization of such Person and any limited liability company, operating or partnership agreement, by-laws or similar documents or agreements relating to the legal organization of such Person.

"Outside Date" means the date that is sixty (60) days after the date hereof; provided, that the Outside Date will automatically be extended by the same number of days, up to an additional twenty (20) Business Days, by which Buyer elects to defer Closing pursuant to Section 2.02.

"Paying Agent Agreement" means an agreement, dated on or about the Closing Date, by and among the Paying Agent, Buyer and the Stockholders' Representative.

"Permit" means, with respect to any Person, any license, authorization franchise, permit, certificate or Approval issued by, or otherwise granted by, any Governmental Authority to which or by which such Person is subject or bound or to which or by which any property, business, operation or right of such Person is subject or bound.

"Permitted Liens" means (i) statutory Liens for Taxes, special assessments or other governmental and quasi-governmental charges not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, (ii) landlords', warehousepersons', mechanics', materialmens', carriers', Liens to secure claims for labor, material or supplies and other similar Liens that relate to obligations not due and payable and arising in the ordinary course of business, (iii) Liens incurred or deposits or pledges made in connection with, or to secure payment of, workers' compensation, unemployment insurance, old age pension programs mandated under Applicable Laws or other social security regulations, (iv) zoning, building, entitlement and other land use regulations or restrictions not adversely affecting the current occupancy or use of any real property owned, leased or otherwise occupied by any Acquired Company in any material respect, (v) conditions, restrictions, easements, rights of way, other imperfections of title, encumbrances and other similar matters of record affecting title to but not adversely affecting the value of, or the current occupancy or use of any real property owned, leased or otherwise occupied by any Acquired Company in any material respect, (vi) the interests of the lessors and sublessors of any properties leased by any of the Acquired Companies, (vii) restrictions on the ownership or transfer of securities arising under Applicable Laws, and (viii) Liens disclosed on Schedule 1.01(c).

"Per-Share Consideration" means Aggregate Merger Consideration divided by the total number of Shares owned by the Stockholders outstanding immediately prior to the Effective Time.

"Person" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

"Pro Rata Share" means, with respect to each Stockholder, the quotient obtained by dividing (x) the total number of Shares held by such Stockholder by (y) the total number of Shares owned by the Stockholders outstanding, in each case, determined as of immediately prior to the Effective Time.

"Purchase Orders" means agreements, contracts, purchase orders or other similar written documents providing for future deliveries of goods, products or services by or to the Company or any Company Subsidiary.

"Representative" means, with respect to any Person, any director, officer, employee, manager, consultant, or professional advisor of such Person, including legal counsel, accountants, and financial advisors.

"Shares" means shares of Common Stock.

"Required Information" means financial and other information regarding the Company and its Subsidiaries described in clauses (i) and (ii) of Section F of Annex B of the Debt Commitment Letter, as shall exist and be reasonably requested by Buyer or the Financing Sources.

"Stockholder Approval" means the affirmative vote required in connection with the approval and adoption of this Agreement by the Stockholders in accordance with the DGCL and the Certificate of Incorporation of the Company.

"Stockholders" means the holders of Common Stock (other than the Company or any direct or indirect wholly-owned Subsidiary thereof).

"Stockholders' Representative Expense Fund Amount" means Three Hundred Thousand Dollars ($300,000).

"Straddle Period" means any taxable period that includes, but does not end on, the Closing Date.

"Subsidiary" of any Person means, on any date, any Person of which securities or other ownership interests representing more than fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power or, in the case of a partnership, more than fifty percent (50%) of the general partnership interests or more than fifty percent (50%) of the profits or losses of which are, as of such date, owned, controlled or held by the applicable Person or one or more direct or indirect subsidiaries of such Person.

"Target Working Capital" means Sixty Four Million Three Hundred Thousand Dollars ($64,300,000).

"Tax" or "Taxes" means (a) any U.S. federal, state, local and foreign income, profits, license, severance, occupation, windfall profits, capital gains, capital stock, transfer, registration, franchise, gross receipts, payroll, sales, employment, use, property, real property, personal property, excise, stamp, alternative or add-on minimum, withholding, customs, duties or other taxes of any kind whatsoever or other similar fees, levies, assessments or other charges (in the nature of taxes) of any kind whatsoever imposed by a Governmental Authority, including any interest, penalty or addition thereto and any interest in respect of such penalties or additions, whether disputed or not; (b) any liability for the payment of any item described in clause (a) as a result of being a member of an affiliated, consolidated, combined, unitary, or aggregate group for any period, including

pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar provisions under state, local, or foreign Applicable Law; (c) any liability for the payment of any item described in clause (a) or (b) as a result of any express or implied obligation to indemnify any Person or as a result of any obligations under any contracts, agreements, or arrangements with any Person with respect to such item; or (d) any successor or transferee liability for the payment of any item described in clause (a), (b), or (c) of any Person, including by reason of being a party to any merger, consolidation, conversion, or otherwise.

"Tax Returns" means returns, reports, forms, statements, declarations, claims for refund, or other documents or information returns or statements relating to Taxes filed, including any schedules or attachments thereto and including any amendment thereof.

"Transaction Documents" means this Agreement, the Release and Waivers, the Escrow Agreement and the Paying Agent Agreement.

"Transaction Expenses" means the sum of (i) the collective amount payable by the Acquired Companies for all out-of-pocket costs and expenses incurred in connection with the Contemplated Transactions (including all fees, expenses and disbursements of counsel, accountants, investment bankers, experts, Golden Gate and consultants to the Company and its Affiliates and representatives), including all fees and expenses for professional services rendered by Kirkland & Ellis LLP and Nob Hill Law Group, P.C. and all fees and expenses of Harris Williams & Co. and (ii) any bonus or similar compensatory amounts payable to employees or service providers of any Acquired Company that become payable by any Acquired Company (whether at or after the Closing) solely as a result of the consummation of the Contemplated Transactions, including retention, change in control, "stay" and "sale" bonuses and payments under the Value Creation Bonus Plans of EP Minerals and EP Engineered Clays Corporation (including any applicable employment or payroll Taxes arising as a result of any such payments).

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Accounting Firm	Section 2.12(e)
Agreement	Preamble
Anti-Corruption Laws	Section 3.19(a)
Assets	Section 3.08
Balance Sheet	Section 3.05(c)
Buyer	Preamble
Buyer Benefit Plans	Section 6.04
Buyer Related Parties	Section 11.04
Certificate of Merger	Section 2.02
Charges	Article 10
Closing	Section 2.02
Company	Preamble
Company Convertible Securities	Section 3.04(b)

Term	Section
Company Plan	Section 3.12(a)
Confidentiality Agreement	Section 5.02
Continuing Employees	Section 6.02
DGCL	Recitals
Disclosed Contracts	Section 3.14(b)
Disclosure Schedules	Article 3
Dispute Notice	Section 2.12(d)
Dispute Submission Notice	Section 2.12(e)
Dissenting Shares	Section 2.07
Estimated Aggregate Merger Consideration	Section 2.12(b)
Estimated Closing Cash Balance	Section 2.12(a)
Estimated Closing Debt Amount	Section 2.12(a)
Estimated Closing Statement	Section 2.12(a)
Estimated Closing Transaction Expenses	Section 2.12(a)
Estimated Per-Share Consideration	Section 2.12(a)
FCPA	Section 3.19(a)
Final Closing Statement	Section 2.12(e)
Financials	Section 3.05(a)
GGPE	Preamble
Leased Real Property	Section 3.09(c)
Leases	Section 3.09(c)
Merger	Section 2.01(a)
MergerSub	Preamble
Money Laundering Laws	Section 3.19(c)
Most Recent Balance Sheet	Section 3.05(a)
Most Recent Balance Sheet Date	Section 3.05(a)
Non-Signatory Holder	Section 2.06(c)
Nonparty Affiliate	Section 11.12(b)
OFAC	Section 3.20
Other Regulatory Laws	Section 7.01(b)
Owned Real Property	Section 3.09(a)
Paying Agent	Section 2.06
Per-Share Consideration	Section 2.04(a)
Post-Closing Representation	Section 11.04
Pre-Closing Representation	Section 11.04
Prior Company Counsel	Section 11.04
Proposed Final Closing Statement	Section 2.12(c)
Real Property	Section 3.09(b)
Release and Waivers	Section 8.02(h)
Remaining Escrow Property	Article 10
Stockholder Related Parties	Section 11.04

Term	Section
Stockholders' Representative	Preamble
Stockholders' Representative Fund Property	Section 2.05(b)
Surviving Corporation	Section 2.01(a)
Tail Policy	Section 6.07(c)

Section 1.02 Other Definitional and Interpretive Provisions. Except as otherwise explicitly specified to the contrary herein:

(a) the words "hereof," "herein," "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular section or subsection of this Agreement and reference to a particular section of this Agreement will include all subsections thereof,

(b) references to a section, exhibit, annex or schedule means a section of, or exhibit, annex or schedule to this Agreement, unless another agreement is specified,

(c) the captions herein are included for convenience of reference only and will be ignored in the construction or interpretation hereof,

(d) all exhibits and schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein, and any capitalized terms used in any exhibit or schedule but not otherwise defined therein will have the meaning as defined in this Agreement,

(e) definitions will be equally applicable to both the singular and plural forms of the terms defined, and references to the masculine, feminine or neuter gender will include each other gender,

(f) the word "including" means including without limitation,

(g) any reference to "$" or "dollars" means United States dollars,

(h) references to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof,

(i) references to a particular statute or regulation include all rules and regulations thereunder and any predecessor or successor statute, rule, or regulation, in each case as amended or otherwise modified from time to time,

(j) for purposes of the provisions of this Agreement, a document or other instrument will be deemed to have been "provided," "furnished," "delivered" or "made available" to Buyer and MergerSub only when such document or other instrument has been uploaded onto the Data Room on or before March 22, 2018 in a manner fully readable by Buyer and not removed prior to the execution of this Agreement, and

(k) the expression "commercially reasonable efforts" shall in no event be construed so as to require the payment of money or the making of any financial accommodation, other than the payment of money or the making of any financial accommodation which is customary and reasonable in nature and amount in the context hereof, except as set forth in Section 7.01(a).

Article 2
THE MERGER

Section 2.01 The Merger.

(a) Upon the terms and subject to the conditions hereof, at the Effective Time, MergerSub will be merged with and into the Company in accordance with the DGCL (the "Merger"), whereupon the separate existence of MergerSub will cease, and the Company will be the surviving corporation (the "Surviving Corporation").

(b) From and after the Effective Time, the Surviving Corporation will possess all the rights, powers, privileges and franchises and be subject to all of the obligations, liabilities, restrictions, disabilities and duties of the Company and MergerSub, to the fullest extent provided under the DGCL.

Section 2.02 Closing; Effective Time. The closing of the transactions contemplated by this Agreement and the Merger (the "Closing") will take place at the offices of Baker Botts L.L.P. at One Shell Plaza, 910 Louisiana Street, Houston, Texas 77002, as soon as practicable, but in no event later than 10:00 a.m. local time on the second Business Day after the date on which each of the conditions set forth in Article 8 (other than conditions that by their nature are to be satisfied at the Closing, but subject to their satisfaction at Closing) has been satisfied or waived in accordance with Section 11.02, or at such other place, at such other time or on such other date as Buyer and the Company may mutually agree; provided, that Buyer may, at its option, defer Closing for up to an additional twenty (20) Business Days in its sole discretion in connection with the marketing period necessary for the financing of the Merger. At the Closing, MergerSub and the Company will cause a certificate of merger (the "Certificate of Merger") to be executed and filed with the Secretary of State of the State of Delaware in accordance with Section 251 of the DGCL. The Merger will become effective as of the Effective Time.

Section 2.03 Certificate of Incorporation; Bylaws; Directors and Officers.

(a) At the Effective Time, the certificate of incorporation of the Surviving Corporation shall be amended to be in the form of the certificate of incorporation of MergerSub until amended in accordance with Applicable Law and Section 6.07(b).

(b) At the Effective Time, the bylaws of the Surviving Corporation shall be amended to be in the form of the bylaws of MergerSub until amended in accordance with Applicable Law and Section 6.07(b).

(c) The directors of MergerSub and the officers of the Company immediately prior to the Effective Time will become, from and after the Effective Time, the directors and officers,

respectively, of the Surviving Corporation, until their respective successors are duly elected or appointed or their earlier resignation or removal.

Section 2.04 Conversion of Common Stock.

(a) As a result of the Merger, at the Effective Time, except as otherwise provided in Section 2.04(b)(ii) or Section 2.07, and without any action on the part of any Stockholder, each share of Common Stock issued and outstanding immediately prior to the Effective Time will cease to be issued and outstanding, will be canceled and retired, will cease to exist and will automatically be converted only into the right to receive in cash, without interest, an amount equal to the Per-Share Consideration, subject to adjustment pursuant to the procedures set forth in Section 2.12. From and after the Effective Time, all shares of Common Stock issued and outstanding immediately prior to the Effective Time (other than Dissenting Shares and shares owned by the Company) and any Common Stock Certificates previously evidencing them will represent only the right to receive the Per-Share Consideration, payable in accordance with and subject to this Article 2, and the Stockholders will cease to have any other rights with respect to such Common Stock except as expressly provided in this Agreement.

(b) Notwithstanding the foregoing, the parties acknowledge and agree that:

(i) Each Stockholder's Pro Rata Share of the Adjustment Escrow Amount and the Stockholders' Representative Expense Fund Amount (as set forth in Section 2.05) will be deducted from the cash payable to such Stockholder pursuant to Section 2.04(a) above;

(ii) Each share of Common Stock owned by the Company, Buyer, MergerSub or any direct or indirect wholly-owned Subsidiary of Buyer or MergerSub immediately prior to the Effective Time will be cancelled and retired and will cease to exist without payment of any consideration with respect thereto; and

(c) Each share of common stock of MergerSub outstanding immediately prior to the Effective Time will be converted into and become one share of common stock of the Surviving Corporation with the same rights, powers and privileges as the shares so converted.

Section 2.05 Adjustment Escrow Amount; Closing Date Payments. At the Effective Time:

(a) Buyer will cause the Adjustment Escrow Amount to be delivered to the Escrow Agent for deposit into the Adjustment Escrow Account, established in accordance with the terms of the Escrow Agreement. The Escrow Agent will hold the Adjustment Escrow Amount, and all interest and other amounts earned thereon, in escrow pursuant to the Escrow Agreement, and for purposes of this Agreement the "Adjustment Escrow Property" means, at any given time, the funds contained in the Adjustment Escrow Account at that time. Buyer shall be treated as the owner of the Adjustment Escrow Property (and related interest and earnings) for income Tax purposes until such amounts are released. The Adjustment Escrow Property shall be released from the Adjustment Escrow Account in accordance with the terms of Section 2.12 and the Escrow Agreement.

(b) Buyer will cause the Stockholders' Representative Expense Fund Amount to be delivered to an account established by the Stockholders' Representative. The Stockholders' Representative Expense Fund Amount, and all interest (if any) and other amounts earned thereon (if any) (the "Stockholders' Representative Fund Property"), will be held in the account in escrow for the purpose of paying Charges incurred by the Stockholders' Representative as contemplated by Article 10. The Stockholders will be responsible for and will pay and discharge their Pro Rata Share of all Taxes, assessments and governmental charges imposed on or with respect to the Stockholders' Representative Fund Property. The Stockholders' Representative will be entitled to deduct and withhold from any funds or other assets otherwise payable out of the Stockholders' Representative Fund Property to any Stockholder pursuant to this Agreement such amounts as the Stockholders' Representative is required to deduct and withhold under any provision of federal, state, local or foreign Tax law. If the Stockholders' Representative so withholds amounts, such amounts will be treated for the purposes of this Agreement as having been paid to the Stockholders in respect of which the Stockholders' Representative made such deductions and withholding. At such time as the Stockholders' Representative determines (in its reasonable discretion) that all or a portion of the Stockholders' Representative Fund Property is not necessary to pay Charges, the Stockholders' Representative shall cause such portion of the Stockholders' Representative Fund Property to be released to each Stockholder in accordance with such Stockholder's Pro Rata Share of the Stockholders' Representative Fund Property.

(c) Buyer will deliver to the recipients thereof specified in the Estimated Closing Statement, for and on behalf of the Company, such recipient's portion of (i) the Estimated Closing Transaction Expenses and (ii) the Debt Payoff Amount.

Section 2.06 Surrender and Payment.

(a) As soon as practicable following the date of this Agreement, the Company shall provide each Stockholder, (i) a letter of transmittal in the form attached hereto as Exhibit B (a "Letter of Transmittal") and (ii) instructions for use in effecting the surrender of the Common Stock Certificates in exchange for the Per-Share Consideration.

(b) At or prior to the Effective Time, the Stockholders' Representative will appoint a paying agent (the "Paying Agent") for the purpose of exchanging Common Stock Certificates for the applicable Per-Share Consideration. Buyer will deliver to the Paying Agent, at the Closing, cash in an amount equal to the Aggregate Merger Consideration (less the Adjustment Escrow Amount and the Stockholders' Representative Expense Fund Amount deposited pursuant to Section 2.05 in respect of Shares).

(c) Each Stockholder whose Shares have been converted into the right to receive payment pursuant to Section 2.04, will be entitled to receive, after surrender to the Paying Agent of such Stockholder's Common Stock Certificates, and, in each case, after the delivery of a properly completed Letter of Transmittal, the Per-Share Consideration for such Common Stock represented by such Common Stock Certificate, in each case, in the manner and at the times set forth in this Agreement. Until so surrendered, each such Common Stock Certificate will represent after the Effective Time for all purposes only the right to receive payment as provided in this Agreement. The Stockholders' Representative will cause the Paying Agent not to make any payment of any Per-

Share Consideration to any Stockholder that has failed to properly deliver the required Letter of Transmittal and Common Stock Certificates (a "Non-Signatory Holder") unless and until such Non-Signatory Holder shall have duly executed and delivered a Letter of Transmittal with respect to, and shall have so delivered, the Common Stock Certificates (or lost certificate affidavit as provided herein) previously evidencing such Shares, to the Paying Agent. Promptly after each such payment, the Stockholders' Representative will cause the Paying Agent to deliver such Letter of Transmittal and Common Stock Certificate(s) to Buyer.

(d) Subject to Section 2.04(b) and Section 2.05, Buyer will pay, or cause the Paying Agent pursuant to the Paying Agent Agreement to pay, to each Stockholder into an account designated in such Stockholder's Letter of Transmittal, such Stockholder's Per-Share Consideration. No interest will accrue or be paid on any amount payable to a Stockholder pursuant to this Agreement.

(e) If any portion of the Per-Share Consideration is to be paid to a Person other than the Person in whose name the surrendered Common Stock Certificate is registered on the books and records of the Company, it will be a condition to such payment that the Common Stock Certificate so surrendered will be properly endorsed or otherwise be in proper form for transfer and that the Person requesting such payment will pay to the Surviving Corporation any transfer or other taxes required as a result of such payment to a Person other than the registered holder of such Common Stock Certificate, or establish to the satisfaction of the Surviving Corporation that such tax has been paid or is not payable.

(f) After the Effective Time, there will be no further registration of transfers of Common Stock. All Common Stock Certificates presented to the Paying Agent or the Surviving Corporation, as contemplated by this Section 2.06, will be canceled upon such presentment.

(g) Any portion of the amount made available to the Paying Agent pursuant to Section 2.06(a) that remains unclaimed by the Stockholders one (1) year after the Effective Time will be returned to Buyer, and any Stockholder who has not exchanged its Common Stock for the applicable Per-Share Consideration prior to such time will thereafter look only to Buyer for payment thereof without any interest thereon. Notwithstanding anything to the contrary in this Agreement, none of Buyer, the Stockholders' Representative, the Surviving Corporation or any party hereto will be liable to any Person for any amount properly paid to a public official pursuant to any applicable abandoned property, escheat or similar Applicable Law.

(h) Each Stockholder, by his, her or its adoption of this Agreement or acceptance of any portion of the Per-Share Consideration expressly acknowledges and affirms that none of Buyer, MergerSub, the Company or the Surviving Corporation will incur any liability to such Stockholder by virtue of the remittance of the Per-Share Consideration in the manner set forth in this Article 2 or for any actions or omissions of the Stockholders' Representative or the Paying Agent in respect of the distribution thereof.

Section 2.07 Dissenting Common Stock. Notwithstanding anything in this Agreement to the contrary, shares of Common Stock issued and outstanding immediately prior to the Effective Time that are held by a Stockholder who did not vote in favor of the Merger or consent thereto in writing and who is entitled to demand and properly demands appraisal for such shares of Common

Stock ("Dissenting Shares") pursuant to, and who complies in all respects with, the provisions of Section 262 of the DGCL will not be converted into the right to receive the Per-Share Consideration, but instead will be entitled to payment of the fair value of such shares in accordance with the provisions of Section 262 of the DGCL. At the Effective Time, the Dissenting Shares, if any, will no longer be outstanding and will automatically be canceled and will cease to exist, and each holder of Dissenting Shares will cease to have any rights with respect thereto, except the right to receive the fair value of such shares in accordance with the provisions of Section 262 of the DGCL. Notwithstanding the foregoing, if any such Stockholder fails to perfect, withdraws or loses its right to appraisal, the Dissenting Shares held by such Stockholder will be treated as if they had been converted as of the Effective Time into a right to receive the applicable Per-Share Consideration (less any amounts deducted for deposit into the Adjustment Escrow Account and any amounts deducted for deposit into the Stockholders' Representative Fund Property account), to be paid as provided in Section 2.06(d). Promptly following the date of this Agreement, the Company will provide each record holder of shares of Common Stock that has not voted in favor of the Merger or consented thereto in writing with notice of such holder's appraisal rights pursuant to Section 262 of the DGCL. The Company will give Buyer prompt notice of any demands received by the Company for appraisal of Common Stock, withdrawals of such demands, and any other instruments served pursuant to Applicable Law that are received by the Company relating to Stockholders' rights of appraisal, and Buyer will have the right to participate in all negotiations and proceedings with respect to such demands. Prior to the Effective Time, the Company will comply with those provisions of Section 262 of the DGCL which are required to be performed by the Company prior to the Effective Time to the reasonable satisfaction of Buyer. Except with the prior written consent of Buyer (which consent will not be unreasonably withheld, delayed or conditioned), the Company will not voluntarily make any payment with respect to any demands for appraisal, or offer to settle or settle, any such demands. Any portion of the Per-Share Consideration paid to the Paying Agent in respect of any Dissenting Shares will be returned to Buyer, upon demand.

Section 2.08 Adjustments. If during the period between the date of this Agreement and the Effective Time any change in the outstanding shares of Common Stock will occur by reason of any reclassification, recapitalization, stock split or combination, exchange or readjustment of Common Stock, or stock dividend thereon with a record date during such period, or any similar event relating to the Common Stock, the applicable Per-Share Consideration and the Aggregate Merger Consideration, and any other amounts payable pursuant to this Agreement, will be appropriately adjusted; provided, that no such change or event contemplated by this Section 2.08 will give rise to a change to the aggregate amount to be paid by or on behalf of Buyer under this Agreement.

Section 2.09 Lost Certificates. If any Common Stock Certificate will have been lost, stolen or destroyed, upon the making of an affidavit of that fact and the provision of such bond or other security that the Surviving Corporation may determine to be appropriate by the Person claiming such Common Stock Certificate to be lost, stolen or destroyed, the Surviving Corporation will pay, in exchange for such lost, stolen or destroyed Common Stock Certificate, the applicable Per-Share Consideration (subject to Section 2.04(b)(i)) to be paid in respect of the Common Stock represented by such Common Stock Certificate as contemplated by this Article 2.

Section 2.10 Rights Not Transferable. The rights of the Stockholders as of immediately prior to the Effective Time are personal to each such securityholder and shall not be transferable for any reason otherwise than by operation of law, will or the laws of descent and distribution or with the prior written consent of Buyer. Any attempted transfer of such right by any holder thereof (otherwise than as permitted by the immediately preceding sentence) shall be null and void.

Section 2.11 Withholding Rights. Each of Buyer, the Company, the Paying Agent, and the Escrow Agent will be entitled to deduct and withhold from any consideration otherwise payable to any Person pursuant to this Agreement. Any such amounts deducted and withheld will be treated for all purposes of this Agreement as having been paid to the applicable Person in respect of whom such deduction and withholding was made. If Buyer or the Company intends to so withhold on any amounts payable to the Stockholders pursuant to this Agreement, Buyer or the Company, as applicable, shall notify the Stockholders' Representative no later than three (3) days prior to the Closing Date and shall reasonably cooperate with the Stockholder's Representative to reduce or eliminate such withholding tax to the extent possible and allowable under Applicable Law; provided, however, that no such notification or cooperation requirements will be required with respect to amounts payable to a Stockholder for withholding pursuant to Section 1445 of the Code if the Stockholder's Representative fails to deliver at or prior to the Closing the certificate in Section 8.02(f)(i) with respect to such Stockholder and the Company fails to deliver the documentation in Section 8.02(f)(ii).

Section 2.12 Purchase Price Adjustment.

(a) Estimated Closing Statement. The Company will prepare in good faith and provide to Buyer no later than three (3) Business Days prior to the anticipated Closing Date (i) a written statement setting forth in reasonable detail its good faith estimates of the Closing Working Capital (the "Estimated Working Capital"), the Closing Cash Balance (the "Estimated Closing Cash Balance"), the Closing Transaction Expenses (the "Estimated Closing Transaction Expenses") and the intended recipients thereof, the Closing Debt Amount (the "Estimated Closing Debt Amount") and the Debt Payoff Amount (together, the "Estimated Closing Statement") and (ii) the Company's calculation of the estimated Per-Share Consideration (the "Estimated Per-Share Consideration") and the estimated Aggregate Merger Consideration, each calculated in accordance with the definitions thereof and using the Estimated Working Capital as the amount of the Closing Working Capital, the Estimated Closing Cash Balance as the amount of the Closing Cash Balance, the Estimated Closing Transaction Expenses as the amount of the Closing Transaction Expenses and the Estimated Closing Debt Amount as the Closing Debt Amount. The Company's good faith estimates of the Closing Working Capital, the Closing Cash Balance, the Closing Transaction Expenses and the Closing Debt Amount contained in the Estimated Closing Statement will be prepared in accordance with the definitions thereof and in accordance with the accounting policies, principles, practices and methodologies used in the preparation of the audited Financials of EP Minerals and its consolidated Subsidiaries as of November 30, 2017 and otherwise in accordance with GAAP.

(b) Estimated Aggregate Merger Consideration. The Aggregate Merger Consideration payable at the Effective Time will be calculated using the Estimated Working Capital, the Estimated

Closing Cash Balance, the Estimated Closing Transaction Expenses and the Estimated Closing Debt Amount set forth in the Estimated Closing Statement (the "Estimated Aggregate Merger Consideration").

(c) Proposed Final Closing Statement. As promptly as possible and in any event within sixty (60) calendar days after the Closing Date, Buyer will prepare or cause to be prepared, and will provide to the Stockholders' Representative, a written statement setting forth in reasonable detail its proposed final determination of the Closing Working Capital, the Closing Cash Balance, the Closing Transaction Expenses, the Closing Debt Amount, the Per-Share Consideration and the Aggregate Merger Consideration (together, the "Proposed Final Closing Statement"). The determination of the Closing Working Capital, the Closing Cash Balance, the Closing Transaction Expenses and the Closing Debt Amount reflected on the Proposed Final Closing Statement will be prepared in accordance with the definitions thereof and in accordance with the accounting policies, principles, practices and methodologies used in the preparation of the audited Financials of EP Minerals and its consolidated Subsidiaries as of November 30, 2017 and otherwise in accordance with GAAP. Buyer will afford, and cause the Company to afford, the Stockholders' Representative and its Representatives reasonable access to the work papers and other books and records (including Tax records) of the Company for purposes of assisting the Stockholders' Representative and its Representatives in their review of the Proposed Final Closing Statement.

(d) Dispute Notice. The Proposed Final Closing Statement (and the proposed final determinations of the Closing Working Capital, the Closing Cash Balance, the Closing Transaction Expenses, the Closing Debt Amount, the Per-Share Consideration and the Aggregate Merger Consideration reflected thereon) will be final, conclusive and binding on the parties hereto for purposes of this Section 2.12 unless the Stockholders' Representative provides a written notice (a "Dispute Notice") to Buyer no later than the twentieth (20^{th}) Business Day after the delivery to the Stockholders' Representative of the Proposed Final Closing Statement (the "Dispute Period"); provided, that the Dispute Period shall be automatically tolled during any period in which Buyer fails to afford, or cause the Company to afford, the Stockholders' Representative and its Representatives reasonable access to the work papers and other books and records (including Tax records) of the Company as required by Section 2.12(c) above. Any Dispute Notice must set forth in reasonable detail (i) any item on the Proposed Final Closing Statement which the Stockholders' Representative believes has not been prepared in accordance with this Agreement and the correct amount of such item and (ii) the Stockholders' Representative's alternative calculation of the Closing Working Capital, the Closing Transaction Expenses, the Closing Cash Balance, the Closing Debt Amount, the Per-Share Consideration and the Aggregate Merger Consideration, as applicable. Any item or amount to which no dispute is raised in the Dispute Notice will be final, conclusive and binding on the parties hereto for purposes of this Section 2.12 from and after the expiration of the Dispute Period.

(e) Resolution of Disputes. Buyer and the Stockholders' Representative will attempt to promptly resolve the matters raised in any Dispute Notice in good faith. Beginning ten (10) Business Days after delivery of any Dispute Notice pursuant to Section 2.12(d), or any mutually-agreed extension thereof, either Buyer or the Stockholders' Representative may provide written notice to the other (the "Dispute Submission Notice") that it elects to submit the remaining disputed items

to a nationally recognized independent accounting firm chosen jointly by Buyer and the Stockholders' Representative (the "Accounting Firm"); provided, that if the Stockholders' Representative and Buyer are unable to select a firm within thirty (30) calendar days after delivery of the Dispute Notice, either Buyer or the Stockholders' Representative may request the American Arbitration Association to appoint an independent accounting firm meeting the requirements set forth above or a neutral and impartial certified public accountant with significant arbitration experience related to purchase price adjustment disputes relating to transactions of a similar nature. The parties will instruct the Accounting Firm to promptly (and in any event within 30 calendar days), in accordance with such procedures as it deems fair and equitable, provided, that each party will be afforded an opportunity to submit a written statement in favor of its position and to advocate for its position orally before the Accounting Firm, review only those unresolved items and amounts specifically set forth and objected to in the Dispute Notice and make a binding determination with respect thereto. A single partner of the Accounting Firm selected by such Accounting Firm in accordance with its normal procedures and having expertise with respect to settlement of such disputes and the industry in which the Company operates will (acting as an expert and not as an arbitrator) act for the Accounting Firm in the determination proceeding, and the Accounting Firm will render a written decision with respect to such disputed matters, including a statement in reasonable detail of the basis for its decision. In resolving the disputed matters, the Accounting Firm may not assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. The fees and expenses of the Accounting Firm shall be allocated to be paid by Buyer, on the one hand, and/or the Company, on the other hand, based upon the percentage which the portion of the contested amount not awarded to each party bears to the amount actually contested by such party, as determined by the Accounting Firm. The decision of the Accounting Firm with respect to the disputed items of the Proposed Final Closing Statement submitted to it will be final, conclusive and binding on the parties for purposes of this Section 2.12. As used herein, the Proposed Final Closing Statement, as adjusted to reflect any changes agreed to by the parties and/or the decision of the Accounting Firm, pursuant to this Section 2.12, is referred to herein as the "Final Closing Statement". Each of the parties to this Agreement agrees to cooperate with the Accounting Firm (including by executing a customary engagement letter reasonably acceptable to it) and to cause the Accounting Firm to resolve any such dispute as soon as practicable after the commencement of the Accounting Firm's engagement.

(f) Purchase Price Adjustment. If the Closing Working Capital, the Closing Debt Amount, the Closing Transaction Expenses or the Closing Cash Balance (as finally determined pursuant to this Section 2.12 and as set forth in the Final Closing Statement) differs from the estimated amounts thereof set forth in the Estimated Closing Statement, the Per-Share Consideration will be recalculated using such final figures in lieu of such estimated figures, and

(i) Buyer will remit or cause to be remitted to the Paying Agent (for distribution to the Stockholders in accordance with each Stockholder's Pro Rata Share) an aggregate amount equal to the excess of the Aggregate Merger Consideration over the Estimated Aggregate Merger Consideration, and each of Buyer and the Stockholders' Representative shall authorize and direct the Escrow Agent to release to the Paying Agent (for distribution

to the Stockholders in accordance with each Stockholder's Pro Rata Share) all funds in the Adjustment Escrow Account; or

(ii) Buyer and the Stockholders' Representative will jointly direct the Escrow Agent to transfer to (A) Buyer, or at Buyer's discretion, to the Surviving Corporation, by wire transfer of immediately available funds out of the Adjustment Escrow Property an aggregate amount equal to the excess of the Estimated Aggregate Merger Consideration over the Aggregate Merger Consideration (solely to the extent of the funds available in the Adjustment Escrow Account) and (B) the Paying Agent (for distribution to the Stockholders in accordance with each Stockholder's Pro Rata Share), any funds that remain in the Adjustment Escrow Account following the distribution contemplated by clause (A) of this Section 2.12(f)(ii).

(g) Methodology. If and to the extent that the Final Closing Statement includes as part of its calculation a number resulting from correction of an error or inconsistency, or a noncompliance with an accounting policy or procedure, that was used in the calculation of the Target Working Capital (or the account balances that were used by the parties in discussions to finalize the Target Working Capital), then the Target Working Capital shall be similarly adjusted for the same matter giving rise to such correction in the same manner (based on facts existing as of the dates of the accounts used to finalize the Target Working Capital) that such correction was applied in the Final Closing Statement so that the same item is not reflected differently on the Final Closing Statement than it was in the account balances used to finalize the Target Working Capital.

Article 3
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

In order to induce Buyer to enter into and perform this Agreement and to consummate the Contemplated Transactions, the Company hereby represents and warrants to Buyer, in each case except as set forth in the disclosure schedules to this Article 3 delivered by the Company to Buyer prior to the execution and delivery of this Agreement ("Disclosure Schedules"), that the following representations and warranties are true and correct as of the date of this Agreement and will be true and correct as of the Effective Time (except to the extent such representations and warranties speak expressly as of an earlier date):

Section 3.01 Organization.

(a) Each of the Acquired Companies is (i) duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and (ii) duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of the properties owned, leased or licensed by it or the nature of its business makes such qualification, licensing or good standing necessary, except where the failure to be so qualified or licensed or in good standing has not had, and would not reasonably be expected to have, a Material Adverse Effect. The Company has made available to Buyer true and complete copies of the charter and bylaws, or other applicable Organizational Documents, of the Acquired Companies, each as amended and otherwise in effect, including the stock (or similar) records of each Acquired Company. No Acquired Company is in violation of any of the provisions of its Organizational Documents. Set forth in Section 3.01 of the

Disclosure Schedules is a true, correct and complete list of the directors, officers and similar governing persons of the Company and each Company Subsidiary.

(b) The Stockholders' Representative is (i) duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and (ii) duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of the properties owned, leased or licensed by it or the nature of its business makes such qualification, licensing or good standing necessary, except where the failure to be so qualified or licensed or in good standing has not had, and would not reasonably be expected to have, a Material Adverse Effect.

Section 3.02 Power and Authorization. Each of the Company and the Stockholders' Representative has the corporate power and authority to execute and deliver this Agreement and each Transaction Document to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereunder and thereunder. Each of the Company and the Stockholders' Representative has taken all corporate or other actions or proceedings required to be taken by or on the part of the Company and the Stockholders' Representative to authorize and permit the execution and delivery by the Company and the Stockholders' Representative of this Agreement, the Transaction Documents and the instruments required to be executed and delivered by it pursuant hereto, and the performance by the Company of its obligations hereunder and the consummation by the Company of the Contemplated Transactions. This Agreement has been (or in the case of Transaction Documents to be entered into at or prior to the Closing, will be) duly executed and delivered by the Company and the Stockholders' Representative, and assuming the due authorization, execution and delivery by each of the other parties hereto or thereto, constitutes (or will constitute) the legal, valid and binding obligation of the Company and the Stockholders' Representative, enforceable against the Company and the Stockholders' Representative in accordance with its terms.

Section 3.03 No Violation or Approval; Consents.

(a) The Company's board of directors has unanimously (i) adopted a resolution approving this Agreement and declaring its advisability and (ii) recommended that its stockholders approve and adopt this Agreement, the Merger and other Contemplated Transactions. As of the date of this Agreement, Stockholders holding all of the issued and outstanding shares of Common Stock outstanding on the date hereof or issuable pursuant to Company Convertible Securities (without regard to any vesting provisions thereof), in the aggregate, have adopted this Agreement or otherwise validly and irrevocably waived rights of appraisal pursuant to Section 262 of the DGCL.

(b) Neither the execution, delivery and performance of this Agreement or the Transaction Documents by the Company nor its consummation of the Contemplated Transactions will (with or without the lapse of time):

(i) require the Approval of any Governmental Authority by or on behalf of the Acquired Companies, other than (A) required filings under the HSR Act, (B) required approvals and filings under applicable foreign antitrust and competition laws, (C) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware and (D) consents, waivers, approvals, orders, authorizations or filings that, if not obtained or made,

would not reasonably be expected to prevent or materially impair or materially delay the ability of the Company to consummate the Contemplated Transactions;

(ii) result in or give rise to the imposition of a Lien (other than Permitted Liens) on any of the material properties or assets of the Acquired Companies;

(iii) assuming the taking of each action by (including the obtaining of each necessary Approval), or in respect of, and the making of all necessary filings with, Governmental Authorities, result in a breach or violation of, or constitute a default under, any Applicable Laws to which the Acquired Companies, the Business or any Assets are subject; or

(iv) except as set forth in Section 3.03(b)(iv) of the Disclosure Schedules, conflict with, result in a breach or violation of, or constitute a default under, or give rise to a right of or result in termination, cancellation of, or accelerate the performance required by, or require any action by (including any Approval) or to, or give rise to increased, additional or guaranteed rights to, any Person under, any of the terms, conditions or provisions of (A) any Contractual Obligation of the Company or a Company Subsidiary or any Contractual Obligation applicable to any of their respective properties or assets, (B) any Governmental Order to which any Acquired Company is subject, or (D) assuming receipt of Stockholder Approval, the Organizational Documents of the Company, except in the case of clause (A) for such breaches, violations, defaults, terminations, accelerations, actions or notices which would not have a Material Adverse Effect.

Section 3.04 Capitalization of the Acquired Companies.

(a) The entire authorized capital stock of the Company consists of One Thousand (1,000) shares of the Company's Common Stock, of which, as of the date of this Agreement, One Thousand (1,000) Shares are issued and outstanding. All of the outstanding shares of capital stock of the Company have been duly authorized, validly issued and are fully paid and non-assessable, have not been issued in violation of any preemptive rights, and were issued in compliance with all Applicable Laws. Section 3.04(a) of the Disclosure Schedules accurately sets forth, as of the date of this Agreement, the name of each Person that is the record owner as reflected in the stock records of the Company of any shares of Common Stock and the number of such shares so owned by such Person, and such shares are owned by each such Person free and clear of all Liens (other than Permitted Liens). Other than as set forth in Section 3.04(b) of the Disclosure Schedules, the number of such shares set forth as being so owned by such Person constitutes the entire interest of such Person in the issued and outstanding capital stock or voting securities of the Company.

(b) As of the date hereof, except as described in Section 3.04(b) of the Disclosure Schedules, there are no outstanding options, warrants or other rights of any Person to acquire any Shares or any other equity securities of, or any equity interests in, the Company or its Subsidiaries, or securities exercisable or exchangeable for, or convertible into, equity securities of, or equity interests in, the Company or its Subsidiaries ("Company Convertible Securities").

(c) Section 3.04(c) of the Disclosure Schedules sets forth a true and complete list of the name and jurisdiction of organization of the Acquired Companies and, with respect to each Company Subsidiary, its authorized and issued and outstanding equity interests. Except as set forth in Section 3.04(c) of the Disclosure Schedules, no Acquired Company owns any equity securities of or interests in any Person other than another Subsidiary of the Company.

(d) Section 3.04(d) of the Disclosure Schedules accurately sets forth, as of the date of this Agreement, the name of each Person that is the record owner as reflected in the stock or similar records of the each Subsidiary of any equity of such Subsidiary and the amount of such equity so owned by such Person. The Company or a Subsidiary of the Company holds the equity interests of each of the Company's Subsidiaries free and clear of all Liens (other than Permitted Liens). Except as set forth in Section 3.04(d) of the Disclosure Schedules, (i) there are no preemptive rights or other similar rights in respect of any equity interests in the Company or any Company Subsidiary, (ii) there are no Liens (other than Permitted Liens) on, or Contractual Obligations of an Acquired Company or of its Stockholders or other equity interest holders, concerning, the ownership, transfer or voting of any equity interests in the Acquired Companies, or otherwise affecting the rights of any holder of the equity interests in the Acquired Companies, (iii) except for the Contemplated Transactions, there is no Contractual Obligation, or provision in the Organizational Documents of any Acquired Company, which obligates any of the Acquired Companies to (A) purchase, redeem or otherwise acquire, or make any payment (including any dividend or distribution) in respect of, any equity interest in the Acquired Companies or (B) issue, transfer or sell any equity interests or Company Convertible Securities, (iv) there is no Contractual Obligation obligating the Company to grant, extend or enter into any subscription agreement or any agreement concerning any Company Convertible Securities and (v) there are no existing rights with respect to registration under the 1933 Act of any equity interests in the Acquired Companies.

(e) Neither the Company nor any Company Subsidiary has outstanding bonds, debentures, notes or other similar obligations, the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the Stockholders on any matter.

Section 3.05 Financial Matters.

(a) Financial Statements. Buyer has been furnished with true and complete copies of each of the following: (i) the audited consolidated balance sheet of EP Minerals and its consolidated Subsidiaries as of November 30, 2017, and the related audited consolidated statement of income, cash flow and changes in stockholders' equity of EP Minerals and its consolidated Subsidiaries for the fiscal year then-ended, accompanied by any notes thereto and the reports of EP Minerals' independent accountants with respect thereto; and (ii) the unaudited consolidated balance sheet of the Company and its consolidated Subsidiaries as of January 31, 2018 (the "Most Recent Balance Sheet" and the date thereof, the "Most Recent Balance Sheet Date"), and the related unaudited consolidated statement of income, cash flow and changes in stockholders' equity of the Company and its consolidated Subsidiaries for the two (2) months then-ended (collectively, the financial statements described in clauses (i) and (ii), the "Financials").

(b) Compliance with GAAP. The Financials (including any notes thereto) (i) have been prepared in accordance with GAAP, consistently applied throughout the periods indicated, (ii) are consistent with the books and records of the Acquired Companies in all material respects, and (iii) fairly present, in all material respects, the consolidated financial position and the consolidated results of the operations of the Company and its consolidated Subsidiaries as of the dates thereof and their consolidated results of operations and cash flow for the periods then-ended in accordance with GAAP (subject, in each case, in the case of the unaudited Financials, to the absence of statements of cash flows and stockholder equity and footnotes and to normal year-end and periodic reclassifications and adjustments the effect of which will not, in the aggregate, be materially adverse).

(c) No Undisclosed Liabilities. Except for liabilities disclosed in Section 3.05(c) of the Disclosure Schedules, the Company and Company Subsidiaries have no liabilities or obligations of the type required to be disclosed in the liabilities column of a balance sheet prepared in accordance with GAAP other than (i) those set forth or provided for in the balance sheet included in the Financial Statements as of November 30, 2017, (ii) those incurred in the conduct of the Company's and the Company Subsidiary's businesses since November 30, 2017 (the "Balance Sheet Date") in the ordinary course of business consistent with past practice, (iii) those incurred by the Company in connection with the execution and performance of the Company's obligations under this Agreement and (iv) those that, individually or in the aggregate, do not exceed $750,000.

Section 3.06 Absence of Certain Developments. Since the Balance Sheet Date, (a) the Business has been conducted in all material respects in the ordinary course of business consistent with past practice, (b) there has not occurred a Material Adverse Effect with respect to the Company and Company Subsidiaries, (c) neither the Company nor any Company Subsidiary has suffered material damage, destruction or loss, whether or not covered by insurance, affecting the assets, properties or business of the Company or any Company Subsidiary and (d) the Company has not taken any action that would have required the prior written consent of Buyer under Section 5.01 if such action had been taken after the date of this Agreement and prior to the Closing.

Section 3.07 Debt; Guarantees. Section 3.07 of the Disclosure Schedules sets forth a list of all of the Acquired Companies' material (i) Contractual Obligations governing Debt and (ii) leasing or similar arrangements that, in accordance with GAAP, are classified as capital leases, in each case as of the date of this Agreement. The Acquired Companies have no material liability in respect of a guarantee of any Debt or other liability of any other Person (other than another Subsidiary of the Company).

Section 3.08 Assets. The Acquired Companies have good and valid title to, or in the case of leased or licensed property and assets have a valid leasehold interest in or the right to use pursuant to a valid and enforceable lease, license or similar Contractual Obligation that affords the applicable Acquired Company possession of the properties and assets that are the subject of such lease, license or Contractual Obligation, all of their tangible properties, rights and assets, whether real or personal, including all assets reflected in the Most Recent Balance Sheet or acquired after the Most Recent Balance Sheet Date, except (a) to the extent the enforceability of any such leases or other Contractual Obligations may be limited by general principles of equity (whether considered in a proceeding at

law or in equity) and (b) for assets that have been sold or otherwise disposed of since the Most Recent Balance Sheet Date in the ordinary course of business (collectively, the "Assets"). None of the Assets is subject to any Lien other than a Permitted Lien. The Assets are in reasonably good condition, reasonable wear and tear excepted, and usable for the purposes for which they are currently used in the conduct of the Business, and none of such Assets is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The Company and the Company Subsidiaries collectively beneficially hold, lease or license all material assets, properties and rights used by them in the conduct of their businesses, and such assets, properties and rights are sufficient for the conduct of the Business. This Section 3.08 does not relate to real property or interests in real property, such items being instead the subject of Section 3.09, or to Intellectual Property or interests in Intellectual Property, such items being instead the subject of Section 3.10.

Section 3.09 Real Property.

(a) Section 3.09(a)(i) of the Disclosure Schedules sets forth an accurate and complete list of all real property owned in fee by the Acquired Companies (the "Owned Real Property"), together with a description of the location of each Owned Real Property (including, to the extent available for each Owned Real Property, parcel identification numbers, tax lot numbers, and/or the township, range and section information identifying the location of the relevant Owned Real Property) and the name of the Acquired Company holding such title. The Acquired Companies have good and marketable title (or the equivalent of good and marketable title in the applicable jurisdiction) to all Owned Real Property, in each case except where the failure to have such title or interest would not materially interfere with the use or occupancy of the Owned Real Property. The Owned Real Property and the Leased Real Property collectively include all real property reflected on the Most Recent Balance Sheet or acquired after the Most Recent Balance Sheet Date, except for properties and assets sold since the Most Recent Balance Sheet Date. Except as set forth in Section 3.09(a)(ii) of the Disclosure Schedules, (A) none of the Acquired Companies have entered into any lease, sublease or other occupancy or use agreement with respect to any of the Owned Real Property which remains in effect, (B) there is no pending, or, to the Knowledge of the Company, proposed change in the zoning of any of the Owned Real Property or any part thereof, and (C) none of the Acquired Companies is a party to any agreement or option to purchase any Real Property or interest therein.

(b) Except as set forth in Section 3.09(a)(i) and Section 3.09(c)(i) of the Disclosure Schedules, none of the Acquired Companies currently owns or leases, or has during the past five (5) years owned or leased, any real property. The Owned Properties and the Leased Real Properties (collectively, the "Real Property") constitute all of the real property interests used by, or necessary for, the conduct of the Business of the Acquired Companies. None of the Real Property is subject to any Lien, except Permitted Liens. The Company has made available to Buyer true and correct copies of the most recent annual filing for each unpatented mining claim constituting part of the Owned Real Property. There are no outstanding options or rights of first refusal to purchase any of the Real Property or any interest therein. The Acquired Companies have obtained and maintained in full force and effect all licenses, Permits and similar governmental authorizations required under any Applicable Laws or regulations for the use, operation and occupancy of the Real Property as

currently used, operated and occupied in connection with the Business, and use and occupancy of the Real Property or any portion thereof or the operation of the Business thereon is not dependent on a "permitted non-conforming use" or "permitted non-conforming structure" or similar variance, exemption or approval from any Governmental Authority. None of the Acquired Companies has received written notice from any Governmental Authority that any of the Owned Real Property is in violation of any Applicable Law, which violation remains uncured.

(c) Section 3.09(c)(i) of the Disclosure Schedules sets forth an accurate and complete list of all real property leased or subleased by the Acquired Companies and all real property in which the Acquired Companies hold any easement interest or other use or occupancy interest, including, without limitation, mining claims and water rights (the foregoing collectively, the "Leased Real Property"), together with, as applicable, a description of the applicable property(including, with respect to each leased mining claim, the township, range and section information identifying the location of the relevant leased mining claim), the nature of the real property interest and the lease, sublease, easement or other agreements creating such Leased Real Property (the "Leases"), the identity of the lessor or grantor thereunder and the identity of the Acquired Company holding such lease, easement or other occupancy interest. The Acquired Companies have a good, valid and subsisting leasehold, easement or other occupancy interest in all Leased Real Property, in each case except where the failure to have such title or interest would not materially interfere with the use or occupancy of such Leased Real Property. The Company has made available to Buyer true and complete copies of the Leases relating to such Leased Real Property, including all extensions, amendments and other modifications, if any, thereof, and subordination and nondisturbance agreements, if any, relating thereto. Except as set forth in Section 3.09(c)(i) of the Disclosure Schedules, none of the Leased Real Property is occupied by any Acquired Company pursuant to a sublease. With respect to each Lease listed in Section 3.09(c)(i) of the Disclosure Schedules, except as set forth Section 3.09(c)(ii) of the Disclosure Schedules, none of the Acquired Companies has assigned, transferred, conveyed, subleased, licensed, mortgaged, deeded in trust or encumbered any interest in the Lease or the premises or property demised or granted thereunder. With respect to the Leased Real Property, there is no default by the Acquired Companies or, to the Knowledge of the Company, by any other party under any of the Leases, and no circumstance has occurred that, with the passage of time or the giving of notice or both would constitute a default by the Acquired Companies or, to the Knowledge of the Company, any other party under the Leases.

(d) With respect to each of the unpatented mining claims constituting part of the Real Property: (i) except as expressly set forth in Section 3.09(a) or Section 3.09(c) of the Disclosure Schedules, the Acquired Company that is the owner or lessee of such mining claim is the sole owner or lessee, as the case may be, of such unpatented mining claim, subject only to those rights of record described in Section 3.09(d) of the Disclosure Schedules, (ii) all lands covered by such unpatented mining claims were open to location when such claims were located and, to the Knowledge of the Company, there are no conflicts with claims owned by other parties, and (iii) to the Knowledge of the Company, such unpatented mining claims have been properly located and maintained in conformance with Applicable Laws.

(e) Except as set forth on Section 3.09(e) of the Disclosure Schedules, the Acquired Companies hold fee title, mining leases, mining claims, mining licenses, mining concessions or

other conventional proprietary interests or rights recognized in the jurisdiction in which each mining Real Property is located in respect of the ore bodies and minerals in such mining properties and milling facilities under valid, subsisting and enforceable title documents, contracts, leases, licenses of occupation, licenses, mining concessions, permits or other recognized and enforceable instruments and documents, sufficient to permit the Acquired Companies to explore for, develop, extract, exploit, remove, process or refine the minerals relating thereto (as applicable). In addition, the Acquired Companies have all necessary surface rights, access rights and all other presently required rights and interests granting the Acquired Companies the rights and ability to explore for, mine, extract, remove or process the minerals derived from each such mining Real Property. Each of the aforementioned interests and rights is currently in good standing.

(f) All Real Property (including all improvements and fixtures owned by the Acquired Companies located thereon or attached thereto) is in good and safe condition and repair (ordinary wear and tear excepted), and is sufficient in all material respects for the conduct of the Business. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) there has been no (A) material casualty event with respect to the Real Property within the preceding twelve (12) calendar months prior to the date hereof which has not been substantially remedied or repaired or with respect to which insurance proceeds have not been received in an amount sufficient to pay for such remedies or repairs, or (B) condemnation or eminent domain proceeding commenced against, or to the Knowledge of the Company, threatened in respect of any Real Property or any material portion thereof or interest therein, (ii) except as set forth on Section 3.18 of the Disclosure Schedules, all improvements on any Real Property are wholly within the boundary lines of such Real Property and do not encroach on any adjoining premises of such Real Property and (iii) there are no encroachments on any Real Property (or any easement appurtenant thereto) by any improvements located on any adjoining premises.

Section 3.10 Intellectual Property.

(a) (i) The Acquired Companies own, license or have the right to use all Intellectual Property used in the operation of their businesses as currently conducted, free and clear of all Liens other than Permitted Liens; (ii) no actions are pending or, to the Knowledge of the Company, threatened, against the Acquired Companies with regard to any Intellectual Property; (iii) to the Knowledge of the Company, (A) the operation of the Acquired Companies' businesses as currently conducted does not infringe, misappropriate or violate ("Infringe") the Intellectual Property of any other person, and (B) no third party is materially Infringing the Acquired Companies' Intellectual Property; (iv) all unexpired registrations and pending applications for registered Intellectual Property owned by the Acquired Companies that are material to the Acquired Companies, taken as a whole, are subsisting and, to the Knowledge of the Company, are valid and enforceable; (v) the Acquired Companies take commercially reasonable actions to protect their Intellectual Property (including trade secrets and confidential information in accordance with the policies and procedures previously provided or made available to Buyer); and (vi) the Acquired Companies take commercially reasonable actions to maintain and protect the integrity, security and operation of their information systems.

(b) Section 3.10(b) of the Disclosure Schedules sets forth a list of all material patents, patent applications, registered copyrights, registered trademarks and service marks and applications to register trademarks and service marks, in each case that are owned by the Acquired Companies.

Section 3.11 Tax Matters.

(a) Each Acquired Company has timely filed, or has caused to be timely filed on its behalf (after giving effect to extensions), all Tax Returns required to be filed by or with respect to it, and all such Tax Returns are true, correct, and complete in all material respects. All Taxes required to be paid by or with respect to the Acquired Companies have been timely paid in full (whether or not shown on any Tax Returns). There are no Liens with respect to Taxes upon any Asset other than Permitted Liens, and no claim for unpaid Taxes has been made by any Governmental Authority that could give rise to any such Lien.

(b) All Taxes required to have been withheld and paid in connection with amounts paid by the Acquired Companies to any employee, independent contractor, or other Person have been withheld and timely paid to the appropriate Governmental Authority, and the Acquired Companies have properly received and maintained (to the extent required by Applicable Law) any and all certificates, forms, and other documents required by Applicable Law for any exemption from withholding and remitting any Taxes.

(c) No claim concerning Taxes of the Acquired Companies has been raised in writing by a Governmental Authority that has not been resolved. There is no audit, action, suit, claim, or other proceeding that is commenced, ongoing, pending, or threatened in respect of any Taxes of or with respect to any Acquired Company or for which any Acquired Company may be liable, and no Acquired Company has received from any Governmental Authority any notice in writing indicating an intent to open an audit or other review pertaining to Taxes of or with respect to an Acquired Company.

(d) Except as set forth in Section 3.11(d) of the Disclosure Schedules, no Acquired Company has agreed to any extension or waiver of any statute of limitations in respect of Taxes, agreed to any extension of time with respect to a Tax assessment or deficiency, or entered into any closing agreement under Applicable Law that, in each case, remains in effect. No power of attorney granted by any Acquired Company with respect to any Taxes is currently in force.

(e) The unpaid Taxes of the Acquired Companies did not, as of the Most Recent Balance Sheet Date, exceed the reserve for Taxes (but excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto).

(f) Since the Most Recent Balance Sheet Date, the Acquired Companies have not (i) made or revoked any election in respect of Taxes, (ii) changed any accounting method in respect of Taxes, (iii) prepared any Tax Returns in a manner which is not consistent with the past practice of the Acquired Companies with respect to the treatment of items on such Tax Returns, (iv) filed any amendment to a Tax Return that will increase the Tax liability of any Acquired Company after the Closing, (v) incurred any liability for Taxes other than in the ordinary course of business, (vi)

settled any claim or assessment in respect of Taxes, (vii) consented to the extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes with any Governmental Authority, or (viii) surrendered any right to claim a refund of Taxes

(g) No Acquired Company has ever been a member of an "affiliated group" within the meaning of Code Section 1504(a) filing a consolidated U.S. federal income Tax Return (other than such an "affiliated group" with respect to which any Acquired Company was the common parent) or an affiliated, combined, consolidated, unitary, or aggregate Tax group for purposes of filing any other Tax Return (other than any such group with respect to which any Acquired Company was the common parent). No Acquired Company has any liability with respect to the Taxes of any Person (other than another Acquired Company) as a result of having been a member of an affiliated, combined, consolidated, unitary, or aggregate group for Tax purposes, including pursuant to Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign Applicable Law). No Acquired Company has any liability for Taxes of any Person (other than an Acquired Company) as a transferee, successor, by contract or otherwise.

(h) No Acquired Company is party to or bound by any Tax sharing, allocation, indemnity, or similar agreement, other than any such agreement entered into in the ordinary course of business and not primarily related to Taxes.

(i) No Acquired Company has distributed stock of another corporation, or has had its stock distributed by another corporation, in a transaction that was governed, or purported or intended to be governed, in whole or in part, by Section 355 or 361 of the Code or any similar provision of state, local or foreign Tax Applicable Law.

(j) No claim has been made by any Governmental Authority in a jurisdiction where an Acquired Company does not file Tax Returns that it is or may be subject to Tax by such jurisdiction.

(k) No Acquired Company is subject to any private letter ruling technical advice memorandum, or similar ruling or memorandum of the IRS or any comparable rulings of any Governmental Authority, and there is no pending request for such a ruling or memorandum.

(l) The Acquired Companies will not be required to include any item of income in, or exclude any item of deduction from, any taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) change in method of accounting pursuant to Section 481(a) or Section 482 of the Code (or any corresponding or similar provision of state, local, or foreign Tax Applicable Law), (ii) use of an improper method of accounting for a taxable period ending on or prior to the Closing Date, (iii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local, or foreign Tax Applicable Law) executed on or prior to the Closing Date, (iv) intercompany transaction or excess loss account described in Treasury Regulations promulgated under Section 1502 of the Code (or any corresponding or similar provision of state, local, or foreign Tax Applicable Law), (v) installment sale or open transaction disposition made on or prior to the Closing Date, (vi) prepaid amount received on or prior to the Closing Date, (vii) an election under Section 108(i) of the Code, or (viii) "subpart F income" (as defined in Section 952(a) of the Code) or amounts determined under Section 956 of the Code arising or generated during any taxable period (or portion thereof) ending on or

prior to the Closing Date. The liabilities of the Acquired Companies arising under Section 965 of the Code does not exceed $2,000,000.

(m) No Acquired Company has participated in or is currently participating in, or has any liability for the payment of any Tax resulting from a Person's participation in, directly or indirectly, (i) "any reportable transaction", as defined in Section 6707A(c)(1) of the Code and Treasury Regulations Section 1.6011-4(b), or (ii) any transaction requiring disclosure under a corresponding or similar provision of state, local, or foreign Tax Applicable Law. The Acquired Companies have disclosed on all Tax Returns filed by them all positions taken therein that could, if not so disclosed, give rise to a substantial understatement penalty within the meaning of Section 6662 or Section 6662A of the Code (or any similar provision of state, local, or foreign Tax Applicable Law).

(n) No Acquired Company (i) is or has ever been a "passive foreign investment company" within the meaning of Section 1297 of the Code, or (ii) has a permanent establishment (within the meaning of any applicable Tax treaty or convention) or an office or fixed place of business in a country other than the country in which it is organized.

(o) True, complete, and correct copies of the following have been made available to Buyer: (i) all U.S. federal, state, local, and foreign income and franchise Tax Returns and material other Tax Returns of or with respect to the Acquired Companies for Tax periods ending on or after December 31, 2014, and (ii) all audit or examination reports, notices of proposed adjustments, statements of deficiencies, or similar correspondence received by or with respect to the Acquired Companies on or after December 31, 2014.

(p) The U.S. federal income tax classification of each Acquired Company is set forth on Section 3.11(p) of the Disclosure Schedules.

Section 3.12 Employee Benefit Plans.

(a) Company Plans. Section 3.12(a) of the Disclosure Schedules lists all Employee Plans that the Acquired Companies or any of their ERISA Affiliates sponsor or maintain, or to which the Acquired Companies contribute or are obligated to contribute, or which covers the Acquired Companies' employees and for which the Acquired Companies have any liability (each a "Company Plan"). With respect to each Company Plan, the Acquired Companies have made available to Buyer accurate and complete copies of each of the following: (i) the plan document together with all amendments thereto, and any trust agreements, (ii) any summary plan descriptions, summary of material modifications or employee handbooks, (iii) in the case of any plan that is intended to be qualified under Code Section 401(a), the most recent determination or opinion letter from the IRS and the most recent consolidated financial statement and actuarial valuation, and (iv) in the case of any plan for which Forms 5500 are required to be filed, the most recently filed Form 5500.

(b) Plan Qualification; Plan Administration. (i) Each Company Plan that is intended to be qualified under Section 401(a) of the Code has received or filed for a favorable determination or opinion letter to the effect that the form of such plan is so qualified or the applicable period for requesting such determination or opinion has not yet expired, and to the Company's Knowledge, the Acquired Companies have not taken, or failed to take, any action that would be reasonably

expected to result in the revocation of such letter or the failure to obtain such qualification; (ii) each Company Plan has been administered in compliance in all material respects in accordance with its terms and all Applicable Laws; and (iii) the requirements of Part 6 of Subtitle B of Title I of ERISA and of Section 4980B of the Code have been met in all material respects with respect to each Company Plan that is a welfare benefit plan within the meaning of Section 3(1) of ERISA and is subject to such provisions.

(c) All Contributions and Premiums Paid. All required contributions, assessments and premium payments on account of each Company Plan have been timely paid by the applicable due date or accrued in accordance with GAAP.

(d) Claims. With respect to each Company Plan, there are no material existing (or, to the Company's Knowledge, threatened) claims or actions involving any Acquired Company (other than routine claims for benefits).

(e) No Liability. Except as listed in Section 3.12(e) of the Disclosure Schedules, no Company Plan is subject to Title IV of ERISA. Neither the Acquired Companies nor any of their ERISA Affiliates maintains, sponsors, contributes to or has any current or contingent liability with respect to, any "multiemployer plan" (as such term is defined under Section 3(37) of ERISA).

(f) Retiree Benefits; Certain Welfare Plans. Except as required under Section 601 *et seq.* of ERISA or Section 4980B of the Code, no Company Plan provides medical, or life insurance benefits or coverage following retirement or other termination of employment.

(g) No Accelerated Benefits. Except as set forth in Section 3.13(g) of the Disclosure Schedules, neither the execution and delivery of this Agreement and the other Transaction Documents nor the consummation of the transactions contemplated hereby and thereby (in each case either alone or in conjunction with any other event) will: (i) result in any payment becoming due to any Continuing Employee; (ii) increase any benefits otherwise payable to any Continuing Employee; (iii) result in the acceleration of the time of payment to a Continuing Employee or vesting of any benefits under a Company Plan; or (iv) result in funding or acceleration of funding of any benefit under any Company Plan.

(h) Section 409A of the Code. Other than the EP Deferred Compensation Plan, to the Company's Knowledge, (i) at all times since January 1, 2005, all Company Plans that are subject to Section 409A of the Code have been operated in a manner that materially complies with Section 409A of the Code, (ii) all Company Plans that were in effect prior to January 1, 2009 were validly amended no later than December 31, 2008 to become in material documentary compliance with Section 409A of the Code and (iii) all new Company Plans that were established after December 31, 2008 have, since their inceptions, been in material documentary compliance with Section 409A of the Code.

(i) Foreign Plans. Section 3.12(i) of the Disclosure Schedules separately identifies each Company Plan that is not subject to United States law maintained primarily in respect of Continuing Employees (a "Foreign Plan") and the non-U.S. jurisdiction applicable to each Foreign Plan. Each Foreign Plan has been established, maintained and administered in all material respects in

accordance with its terms and Applicable Laws, and if intended to qualify for special tax treatment, meets all the requirements for such treatment. All employer and employee contributions to each Foreign Plan required by its terms or by Applicable Law have been made or, if applicable, accrued in accordance with generally accepted accounting practices in the applicable jurisdiction and any other payments (including insurance premiums) otherwise due in respect of a Foreign Plan have been paid in full. The fair market value of the assets of each funded Foreign Plan, the liability of each insurer for any Foreign Plan funded through insurance or the book reserve established for any Foreign Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the date of this Agreement, with respect to all current and former participants in such plan according to the actuarial assumptions and valuations most recently used to determine employer contributions to such Foreign Plan, and no transaction contemplated by this Agreement will cause such assets or insurance obligations to be less than such benefit obligations. Each Foreign Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities.

Section 3.13 Environmental Matters. Except as set forth in Section 3.13 of the Disclosure Schedules, (a) each Acquired Company is in compliance with all Environmental Laws applicable to it, except where the failure to be in compliance would not have a Material Adverse Effect, (b) each Acquired Company has all permits, authorizations and approvals required under applicable Environmental Laws, except where the failure to have such permits, authorizations and approvals would not have a Material Adverse Effect, and is in compliance with the respective requirements of such permits, authorizations and approvals, except where the failure to be in compliance would not have a Material Adverse Effect, (c) there is not now pending or, to the Company's Knowledge, threatened, any action against the Acquired Companies in connection with any past or present noncompliance with such Environmental Laws, except in each of the foregoing cases with respect to actions that would not have a Material Adverse Effect, (d) there has been no release of any Hazardous Substance on, upon, into or from any site currently owned or leased by any Acquired Company or, to the Company's Knowledge, on or from any real property formerly owned or leased by any Acquired Company, except for any such releases that would not have a Material Adverse Effect, (e) there has been no Hazardous Substance generated by the Acquired Companies that has been disposed of at any site that has been included in any published U.S. federal, state or local "superfund" site list or any other similar list of hazardous or toxic waste sites published by any Governmental Authority in the United States, and (f) there are no known underground storage tanks located on, no PCBs (polychlorinated biphenyls) or PCB-containing equipment used or stored on, and no hazardous waste as defined by the Resource Conservation and Recovery Act stored on, any site owned or operated by the Company, except for the storage of hazardous waste in compliance with Environmental Laws. The Company has provided or made available to Buyer all material environmental site assessments, audits, investigations and studies in the possession of the Acquired Companies relating to the Real Property or to the operations of the Acquired Companies.

Section 3.14 Contracts.

(a) Contracts. Section 3.14(a) of the Disclosure Schedules sets forth a list of all Contractual Obligations of the Acquired Companies of the types described below that are in effect on the date of this Agreement:

(i) any Contractual Obligation (or group of related Contractual Obligations) for the sale of products or services to any customer or for the purchase of products or services from any supplier, from which the associated revenues or costs, as the case may be, exceeded Five Million Dollars ($5,000,000) during the fiscal year ended on November 30, 2017;

(ii) all partnership or joint venture agreements to which any Acquired Company is party;

(iii) any Contractual Obligation (or group of Contractual Obligations) under which the Company or the Company Subsidiaries have created, incurred, assumed or guaranteed any Debt, or under which it has permitted any Asset to become encumbered by a Lien (other than by a Permitted Lien);

(iv) any Contractual Obligation which imposes a material restriction on the geographies in which any Acquired Company may operate the Business or limits the freedom of any Acquired Company to compete with any other Person, in any line of business or prohibits the sale of any products by an Acquired Company;

(v) any employment agreement of the Acquired Companies with an employee, consultant or independent contractor whose cash compensation during the fiscal year ended on November 30, 2017 exceeded Two Hundred Thousand Dollars ($200,000);

(vi) any Contractual Obligation or plan (including any stock option, merger or stock bonus plan) relating to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any shares of Common Stock or any other securities of the Company or any Company Subsidiary or any Company Convertible Securities;

(vii) any Contractual Obligation with any union or collective bargaining agreements;

(viii) any agency, dealer, distributor, sales representative, marketing or other similar Contractual Obligation that involves payment by any Acquired Company of consideration in excess of Two Hundred Fifty Thousand Dollars ($250,000) during the fiscal year ended on November 30, 2017;

(ix) any lease of real property or any material capital lease;

(x) any Contractual Obligation pursuant to which the Company or a Company Subsidiary has acquired or is currently under an obligation to acquire a business or entity, or substantially all of the assets of a business or entity, whether by way of merger, consolidation, purchase of stock, purchase of assets, license or otherwise;

(xi) any settlement agreement with ongoing material obligations on the part of the Company or the Company Subsidiaries;

(xii) any Contractual Obligations, including options, to sell or lease (as lessor), but excluding any Contractual Obligations for the sale of products or services to any

customer, any property or asset of any Acquired Company for an amount in excess of Two Hundred Fifty Thousand Dollars ($250,000) during the fiscal year ended on November 30, 2017;

(xiii) any Contractual Obligations pursuant to which any Acquired Company has agreed to acquire or lease, but excluding any Contractual Obligations for the purchase of products or services from any supplier, any property or asset for an amount in excess of Two Hundred Fifty Thousand Dollars ($250,000) during the fiscal year ended on November 30, 2017;

(xiv) any Contractual Obligation requiring capital expenditures or commitments for capital expenditures in excess of $250,000;

(xv) any license, sublicense or other Contractual Obligation pursuant to which the Company or Company Subsidiary acquired or is authorized to use any third-party Intellectual Property, other than "shrink wrap" and similar generally available commercial end-user licenses to software, that involve payments or expenditures by the Company or Company Subsidiary in the case of any such individual license, sublicense or Contractual Obligation that are reasonably expected to be $100,000 or more per annum; and

(xvi) any other Contractual Obligation (or group of related Contractual Obligations) that does not relate to the sale of services to any customer or the purchase of products or services from any supplier and that involves payment by or to any Acquired Company of consideration in excess of Two Hundred Fifty Thousand Dollars ($250,000) during the fiscal year ended on November 30, 2017, other than any Contractual Obligation that is terminable by any Acquired Company at will without material liability and on notice of 60 days or fewer.

(b) The Company has made available to Buyer accurate and complete copies of each Contractual Obligation listed in Section 3.14(a) of the Disclosure Schedules, in each case, as amended or otherwise modified and in effect. Each Contractual Obligation required to be disclosed in Section 3.14(a) of the Disclosure Schedules (the "Disclosed Contracts") is valid and binding upon the Company and each Company Subsidiary (as applicable) and, with the exception of Purchase Orders, is enforceable against the Company or Company Subsidiary party to such Contractual Obligation and, to the Company's Knowledge, is enforceable against the other party to such Contractual Obligation, and, subject to obtaining any necessary Approvals disclosed in Section 3.03(b)(iv) or Section 3.14(a) of the Disclosure Schedules, will continue to be so enforceable following the consummation of the Contemplated Transactions, except as the enforceability thereof may be limited by (A) applicable bankruptcy, insolvency, moratorium, reorganization or similar laws in effect which affect the enforcement of creditors rights generally or (B) general principles of equity, whether considered in a proceeding at law or in equity. The Acquired Companies are not, and, to the Company's Knowledge, no other party to any Disclosed Contract is in material breach or violation of, or default under, or has repudiated any material provision of, any Disclosed Contract, and no Acquired Company has been alleged presently to be in material breach or violation of, or default under, any Disclosed Contract. No event has occurred and no facts or circumstances exist which with the giving of notice or the lapse of time, or both, would constitute a material breach or

violation or default on the part of the Company or any Company Subsidiary under any Disclosed Contract or give the other party thereto any right to terminate, modify, or accelerate any payment or other obligation or take any other action as a result thereof except for such defaults, events, facts or circumstances as would not, in the aggregate, be reasonably likely to have a Material Adverse Effect.

Section 3.15 Related Party Transactions. No Stockholder and no Affiliate, officer or director (or the equivalent) of any Acquired Company is a party to any material agreement or transaction with any Acquired Company other than (a) with respect to the payment of compensation to officers and directors (or the equivalent) and (b) agreements and transactions solely between the Company and one or more of its Subsidiaries.

Section 3.16 Labor Matters. Since December 31, 2014, the Acquired Companies have not experienced any material grievances, claims of unfair labor practices, arbitrations or other collective bargaining disputes. There are no pending, and since December 31, 2014 there have not been any, unfair labor practice charges before the National Labor Relations Board and, to the Company's Knowledge, no such charges are threatened to be brought. There is no, and since December 31, 2014 there has not been any, work slowdown, lockout, stoppage, picketing or strike by or with respect to any employees of the Acquired Companies and, to the Company's Knowledge, no such work slowdown, lockout, stoppage, picketing or strike is threatened. Other than the agreements set forth in Section 3.16 of the Disclosure Schedules, no Acquired Company is party to, or otherwise subject to, any collective bargaining agreement or other similar contract with a labor union. To the Company's Knowledge, there is no effort by or on behalf of any labor union to organize any Employees and there have been no such efforts for the past three years. No petition has been filed or proceedings instituted by any labor union or other labor organization with the National Labor Relations Board seeking recognition or certification as the bargaining representative of any employee or group of employees of any Acquired Company. The Company and each Company Subsidiary is (and all times since December 31, 2014 has been) in compliance in all material respects with all Applicable Laws relating to labor relations or employment matters, including Applicable Laws relating to equal employment opportunity, discrimination, harassment, and retaliation, immigration status, employee safety and health, wages and hours, disability rights or benefits, applicant and employment background checking, workers' compensation, equal pay, family and medical leave and other leaves of absences, and worker classification (including proper classification of employees as exempt or non-exempt under the Fair Labor Standards Act or similar state or local wage and hour laws, and proper classification of workers as employees or independent contractors).

Section 3.17 Litigation; Governmental Orders.

(a) There is no action, suit, arbitration or similar proceeding pending or, to the Company's Knowledge, threatened against the Company or any Company Subsidiary or any of their assets or properties or any of their directors, officers or employees (in their capacities as such or relating to their employment, services or relationship with the Company or any Company Subsidiary).

(b) There is no Governmental Order against or applicable to the Company or any Company Subsidiary, any of their assets or properties, or, to the Knowledge of the Company, any of their Affiliates, directors, officers or employees (in their capacities as such or relating to their employment, services or relationship with the Company or any Company Subsidiary).

(c) There is no action, suit or similar proceeding pending or, to the Company's Knowledge threatened, nor is there any Governmental Order, that is reasonably likely, either individually or in the aggregate, to prevent, materially delay or materially impair the ability of the Company or the Stockholders' Representative to perform its obligations under this Agreement.

Section 3.18 Compliance with Laws. The Company and each Company Subsidiary is (and at all times since December 31, 2014 has been) in compliance with, is not (and at all times since December 31, 2014 has not been) in violation of, and has not received any written notice of, or, to the Knowledge of the Company, any other communication regarding, any violation, investigation relating to any such violation or threat to be charged with any such violation with respect to, any Applicable Laws with respect to the Company or any Company Subsidiary, the conduct of the Business or the ownership or operation of the Business or their assets.

Section 3.19 Corruption and Proceeds of Crime.

(a) None of the Company, the Company Subsidiaries, nor any of the directors, officers, employees, agents or representatives of the Company or the Company Subsidiaries has taken any action, directly or indirectly, that would result in a violation of: the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), or any analogous anticorruption laws, statutes, rules or ordinances applicable to the Company or its Affiliates (collectively, "Anti-Corruption Laws"). None of the Company, the Company Subsidiaries, nor any of the directors, officers, employees, agents or representatives of the Company or the Company Subsidiaries has directly or indirectly offered, paid, promised to pay or authorized the payment of anything of value, including but not limited to cash, checks, wire transfers, tangible and intangible gifts, favors and services, to a foreign governmental official or any other Person while knowing or having a reasonable belief that all or some portion would be used for the purpose of: (i) influencing any act or decision of a foreign governmental official or other person, including a decision to fail to perform official functions, (ii) inducing any foreign governmental official or other person to do or omit to do any act in violation of the lawful duty of such official, or (iii) inducing any foreign governmental official to use influence with any Governmental Authority in order to assist the Company or any of its Affiliates in obtaining or retaining business with, or directing business to any person or otherwise securing for any person an improper advantage.

(b) The Company has conducted its business in compliance with Anti-Corruption Laws and has instituted and maintains policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith. No action, suit or other proceeding by or before any Governmental Authority (excluding an investigation by a Governmental Authority) involving the Company, any of the Company Subsidiaries, or any of their directors, officers, employees or agents with respect to Anti-Corruption Laws is pending or, to the Knowledge of the Company, threatened. To the Knowledge of the Company, neither the Company, any of the Company Subsidiaries, nor any of their directors, officers or employees are under investigation by

a Governmental Authority for alleged violations of Anti-Corruption Laws. No civil or criminal penalties have been imposed on the Company or any of the Company Subsidiaries with respect to violations of Anti-Corruption Laws nor have any disclosures been submitted to the U.S. government or any other Governmental Authority by the Company or any of the Company Subsidiaries with respect to violations of Anti-Corruption Laws. There are no internal investigations with respect to any potential violations of Anti-Corruption Laws or, to the Knowledge of the Company, any allegations by employees or others of any such violations.

(c) The operations of the Company and the Company Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions in which they operate, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administrated or enforced by any Governmental Authority (collectively, the "Money Laundering Laws"). No action, suit or other proceeding by or before any court or governmental agency, authority or body or any arbitrator (excluding an investigation by a Governmental Authority) involving the Company or any of the Company Subsidiaries under any Money Laundering Laws is pending or, to the Knowledge of the Company, threatened. To the Knowledge of the Company, neither the Company nor any of the Company Subsidiaries is under investigation by a Governmental Authority for alleged violations of Money Laundering Laws.

Section 3.20 Trade Controls and U.S. Sanctions. Neither the Company, any of the Company Subsidiaries, nor any of the directors, officers, employees, agents or representatives of the Company or the Company Subsidiaries has taken any action, directly or indirectly, that would result in a violation by such Persons of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC") or for violation of any U.S. trade controls administered by the Bureau of Industry and Security of the U.S. Commerce Department. Neither the Company nor any of the Company Subsidiaries (a) is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of OFAC or (b) engages in any dealings or transactions with any such Person. No action, suit or other proceeding by or before any Governmental Authority (excluding an investigation by a Governmental Authority) involving the Company or any of the Company Subsidiaries with respect to OFAC is pending or, to the Knowledge of the Company, threatened. To the Knowledge of the Company, neither the Company nor any of the Company Subsidiaries is under investigation by a Governmental Authority for with respect to OFAC.

Section 3.21 Safety Reports. Section 3.21 of the Disclosure Schedules sets forth a complete listing of all injury reports, workers' compensation reports and claims, safety citations and reports, including reports to the U.S. Department of Labor Occupational Health and Safety Administration and the U.S. Department of Labor Mine Safety and Health Administration, relating to the Business since December 31, 2014, excluding de minimis reports, claims and citations.

Section 3.22 Insurance. Section 3.22 of the Disclosure Schedules sets forth a list of the insurance policies or binders of insurance covering the operations of the Acquired Companies as of the date hereof. The Company has made available to Buyer true and accurate copies of all such

policies or binders. Each such policy is in full force and effect (or has been renewed in the ordinary course of business) and the Company has not received written notice of a material default with respect to its obligations under, or notice of cancellation or nonrenewal of, any of such policies. All premiums due and payable under all such policies and bonds have been timely paid and the Company or Company Subsidiary, as applicable, is otherwise in material compliance with the terms of such policies and bonds. Except for insurance policies that have expired and been replaced in the ordinary course of business, no material insurance policy related to the Company or any Company Subsidiary or the Business has been cancelled by the insurer within the last five years. None of the Company or any of the Company Subsidiaries has received any refusal of coverage notice or any notice that a defense will be afforded with reservation of rights in the last five years. Except as set forth on Section 3.22 of the Disclosure Schedules, there is no claim pending as of the date of this Agreement under any of such policies or bonds and, to the Knowledge of the Company, no event has occurred which could reasonably be expected to result in a claim after the date of this Agreement.

Section 3.23 Customers and Suppliers. Section 3.23 of the Disclosure Schedules sets forth a complete and accurate list of (a) the ten (10) largest customers of the Acquired Companies (measured by aggregate billings) during the fiscal year ended on November 30, 2017 and (b) the ten (10) largest suppliers of materials, products or services to the Company (measured by the aggregate amount purchased by the Company) during the fiscal year ended on November 30, 2017. To the Company's Knowledge, from the Most Recent Balance Sheet Date, none of such customers or suppliers has cancelled or terminated its business relationship with any Acquired Company or notified any Acquired Company in writing of any intention to cancel or terminate its business relationship with the Acquired Companies.

Section 3.24 No Brokers. There are no brokerage commissions, finders' fees or similar compensation payable in connection with the Contemplated Transactions based on any arrangement or agreement made by or on behalf of the Stockholders or the Acquired Companies other than fees (if any) that will (a) be paid as contemplated by this Agreement or (b) otherwise be paid by the Stockholders and their Affiliates and for which Buyer and (after the Closing) the Acquired Companies will have no responsibility to pay.

Section 3.25 Licenses and Permits. Except as set forth in Section 3.25 of the Disclosure Schedules, the Company and its Subsidiaries have obtained all of the material Permits necessary to permit the Company and its Subsidiaries to own, operate, use and maintain their assets in the manner in which they are now operated and maintained and to conduct the business of the Company and its Subsidiaries as currently conducted. Each of the Company and its Subsidiaries is currently in compliance in all material respects with its obligations under, and the terms of, each Permit, and (a) no event has occurred or condition or state of facts exists which constitutes or after notice or lapse of time or both, would constitute a breach or default in any material respect under any such Permit or which permits or, after notice or lapse of time or both, would permit revocation or termination of any such Permit, or which would materially and adversely affect the rights of any of the Acquired Companies under any such Permit, (b) no notice of cancellation, or of material default concerning any such Permit has been received by any of the Acquired Companies since January 1, 2015 and (c) each such Permit is valid, subsisting and in full force and effect.

Section 3.26 Bank Relations; Powers of Attorney. Section 3.26 of the Disclosure Schedules sets forth (a) the name of each financial institution in which the Company or any Company Subsidiary has borrowing or investment arrangements, deposit or checking accounts or safe deposit boxes; (b) the types of such arrangements and accounts, including, as applicable, names in which accounts or boxes are held, the account or box numbers and the name of each Person authorized to draw thereon or have access thereto; and (c) the name of each Person holding a general or special power of attorney from the Company or any Company Subsidiary and a description of the terms of each such power.

Section 3.27 Product Warranty. Each product produced, sold or delivered by the Company or any Company Subsidiary has been in material conformity with all applicable contractual commitments and all express and implied warranties, and neither the Company nor any Company Subsidiary has any liability (and, to the Knowledge of the Company, no basis which the Company believes to be valid exists on which any claim for any such liability can be asserted against the Company or any Company Subsidiary) for replacement thereof or other damage in connection therewith, subject to the reserve for product warranty claims set forth in the Most Recent Balance Sheet and warranty claims arising from warranty obligations incurred after the Most Recent Balance Sheet Date in the ordinary course of business consistent with the historical experience of the Company and the Company Subsidiaries. Subject to Applicable Laws, no product produced, sold or delivered by the Company or any Company Subsidiary is subject to any guaranty, warranty or other indemnity beyond the applicable standard terms and conditions of sale or lease. The Company has provided Buyer with copies of the standard terms and conditions of sale or lease of each product of the Company or any Company Subsidiary (containing applicable guaranty, warranty and indemnity provisions).

Section 3.28 Product Liability. Section 3.28 of the Disclosure Schedules sets forth all product liability claims against the Company or any Company Subsidiary since April 11, 2016 and the disposition or settlement thereof. Neither the Company nor any Company Subsidiary has any material liability (and, to the Knowledge of the Company, no basis which the Company believes to be valid exists on which any claim for any such liability can be asserted against the Company or any Company Subsidiary) for damages, whether arising out of any injury to individuals or property or otherwise, as a result of the ownership, possession or use of any product manufactured, sold, leased or delivered by the Company or any Company Subsidiary.

Section 3.29 Sufficient Escrow Amounts. The Escrow Account (as such term is defined in the APA) contains not less than the amount necessary to satisfy in full the earnout obligations under Section 2.07 of the APA as and when such obligations become due.

Section 3.30 Reserve Information. To the Knowledge of the Company, (a) all information and documentation set forth in Section 3.30 of the Disclosure Schedules is true and accurate in all material respects as of December 31, 2017 and (b) there was no Fraud committed in the preparation or production of such information or the process used in obtaining the underlying data.

Article 4
REPRESENTATIONS AND WARRANTIES OF BUYER AND MERGERSUB

In order to induce the Company to enter into and perform this Agreement and to consummate the Contemplated Transactions, Buyer and MergerSub hereby represent and warrant to the Company that the following representations and warranties are true and correct as of the date of this Agreement and will be true and correct as of the Effective Time (except to the extent such representations and warranties speak expressly as of an earlier date):

Section 4.01 Organization. Each of Buyer and MergerSub is (a) duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and (b) duly qualified to do business and is in good standing in each jurisdiction where the character of the properties owned, leased or licensed by it or the nature of its business makes such qualification, licensing or good standing necessary, except where the failure to be so qualified or licensed or in good standing has not and would not reasonably be expected to prevent or materially impair or materially delay the ability of Buyer to consummate the Contemplated Transactions.

Section 4.02 Power and Authorization. Buyer and MergerSub each have the corporate power and authority to execute and deliver this Agreement and to perform their respective obligations hereunder. Buyer and MergerSub have taken all corporate actions or proceedings required to be taken by or on the part of Buyer and MergerSub to authorize and permit the execution and delivery by Buyer and MergerSub of this Agreement, the Transaction Documents and the instruments required to be executed and delivered by it pursuant hereto, and the performance by Buyer and MergerSub of their respective obligations hereunder and the consummation by Buyer and MergerSub of the Contemplated Transactions. This Agreement has been (or in the case of Transaction Documents to be entered into at or prior to the Closing, will be) duly executed and delivered by Buyer and MergerSub, and assuming the due authorization, execution and delivery by each of the other parties hereto or thereto, constitutes (or will constitute) the legal, valid and binding obligation of Buyer and MergerSub, enforceable against it in accordance with its terms.

Section 4.03 No Violation or Approval; Consents. Neither the execution, delivery and performance of this Agreement or the Transaction Documents by Buyer or MergerSub nor their consummation of the Contemplated Transactions will (with or without the lapse of time):

(a) require the Approval of any Governmental Authority, by or on behalf of Buyer or MergerSub, other than (i) required filings under the HSR Act, (ii) required approvals and filings under applicable foreign antitrust and competition laws, (iii) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware and (iv) consents, waivers, approvals, orders, authorizations or filings that, if not obtained or made, would not reasonably be expected to prevent or materially impair or materially delay the ability of Buyer or MergerSub to consummate the Contemplated Transactions;

(b) result in or give rise to the imposition of a Lien (other than Permitted Liens) on any of the assets of Buyer or MergerSub;

(c) result in a breach or violation of, or constitute a default under, any material legal requirement applicable to Buyer or MergerSub; or

(d) result in a breach or violation of, or constitute a default under, or give rise to a right of or result in termination, cancellation of, or accelerate the performance required by, or require any action by (including any Approval) or give rise to increased, additional or guaranteed rights to, any Person under, any of the terms, conditions or provisions of (i) any Contractual Obligation of Buyer or MergerSub, (ii) any Governmental Order to which Buyer or MergerSub is subject, or (iii) the Organizational Documents of Buyer or MergerSub.

Section 4.04 Litigation. As of the date of this Agreement, there is no action pending or threatened against Buyer or MergerSub that, if determined adversely to Buyer or MergerSub, would reasonably be expected to prevent, enjoin, alter or materially delay any of the Contemplated Transactions.

Section 4.05 Available Funds. Buyer and MergerSub have available, or will have available prior to the Closing, in the United States unrestricted immediately available U.S. dollar funds (in the form of cash-on-hand or available undrawn borrowings under credit facilities) sufficient to pay the Aggregate Merger Consideration and any other amounts required to be paid in connection with the consummation of the Contemplated Transactions and to pay all related fees and expenses. Buyer has or will have prior to the Closing the financial resources and capabilities to fully perform all of its obligations under this Agreement. Buyer and MergerSub acknowledge and agree that neither the obligations of Buyer or MergerSub under this Agreement nor the consummation of the Merger or the other transactions contemplated by this Agreement are contingent on the availability or the receipt by Buyer or MergerSub of any third party financing or the proceeds thereof.

Section 4.06 No Brokers. There are no brokerage commissions, finders' fees or similar compensation payable in connection with the Contemplated Transactions based on any arrangement or agreement made by or on behalf of Buyer or MergerSub other than fees (if any) that will (a) be paid as contemplated by this Agreement or (b) otherwise be paid by Buyer and MergerSub and for which the Stockholders and their Affiliates will have no responsibility to pay.

Article 5
COVENANTS OF THE COMPANY

Section 5.01 Conduct of the Company. From the date hereof until the Effective Time, except as disclosed on Schedule 5.01, or as required by Applicable Law or by the terms of this Agreement, or with the prior written consent of Buyer (which consent will not be unreasonably withheld, delayed or conditioned), the Company:

(a) will conduct the Business of the Acquired Companies in the ordinary course of business consistent with past practices in all material respects and in material compliance with all Applicable Laws;

(b) will, and will cause each of the Company Subsidiaries to, use commercially reasonable efforts to (i) maintain all material Permits in effect as of the date of this Agreement that are necessary or required for the ownership and operation of the Business, and (ii) preserve intact its present business organizations, keep available the services of its present officers and key employees, preserve its relationships with customers, suppliers, distributors, licensors, licensees

and others having business dealings with it and make all repairs and maintenance that may be reasonably necessary to maintain its assets in as good condition as the same exist as of the date of this Agreement; and

(c) without limiting the generality of the foregoing, will not, and will not permit any of its Subsidiaries to:

(i) adopt any change in the Organizational Documents of the Acquired Companies, or adopt a plan or agreement of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other material reorganization of the Company or any of the Company Subsidiaries;

(ii) transfer, issue, sell or dispose of any shares of capital stock or other equity securities (including Company Convertible Securities) of the Acquired Companies, or repurchase, redeem or otherwise acquire any shares of capital stock or other equity securities of the Acquired Companies (other than repurchases made in connection with the termination of employment of employees of the Acquired Companies);

(iii) change any rights, preferences, privileges or restrictions of any shares of capital stock or other equity securities of the Acquired Companies, or effect any reclassification, recapitalization, stock split or combination, exchange or readjustment of any capital stock or other equity securities of the Acquired Companies;

(iv) declare, issue, make or pay any dividend or other distribution of assets to its shareholders (other than dividends or distributions of Cash or between Acquired Companies);

(v) acquire any third party or its business (whether by merger, sale of stock, sale of assets or otherwise);

(vi) sell, lease, license, assign or otherwise dispose of any equity interest in any Company Subsidiary, any business or operating assets or any Intellectual Property (whether by merger, sale of stock, sale of assets or otherwise), except (A) pursuant to Disclosed Contracts, (B) disposition of obsolete equipment, or (C) in the ordinary course of business;

(vii) enter into, amend or modify in any material respect, extend or terminate, intentionally breach or default under, or intentionally waive any breach or default under, any Disclosed Contract or any contract that, if entered into as of or prior to the date hereof, would constitute a Disclosed Contract, except in the ordinary course of business or as required by Applicable Law;

(viii) create or otherwise incur any Lien on any asset other than Permitted Liens, except in the ordinary course of business;

(ix) except in the ordinary course of business or as required by the terms of a Company Plan, adopt, amend in any material respect or terminate any Company Plan, except as required by Applicable Law;

(x) increase or modify the compensation or benefits payable or to become payable by the Company or any Company Subsidiary to any of their respective directors or executive officers (other than in the ordinary course of business and other than compensation or benefits that would constitute Transaction Expenses);

(xi) settle, compromise or agree to settle or compromise any material pending or threatened claims or proceedings against the Company or any Company Subsidiary;

(xii) (A) make or revoke any material election in respect of Taxes, (B) prepare any Tax Returns in a manner which is not consistent with the past practice of the Acquired Companies with respect to the treatment of items on such Tax Returns, (C) file any amendment to a Tax Return the would increase the Tax liability of an Acquired Company, Buyer, or any of their Affiliates after the Closing, (D) incur any liability for Taxes other than in the ordinary course of business, (E) settle any claim or assessment in respect of Taxes, (F) consent to the extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes with any Governmental Authority, or (G) surrender any right to claim a refund of Taxes;

(xiii) change its financial accounting methods, practices or policies, except as required by GAAP;

(xiv) make any capital expenditure or commitment for capital expenditure in excess of $250,000 individually or $2,000,000 in the aggregate;

(xv) make any loans or advances to, or any investments in or capital contributions to, any Person (other than Company Subsidiaries), or forgive or discharge in whole or in part any outstanding loans or advances, or waive any rights or claims of substantial value; provided, however, that the Company or a Company Subsidiary may make payments on any of its Debt in the ordinary course of business consistent with past practice;

(xvi) incur any Debt or guarantee any such Debt or issue or sell any debt securities or guarantee any debt securities of others other than drawing on existing lines of credit in the ordinary course of business in an aggregate amount not in excess of $15,000,000;

(xvii) terminate, cancel, amend or modify any material insurance policies covering the Company or the Company Subsidiaries or their respective properties which is not replaced by a comparable amount of insurance coverage;

(xviii) make disbursements from the Escrow Account (as such term is defined in the APA) without prior written notice to Buyer at least two Business Days prior to such disbursement;

(xix) change the practices of the Company in any material respect with respect to accounts receivable or timely payment of accounts payable or other obligations payable to vendors, suppliers or other third parties, other than such changes as would not reasonably be expected to have a material adverse impact on the financial condition, results of operations or cash flows of the Company; or

(xx) agree or commit to do any of the foregoing.

Without limiting the foregoing, between the close of business on the Business Day immediately preceding the Closing Date and the Closing, the Company will not, and will cause the other Acquired Companies not to, (A) pay any dividend or other distribution of cash to its shareholders or other equity interest holders or (B) incur any Debt.

Other than the right to consent or withhold consent with respect to the foregoing matters (which consent will not be unreasonably withheld, delayed or conditioned), nothing contained in this Agreement will give to Buyer, directly or indirectly, any right to control or direct the operation of any of the Acquired Companies prior to the Closing.

Section 5.02 Access to Information. From the date hereof until the Effective Time, upon reasonable notice, the Company will (a) give Buyer, its counsel, financial advisors, auditors and other authorized Representatives reasonable access to the offices, properties, books and records of the Acquired Companies and (b) furnish to Buyer, and its counsel, financial advisors, auditors and other authorized representatives, such financial, tax and operating data and other information relating to the Company or each of its Subsidiaries as such Persons may reasonably request and will instruct the employees, counsel, financial advisors, auditors and other Representatives of the Company and its Subsidiaries to cooperate in all reasonable respects with Buyer and its Representatives (including through interviews) in their investigation of the Company and its Subsidiaries for purposes of verifying the accuracy of the representations and warranties herein, confirming compliance with the covenants hereunder and determining if conditions to Closing hereunder have been satisfied; provided, however, that any such access or furnishing of information will be conducted at Buyer's expense, during normal business hours, under the supervision of the Company's personnel and in such a manner as not unreasonably to interfere with the normal operations of the Acquired Companies. Notwithstanding anything to the contrary set forth in this Agreement, (A) no such Person will have access (x) to personnel records of the Company and any of its Subsidiaries relating to individual performance or evaluation records, medical histories or other information which in the Company's good faith opinion is sensitive or the disclosure of which could subject any Acquired Company to risk of liability or (y) for purposes of conducting any environmental sampling or testing except with the Company's prior written consent, and (B) the Company will not be required to disclose to Buyer or its counsel, financial advisors, auditors and other authorized Representatives any information if doing so (x) could violate any contract or Applicable Law to which any Acquired Company is a party or is subject or (y) it believes in good faith based on advice of counsel could result in a loss of the ability to successfully assert a claim of privilege (including the attorney-client and work product privileges), provided, however, that the Company shall promptly communicate to Buyer or its applicable Representatives the substance of any such materials, whether by redacting parts of such materials or otherwise, so that disclosure would not violate such confidentiality

obligations or cause the loss of privilege with respect thereto, and otherwise shall make all reasonable and appropriate substitute disclosure arrangements. Subject to compliance with Applicable Laws, from the date hereof until the Effective Time, the Company shall confer from time to time as requested by Buyer with one or more Representatives of Buyer to discuss any material changes or developments in the operational matters of the Acquired Companies and the general status of the ongoing operations of the Acquired Companies. Buyer hereby acknowledges and agrees that all information and access provided hereunder shall be subject to the terms and conditions of that certain Confidentiality Agreement, dated as of December 8, 2017, by and between GGPE and Buyer (the "Confidentiality Agreement") and that Buyer will abide by the terms of the Confidentiality Agreement with respect thereto.

Section 5.03 Data Room CD ROM. As promptly as practicable (and in any event not more than two (2) Business Days) after the date hereof, the Company will deliver or cause to be delivered to Buyer four copies on CD ROM of all the documents posted to the Data Room on or before March 22, 2018 in a manner fully readable by Buyer and not removed prior to the execution of this Agreement.

Section 5.04 Insurance Policy. In connection with the Insurance Policy, the Company shall use commercially reasonable efforts to cooperate with Buyer, including using such efforts to provide, as promptly as practicable, financial and other information relating to the Company and its Subsidiaries to the applicable insurance brokers or carriers, including information regarding the business, operations, financial projections and prospects of the Company and its Subsidiaries, that is customary for the underwriting of such policies or reasonably necessary for the issuance of the Insurance Policy.

Section 5.05 Cooperation with Financing and Financial Reporting. The Company shall, and shall cause its Subsidiaries and its and their respective officers, managers, employees, consultants, counsel, accountants, agents, advisors and other representatives to, use its and their commercially reasonable efforts to provide such cooperation as may be reasonably requested by Buyer in connection with the arrangement of the Debt Financing to be consummated in connection with the Merger and the Contemplated Transactions, including using such efforts to (a) provide, or cause to be provided, to Buyer customarily and readily available information to assist in Buyer's preparation of customary marketing materials reasonably deemed necessary by Buyer to complete the syndication of such financial arrangement (including, but not limited to, audited and unaudited historical financial statements of the Company and its Subsidiaries but excluding pro forma financial statements or pro forma adjustments related to any such financial arrangement) and assist in Buyer's preparation of a customary confidential information memorandum to be used in connection with the syndication of such financial arrangement, (b) participate in a reasonable number of (x) meetings of prospective lenders at the times and locations mutually agreed upon (and to the extent necessary, one or more conference calls with prospective lenders in addition to any such meetings) and (y) due diligence sessions and road shows in connection with the Debt Financing, (c) furnish Buyer or MergerSub and the Financing Sources as promptly as reasonably practicable with the Required Information, (d) obtain reasonably requested material to be used in connection with the Debt Financing that is required in connection with applicable "know your customer" and anti-money laundering rules and regulations, (e) if reasonably requested by Buyer, assist Buyer in obtaining

any corporate credit and family ratings from any ratings agencies contemplated by the Debt Commitment Letter, and (f) assist the Financing Sources in benefitting from the existing lending relationships of the Company and its Subsidiaries. Notwithstanding the foregoing, nothing in this Section 5.05 shall require the Company or any of its Subsidiaries or any of their respective directors, officers, managers or employees to (i) take any action in respect of any such financial arrangement to the extent that such action would cause any condition to Closing set forth in Article 8 to fail to be satisfied by the Outside Date or otherwise result in a breach of this Agreement or any other Contractual Obligation to which the Company or any of its Subsidiaries is a party; (ii) execute, deliver or perform any letter, agreement, document or certificate in connection with any such financial arrangement (except customary borrowing notices) or take any corporate action (including adopting resolutions approving the agreements, documents and instruments pursuant to which any such financial arrangement is obtained) prior to the Closing Date; (iii) pay any commitment fee or other fee or payment to obtain consent or incur any liability or obligation with respect to or cause or permit any Lien to be placed on any of their respective assets in connection with any such financial arrangement prior to the Closing Date; or (iv) provide any legal opinion or other opinion of counsel or any information that would, in its good faith opinion, result in a violation of Applicable Law or loss of attorney-client privilege prior to the Closing Date in connection with the Debt Financing. Buyer shall indemnify and hold harmless the Company, its Subsidiaries and their respective representatives from and against any and all losses, Damages, claims or out-of-pocket costs or expenses directly or indirectly suffered or incurred by any of them of any type in connection with the arrangement and consummation of any such financial arrangement and any information used in connection therewith. The Company acknowledges and understands that Buyer or its Affiliates may be required to obtain certain information relating to the Acquired Companies, including audited or unaudited financial statements, and disclose such information in registration statements and other documents filed with the U.S. Securities and Exchange Commission under the federal securities laws or in disclosure documents provided to investors or lenders in certain securities offerings or other financings. The Company agrees to use commercially reasonable efforts to provide such cooperation as may be reasonably requested by Buyer in the preparation of any such information, and shall use commercially reasonable efforts to cause its Affiliates, accountants, counsel and other agents and representatives to cooperate fully and promptly, with Buyer in connection therewith. The Company consents to the limited use of the Company's and its Subsidiaries' names and logos in connection with written marketing materials to be used in arranging the Debt Financing; provided that, in no event shall such names and logos be used in a manner that is intended to harm or disparage the Company or any of its Subsidiaries or the reputation or goodwill of the Company or any of its Subsidiaries.

Section 5.06 280G Approvals. To the extent determined to be necessary by Buyer in its reasonable judgment in consultation with the Company and the Stockholders' Representative, prior to the Closing Date, the Company shall (a) use commercially reasonable efforts to obtain from each "disqualified individual" (as defined in Section 280G(c) of the Code) a waiver by such individual of any and all payments (or other benefits) contingent on the consummation of the transactions contemplated by this Agreement (within the meaning of Section 280G(b)(2)(A)(i) of the Code) to the extent necessary so that such payments and benefits would not be "excess parachute payments" under Section 280G of the Code (any such waivers that are in fact obtained are referred to herein as the "Obtained Waivers") and (b) submit to the Stockholders for a vote all such waived payments

in a manner such that, if such vote is adopted by the Stockholders in a manner that satisfies the stockholder approval requirements under Section 280G(b)(5)(B) of the Code and regulations promulgated thereunder, no payment received by such "disqualified individual" would be a "parachute payment" under Section 280G(b) of the Code. Such vote shall establish the "disqualified individual's" right to the payment or other compensation. In addition, the Company shall provide adequate disclosure to Stockholders entitled to vote of all material facts concerning all payments that, but for such vote, could be deemed "parachute payments" to any such "disqualified individual" under Section 280G of the Code in a manner intended to satisfy Section 280G(b)(5)(B)(ii) of the Code and regulations promulgated thereunder. Prior to the Closing Date, the Company shall deliver to Buyer evidence that (i) a Stockholder vote was held to approve any payments that would, separately or in the aggregate, constitute "parachute payments" absent such approval in conformity with Section 280G of the Code and the regulations promulgated thereunder, and if the requisite Stockholder approval was obtained with respect to any payments or benefits that were subject to the Stockholder vote, then such payments and benefits shall not be deemed "parachute payments" under Section 280G of the Code (the "280G Approval"), or (ii) the 280G Approval was not obtained, in which case the Company shall not make or pay any amounts that were waived under the Obtained Waivers. The Company agrees to provide to Buyer written drafts of the stockholder disclosure statement, waivers, and stockholder approval forms that will be provided to disqualified individuals and Stockholders in advance of delivering such documents to the disqualified individuals and Stockholders, as applicable, and allow Buyer a reasonable opportunity to provide comments on such documents.

Section 5.07 Termination of Affiliate Contracts and Transactions. Prior to the Closing, unless otherwise instructed by Buyer in writing, the Company will, and will cause each other Acquired Company to, (a) terminate each Contractual Obligation and transaction required to be set forth on Section 3.15 of the Disclosure Schedules pursuant to documentation reasonably satisfactory to Buyer and with no ongoing liability or obligation of the Company or any other Acquired Company (other than contingent indemnification obligations) and (b) settle all accounts receivable and accounts payable (excluding ordinary course expense reimbursements and 401k loans) between any Acquired Company, on one hand, and any Stockholder or its Affiliates or any director or officer of any Acquired Company or any Affiliates of such director or officer or employee of any Acquired Company, on the other hand, in each case pursuant to documentation reasonably satisfactory to Buyer and with no ongoing liability or obligation of any Acquired Company.

Article 6
COVENANTS OF BUYER

Section 6.01 Access. Buyer will, and agrees to cause the Surviving Corporation and each Company Subsidiary to, preserve and keep all books and records and all information relating to the accounting, legal, Tax, regulatory, business and financial affairs of the Acquired Companies and their businesses for a reasonable period (not less than three years) after the Effective Time, or for any longer period as may be (a) required by Applicable Law (including any statute of limitations and applicable extensions thereof) or any Governmental Authority or (b) reasonably necessary with respect to the prosecution or defense of any audit or other legal or regulatory action that is then pending or threatened and with respect to which the Stockholders' Representative has notified the

Surviving Corporation as to the need to retain such books, records or information. Buyer will, and agrees to cause the Surviving Corporation and each Company Subsidiary to, from and after the Effective Time, afford promptly to the Stockholders' Representative and its counsel, financial advisors, auditors and other authorized Representatives reasonable access to their properties, books, records (including Tax records), employees and auditors to the extent necessary to permit the Stockholders' Representative to determine any matter relating to its rights and obligations (or the rights and obligations of any Stockholder) hereunder or relating to any period ending at or before the Effective Time; provided, that any such access by the Stockholders' Representative and its counsel, financial advisors, auditors and other authorized Representatives will not unreasonably interfere with the conduct of the business of the Surviving Corporation or any such Subsidiary.

Section 6.02 Employees and Offers of Employment. Effective as of the Effective Time, each employee of the Company and any of its Subsidiaries so employed as of the Effective Time (including employees not actively at work due to injury, vacation, military duty, disability or other leave of absence) will remain the employee of the Surviving Corporation or its Subsidiaries as applicable (collectively, the "Continuing Employees"). Buyer will, and will cause the Surviving Corporation and its Subsidiaries to, for the twenty-four (24) month period following the Effective Time, provide or make available to each Continuing Employee who remains employed with Buyer or the Surviving Corporation or its Subsidiaries the following: (i) annual base salary or base wage rates and incentive compensation opportunities (excluding equity based compensation) that are no less favorable in the aggregate than those provided or made available to such Continuing Employee as of immediately prior to the Effective Time; and (ii) employee benefits that are no less favorable in the aggregate to the employee benefit plans, programs, arrangements and policies provided to such Continuing Employee immediately prior to the Effective Time; provided, that nothing in this Section 6.02 will require Buyer, the Surviving Corporation or its Subsidiaries to continue any specific employee benefit plan during such period.

Section 6.03 Company Employee Plans. Buyer agrees to honor, and to cause the Surviving Corporation and its Subsidiaries to honor, the obligations of the Surviving Corporation and its Subsidiaries under the provisions of each Company Plan required to be set forth in Section 3.12 of the Disclosure Schedules. Notwithstanding the foregoing in this Section 6.03, no provision of this Section 6.03 is intended to prevent Buyer or the Surviving Corporation or its Subsidiaries from amending or terminating any such Company Plan in accordance with its terms and Applicable Law, so long as Buyer is not in violation of its obligations set forth in Section 6.02.

Section 6.04 Buyer Employee Plans. Buyer will, or will cause one of its Affiliates to, credit all service of the Continuing Employees with any Acquired Company, or any predecessor entity thereto (but only to the extent that service with such predecessor is recognized under a Company Plan), prior to the Effective Time for all purposes (including for purposes of participation, coverage, vesting and level of benefits but not for purposes of benefit accrual under any defined benefit plan) under all employee benefit plans of Buyer or its Affiliates (collectively, "Buyer Benefit Plans") in which the Continuing Employees may be eligible to participate after the Effective Time. Buyer will use its reasonable best efforts to cause such Buyer Benefit Plans to provide credit for any co-payments or deductibles and maximum out-of-pocket payments made by Continuing Employees under the corresponding employee plan during the plan year in which the Closing occurs

and waive all pre-existing condition exclusions and waiting periods, other than to the extent of limitations or waiting periods that had not been satisfied under the corresponding employee plan. Buyer will recognize, or cause the Surviving Corporation and its Subsidiaries to recognize, vacation days previously accrued and reserved for by the Acquired Companies immediately prior to the Effective Time under the corresponding employee plan.

Section 6.05 Limitation of Rights. Nothing in Section 6.02, Section 6.03 or Section 6.04, express or implied, is intended to confer upon any Person not a party hereto any right, benefit, or remedy of any nature whatsoever, including any right to employment or continued employment for any period of time by reason of this Agreement, or any right to a particular term or condition of employment. Notwithstanding anything to the contrary contained in this Agreement, no provision in this Agreement is intended to, or does, constitute the establishment of, or an amendment to, any Employee Plan.

Section 6.06 Obligations of MergerSub and Surviving Corporation. Buyer agrees to cause MergerSub to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement. From and after the Effective Time, Buyer agrees to cause the Surviving Corporation to perform its obligations under this Agreement.

Section 6.07 Director and Officer Liability. Buyer will cause the Surviving Corporation, and the Surviving Corporation hereby agrees, to do the following:

(a) From and after the Effective Time until the sixth (6^{th}) anniversary thereof, the Surviving Corporation will indemnify and hold harmless the present (as of the Effective Time) and former officers and directors of the Company and each of its Subsidiaries in respect of any acts or omissions occurring at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent permitted by the DGCL or any other Applicable Laws and as provided under the certificate of incorporation, bylaws or similar Organizational Documents of the Acquired Companies as in effect on the date hereof; provided, that the Surviving Corporation will not be liable for any settlement effected without the Surviving Corporation's prior written consent (which consent will not be unreasonably withheld, delayed or conditioned).

(b) From and after the Effective Time until the sixth (6^{th}) anniversary thereof, Buyer will cause the Organizational Documents of the Surviving Corporation and its Subsidiaries, or any successor to the Surviving Corporation or any of its Subsidiaries, to contain provisions that are no less favorable with respect to indemnification, advancement of costs and exculpation of former or present directors and officers than as are set forth in the applicable governing documents of the Acquired Companies as of the date of this Agreement.

(c) Prior to the Closing, the Company will obtain and fully pay for "tail" insurance policies to continue the coverage under the existing director and officer liability insurance policy (or a policy substantially similar thereto) for a period of six (6) years from the Closing with the same coverage and amount and containing terms and conditions that are not less advantageous to the directors and officers of the Acquired Companies as the Company's existing policy with respect to claims arising out of or relating to events which occurred before or at the Effective Time (including in connection with the Contemplated Transactions) (the "Tail Policy"). The Company will bear the

cost of the Tail Policy, and such costs, to the extent not paid prior to Closing, will be included in the determination of Closing Transaction Expenses. During the term of the Tail Policy, Buyer will not (and will cause the Surviving Corporation not to) take any action following the Closing Date to cause the Tail Policy to be cancelled or any provision therein to be amended or waived; provided, that none of Buyer, the Surviving Corporation or any Affiliate thereof will be required to pay any premiums or other amounts in respect of the Tail Policy.

(d) If Buyer, the Surviving Corporation or any of their respective successors or assigns consolidates with or merges into any other Person and will not be the continuing or surviving corporation or entity of such consolidation or merger, or transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, proper provision will be made so that the successors and assigns of Buyer or the Surviving Corporation, as the case may be, will readily assume the obligations set forth in this Section 6.07.

(e) The rights of each Person subject to indemnification under this Section 6.07 will be in addition to any rights such Person may have under the certificate of incorporation, bylaws or similar Organizational Documents of the Acquired Companies, or under the DGCL or any other Applicable Law or under any agreement of any such Person with any Acquired Company. These rights will survive consummation of the Merger and are intended to benefit, and will be enforceable by, each such Person.

Article 7
COVENANTS OF BUYER, MERGERSUB AND THE COMPANY

Section 7.01 Closing Efforts.

(a) Subject to the terms and conditions of this Agreement, Buyer, MergerSub and the Company will use all of their respective reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Applicable Law or otherwise to cause all conditions to closing hereunder to be satisfied and to consummate and make effective the Merger and the Contemplated Transactions, including making all necessary registrations and filings (including filings under the HSR Act and any other Applicable Law) with any Governmental Authority, and obtaining all necessary Approvals from, and taking all steps to avoid any action or proceeding by, any Governmental Authority. Each of Buyer, MergerSub and the Company agrees to execute and deliver all such other documents, certificates, agreements and other writings and to take all such other actions as may be necessary or desirable in order to consummate or implement expeditiously the Merger and the Contemplated Transactions. Without limiting the foregoing, the Company will, upon receipt of written request from Buyer, use commercially reasonable efforts (excluding any obligation to pay money or make any material financial accommodation) to obtain prior to the Closing all Approvals in respect of Disclosed Contracts described in Section 3.03(b)(iv) of the Disclosure Schedules. Notwithstanding the foregoing in this Section 7.01, none of the Acquired Companies will be obligated to make any payments or otherwise pay any consideration to any third party to obtain any applicable Approval.

(b) To the extent required, promptly upon execution and delivery of this Agreement, each of Buyer, MergerSub and the Company will use its reasonable best efforts to promptly prepare

and file, or cause to be promptly prepared and filed, and in any event not later than ten (10) Business Days after the date of this Agreement, with the appropriate Governmental Authorities, a notification with respect to the Contemplated Transactions pursuant to the HSR Act, in which each requests early termination of the waiting period thereunder, and any other applicable antitrust or competition legal requirements (collectively, "Other Regulatory Laws"), supply all information requested by Governmental Authorities in connection with the HSR Act notification and such other filings under Other Regulatory Laws and cooperate with each other in responding to any such request. Buyer will be solely responsible for all filing fees required to be paid in connection therewith. Each of Buyer, MergerSub and the Company will furnish to the other and, upon request, to any Governmental Authorities such information and assistance as may be reasonably requested in connection with the foregoing, including by responding promptly to and complying fully with any request for additional information or documents under the HSR Act or Other Regulatory Laws.

(c) In furtherance and not in limitation of the efforts referred to above in this Section 7.01, if any objections are asserted with respect to the Contemplated Transactions under the HSR Act or Other Regulatory Laws, or if any action, suit or proceeding is instituted (or threatened to be instituted) by the Federal Trade Commission, the Antitrust Division of the United States Department of Justice or any other Governmental Authority or any third party challenging the Contemplated Transactions or that would otherwise prohibit or materially impair or materially delay the consummation of such transactions, each party hereto will use its reasonable best efforts to resolve any such objections or actions, suits or proceedings so as to permit the consummation of the Contemplated Transactions as expeditiously as possible. Notwithstanding the foregoing, however, in no event will Buyer or any of its Affiliates be required to agree to (i) divest, offer for sale, abandon, hold separate or otherwise dispose of all or any portion of any property or other assets (tangible or intangible) or businesses, or the operations of any such property or other asset or business, or (ii) become subject to any limitations on their respective rights to control, operate or exercise the full rights of ownership of any such assets (tangible or intangible), businesses, or operations of any such assets, including, in each case, the assets, properties and businesses of Buyer and its Affiliates and the assets purchased hereunder and the operations thereof from and after the Closing.

Section 7.02 Public Announcements. The Company, the Stockholders' Representative and Buyer agree to communicate with each other and cooperate with each other prior to any public disclosure of the transactions contemplated by this Agreement. Without the consent of the others, which consent will not be unreasonably withheld, delayed or conditioned, neither the Company, nor the Stockholders' Representative nor Buyer will issue or make any report, statement or release to the public (including employees, customers and suppliers of the parties), whether or not in response to an inquiry, with respect to this Agreement or the transactions contemplated hereby, except for any SEC filings or other filings or disclosures required by Applicable Law or stock exchange requirement (provided, that, to the extent practicable, the party required to make any such filing will have afforded the other parties, for a reasonable period prior to the making of such filing, a reasonable opportunity to review and comment upon the intended form and substance of such filing). The parties shall agree on a form of initial press release announcing the Contemplated Transactions.

Section 7.03 Confidentiality. Buyer and MergerSub will treat, and will cause their respective Affiliates, counsel, accountants and other advisors and Representatives to treat all nonpublic information of the Acquired Companies obtained in connection with this Agreement and the transactions contemplated hereby as confidential in accordance with the terms of the Confidentiality Agreement. The terms of the Confidentiality Agreement are hereby incorporated by reference and will continue in full force and effect until the Closing, at which time such Confidentiality Agreement will terminate. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement will continue in full force and effect as provided in Section 9.02 in accordance with its terms.

Section 7.04 Tax Matters.

(a) In the case of a Straddle Period, the amount of any Taxes of the Acquired Companies not based upon or measured by income, activities, events, the level of any item, gain, receipts, proceeds, profits or similar items for the Pre-Closing Tax Period will be deemed to be the amount of such Taxes for the entire Tax period multiplied by a fraction, the numerator of which is the number of days in the Tax period ending on and including the Closing Date and the denominator of which is the number of days in such Straddle Period. The amount of any other Taxes for a Straddle Period that relate to the Pre-Closing Tax Period will be determined based on an interim closing of the books as of the close of business on the Closing Date; provided, however, that any item determined on an annual or periodic basis (such as deductions for depreciation or real estate Taxes) shall be apportioned on a daily basis. Any franchise Tax paid or payable with respect to any Acquired Company shall be allocated to the taxable period during which the gross receipts, income, operations, assets, margin, or capital comprising the base of such Tax is measured, regardless of whether the right to do business for another period is obtained by the payment of such franchise Tax, and if the taxable period to which such franchise Tax is so allocated is a Straddle Period, then such franchise Tax allocated to a Straddle Period shall be determined in the manner set forth in the immediately preceding sentence of this Section 7.04(a).

(b) Subject to the last sentence of this Section 7.04(b), after the Closing, the Stockholders, jointly and severally, will indemnify, defend and hold the Buyer Covered Parties harmless from and will reimburse the Buyer Covered Parties for any and all Damages, directly or indirectly, to the extent resulting from, relating to, arising out of, or attributable to any and all (i) Taxes (or the non-payment thereof) of, or attributable to, any Acquired Company for any Tax period (or portion thereof) ending on or prior to the Closing Date (in the case of any Straddle Period, determined in the manner set forth in Section 7.04(a)); (ii) to the extent not otherwise included or covered in (i), Taxes arising from the payment of Transaction Expenses or from any inclusions by the Acquired Companies under Section 965 of the Code (or any analogous or similar provision under any state or foreign Tax Applicable Law); and (iii) Taxes for which any Acquired Company becomes liable by reason of (A) being a member of an affiliated, combined, consolidated, unitary, or aggregate group at any time prior to the Closing, including pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar provision under any state, local, or foreign Tax Applicable Law, (B) being a successor-in-interest or transferee of any other Person, by contract, any Applicable Law, or otherwise, which Taxes relate to an event or transaction occurring prior to the Closing, or (C) having an express or implied obligation to indemnify any other Person under

any Tax sharing, allocation, indemnity, or similar agreement that was executed or in effect at any time prior to the Closing; provided, however, only if and to the extent that such Taxes are not taken into account in the finally determined Closing Working Capital, Closing Debt Amount or Closing Transaction Expenses. Notwithstanding anything to the contrary contained herein, the sole recourse for recovery by the Buyer Covered Parties pursuant to this Section 7.04(b) shall be the Insurance Policy.

(c) Buyer, the Company and the Stockholders' Representative will, and will cause their respective Affiliates to, provide each other with such cooperation and information as any of them reasonably may request in connection with any Tax matters relating to the Acquired Companies. Such cooperation and information will include providing copies of relevant Tax Returns or portions thereof, together with accompanying schedules, related work papers and documents relating to rulings or other determinations by Governmental Authorities.

(d) No party hereto nor any Affiliate thereof shall make an election under Section 338 of the Code or any similar provision of foreign, state or local Tax law in respect of the Merger or the other Contemplated Transactions.

Section 7.05 Debt Payoff Letter. The Company shall use its commercially reasonable efforts to cause the lenders under the Credit Facility to, no later than three (3) Business Days prior to the Closing Date, prepare and deliver to the Company (with a copy provided to Buyer) the Debt Payoff Letter, which Debt Payoff Letter will be updated, as necessary, on the Closing Date to specify the aggregate amount of the Debt Payoff Amount under the Credit Facility outstanding as of immediately prior to the Closing.

Section 7.06 Termination of Expired Financing Statements. Prior to the Closing, the Company shall terminate or cause to be terminated all expired financing statements set forth on Schedule 7.06.

Article 8
CONDITIONS TO THE MERGER

Section 8.01 Conditions to Obligations of the Parties. The obligations of each of the parties hereto to consummate the Merger are subject to the satisfaction at or prior to the Closing of the following conditions:

(a) Buyer, MergerSub and the Company will have timely obtained from each Governmental Authority all Approvals with respect to Applicable Laws set forth on Schedule 8.01(a), if any, necessary for the consummation of, or in connection with, the Merger and the Contemplated Transactions, and any applicable waiting period (and any extension thereof) under the HSR Act relating to the transactions contemplated hereby will have expired or been terminated; and

(b) No Applicable Law, Governmental Order or other legal or regulatory restraint or prohibition preventing the consummation of the Merger shall be in effect, and no Applicable Law

or Governmental Order shall have been enacted, entered, enforced or deemed applicable to the Merger, which makes the consummation of the Merger illegal.

Section 8.02 Conditions to Obligations of Buyer and MergerSub. The obligation of Buyer and MergerSub to consummate the Merger is subject to the satisfaction at or prior to the Closing of the following further conditions (other than any such conditions that are waived in writing by Buyer and MergerSub in their sole discretion):

(a) (i) The representations and warranties of the Company set forth in Article 3 of this Agreement (other than the Fundamental Representations) will be true and correct (without giving effect to any materiality or "Material Adverse Effect" qualifications therein) at and as of the Effective Time as though made at and as of the Effective Time, except in the case of this clause (i) for such failures to be true and correct (without giving effect to any materiality or "Material Adverse Effect" qualifications therein) as would not reasonably be expected to have, in the aggregate, a Material Adverse Effect, (ii) the Fundamental Representations that are not qualified by materiality or "Material Adverse Effect" will be true and correct at and as of the Effective Time as though made at and as of the Effective Time, except in the case of this clause (ii) for such failures to be true and correct as would not be material to the Acquired Companies taken as a whole, and (iii) the Fundamental Representations that are qualified by materiality or "Material Adverse Effect" will be true and correct in all respects at and as of the Effective Time as though made at and as of the Effective Time; provided, however, that representations and warranties that are made as of a particular date or covering a particular period will be true and correct (in the manner set forth above) only as of such date or for such period;

(b) The Company will have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Effective Time; provided that the condition precedent set forth in this Section 8.02(b), as it applies to the Company's obligations under Section 5.05, shall be deemed satisfied unless any financial arrangement contemplated by Section 5.05 has not been obtained primarily as a result of the Company's willful breach of its obligations thereunder;

(c) Since the date of this Agreement, no Material Adverse Effect shall have occurred;

(d) Buyer will have received a certificate signed by an appropriate representative of the Company to the effect that the conditions in Section 8.02(a), (b), and (c), have been satisfied;

(e) No Governmental Authority has filed a claim to prohibit the performance of this Agreement or the consummation of any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded following consummation;

(f) Either (i) the Stockholders' Representative will have provided to Buyer a certificate from each Stockholder conforming to the applicable requirements of Treasury Regulation Section 1.1445-2(b)(2) certifying that such Stockholder is not a "foreign person" within the meaning of Section 1445 of the Code, in form and substance satisfactory to Buyer, dated as of the Closing Date and duly executed by such Stockholder, or (ii) the Company will have provided to Buyer a FIRPTA notice and statement in a form and substance acceptable to Buyer conforming to the applicable

requirements of Treasury Regulations Sections 1.897-2(h) and 1.1445-2(c), dated as of the Closing Date and duly executed by the Company, together with written authorization for Buyer to deliver such notice and statement to the IRS on behalf of the Company after the Closing;

(g) The Stockholders' Representative and the Escrow Agent will have executed and delivered the Escrow Agreement, and such agreement will be in full force and effect;

(h) Each Stockholder listed on Exhibit C-1 will have executed and delivered a Release and Waiver, in substantially the form attached as Exhibit C-2 (the "Release and Waivers");

(i) The officers and directors of the Company Subsidiaries set forth in Schedule 8.02(i) shall have delivered to the Company or applicable Company Subsidiary written resignations, effective as of the Closing Date, from their positions as officers and directors;

(j) The Company will have obtained and furnished to Buyer evidence of the release and termination of the Liens listed on Schedule 8.02(j) effective as of the Closing;

(k) Buyer will have received a certificate, dated as of the Closing Date and executed on behalf of the Company by its Secretary, certifying (i) the Company's (A) certificate of incorporation, as amended, (B) bylaws, as amended and (C) board resolutions approving the Merger, adopting this Agreement and the Certificate of Merger and recommending the Merger, this Agreement and the Certificate of Merger for the approval of the Stockholders and (ii) Stockholder resolutions approving the Merger and the adoption of this Agreement and the Certificate of Merger; and

(l) The aggregate number of Dissenting Shares, together with the aggregate number of shares of Common Stock with respect to which the holder thereof retains the ability to exercise appraisal rights under Section 262 of the DGCL, shall not exceed five percent of the total number of issued and outstanding shares of Common Stock.

Section 8.03 Conditions to Obligation of the Company. The obligation of the Company to consummate the Merger is subject to the satisfaction at or prior to the Closing of the following further conditions (other than any such conditions that are waived in writing by the Stockholders' Representative in its sole discretion):

(a) The representations and warranties of Buyer and MergerSub contained in Article 4 of this Agreement will be true and correct in all material respects at and as of the Effective Time as though made at and as of the Effective Time; provided, however, that representations and warranties that are made as of a particular date or covering a particular period will be true and correct (in the manner set forth above) only as of such date or for such period;

(b) Buyer and MergerSub will have performed in all material respects all of their respective obligations hereunder required to be performed by each of them at or prior to the Effective Time;

(c) The Company will have received a certificate signed by an appropriate representative of Buyer and MergerSub to the effect that the conditions in Section 8.03(a) and (b) have been satisfied; and

(d) Buyer and the Escrow Agent will have executed and delivered the Escrow Agreement, and such agreement will be in full force and effect.

Article 9
TERMINATION

Section 9.01 Grounds for Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Closing only as provided below:

(a) by mutual written agreement of the Company and Buyer;

(b) by either the Company or Buyer if the Merger has not been consummated on or before the Outside Date; provided, that the right to terminate this Agreement pursuant to this Section 9.01(b) will not be available to any party hereto whose failure to fulfill any obligations under this Agreement has been the cause of, or resulted in, the failure of the Merger to be consummated by such time;

(c) by either the Company or Buyer if consummation of the Merger would violate any non-appealable permanent injunction, final order, decree or judgment of any Governmental Authority having competent jurisdiction;

(d) by Buyer if there has been a violation or breach by the Company of any covenant, representation or warranty contained in this Agreement that has prevented, or with the mere passage of time would prevent, the satisfaction of any condition to the obligations of Buyer at the Closing and such violation or breach has not been waived in writing by Buyer or cured by the Company within twenty (20) days after written notice thereof from Buyer; provided, that the right to terminate this Agreement pursuant to this Section 9.01(d) shall not be available to Buyer if there has been a material violation or breach by Buyer of any covenant, representation or warranty contained in this Agreement which has prevented, or with the mere passage of time would prevent, the satisfaction of any condition to the obligations of the Company at the Closing and such violation or breach has not been waived in writing by the Company or cured by Buyer;

(e) by the Company if there has been a violation or breach by Buyer of any covenant, representation or warranty contained in this Agreement that has prevented, or with the mere passage of time would prevent, the satisfaction of any condition to the obligations of the Company at the Closing and such violation or breach has not been waived in writing by the Company or cured by Buyer within twenty (20) days after written notice thereof from the Company; provided, that the right to terminate this Agreement pursuant to this Section 9.01(e) shall not be available to the Company if there has been a material violation or breach by the Company of any covenant, representation or warranty contained in this Agreement which has prevented, or with the mere passage of time would prevent, the satisfaction of any condition to the obligations of Buyer at the

Closing and such violation or breach has not been waived in writing by Buyer or cured by the Company; or

(f) by the Company if the conditions to Buyer and MergerSub's obligation to consummate the Merger as set forth in Section 8.01 and Section 8.02 have been satisfied and the Closing has not occurred within two (2) Business Days after the date the Closing should have occurred pursuant to Section 2.02; provided, that the right to terminate this Agreement pursuant to this Section 9.01(f) will not be available to the Company if the failure of the Closing to occur was due to, or resulted from, a delay, action or omission of the Company or the Stockholders' Representative to perform any action required to be performed by it on the Closing Date in order to consummate the Closing.

The party hereto desiring to terminate this Agreement will give written notice of such termination to the other parties.

Section 9.02 Effect of Termination. If this Agreement is terminated as permitted by Section 9.01, all obligations under this Agreement of the parties hereto shall terminate, there shall be no liability of any party hereto arising from or relating to any breaches by such party of this Agreement, and termination shall be each party's exclusive remedy for any breach by another party of this Agreement; provided, however:

(a) that nothing herein is intended or shall be construed to limit the liability of any party hereto for such party's willful (i) failure to fulfill a condition to the performance of the obligations of the other party, (ii) failure to perform a covenant under this Agreement or (iii) breach of any representation or warranty contained herein (provided, that a failure or breach will be deemed to be "willful" if it resulted from an act taken by the party in question with the actual knowledge that the taking of such act would, or would reasonably be expected to, cause such failure or breach);

(b) that the rights and obligations of the parties under Article 1 (Definitions), Section 7.03 (Confidentiality), this Section 9.02 (Effect of Termination) and Article 11 (Miscellaneous) will survive any termination hereof pursuant to Section 9.01; and

(c) notwithstanding any provision to the contrary contained in this Agreement, if a court has granted an award of damages in connection with any breach by Buyer and/or MergerSub of the terms or conditions set forth in this Agreement, the Company may, on behalf of the Stockholders, enforce such award and accept damages for such breach; provided, that this Agreement does not otherwise confer upon any Person other than the parties hereto any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein.

Article 10
STOCKHOLDERS' REPRESENTATIVE

(a) Effective upon and by virtue of the vote of the Stockholders approving and adopting this Agreement and the Merger, and without any further act of any of the Stockholders, the Stockholders' Representative will be hereby appointed as the representative of the Stockholders and as the attorney-in-fact and agent for and on behalf of each such Stockholder for purposes of

this Agreement and the Escrow Agreement and will be empowered to take such actions contemplated to be taken by the Stockholders' Representative under this Agreement and the Escrow Agreement and such other actions on behalf of such Stockholders as it may deem necessary or appropriate in connection with or to consummate the transactions contemplated hereby or thereby, including (i) taking all actions and making all filings on behalf of such Stockholders with any Governmental Authority or other Person necessary to effect the consummation of the transactions contemplated by this Agreement or the Escrow Agreement, (ii) agreeing to, negotiating, entering into settlements and compromises of, complying with orders of courts with respect to, and otherwise administering and handling any claims under this Agreement or the Escrow Agreement on behalf of such Stockholders, (iii) negotiating and executing any waivers or amendments of this Agreement or the Escrow Agreement (provided, that any amendment that will adversely and disproportionately affect the rights or obligations of any Stockholder as compared to other Stockholders will require the prior written consent of such Stockholder) and (iv) taking all other actions that are either necessary or appropriate in its judgment for the accomplishment of the foregoing or contemplated by the terms of this Agreement or the Escrow Agreement. The Stockholders' Representative will have no authority or power to act on behalf of the Company. The Stockholders' Representative hereby accepts such appointment.

(b) A decision, act, consent or instruction of the Stockholders' Representative hereunder will constitute a decision, act, consent or instruction of all Stockholders and will be final, binding and conclusive upon each of such Stockholders, and the Escrow Agent and Buyer may rely upon any such decision, act, consent or instruction of the Stockholders' Representative as being the decision, act, consent or instruction of each and every such Stockholder. The Escrow Agent and Buyer will be relieved from any liability to any Person for any acts done by them in accordance with such decision, act, consent or instruction of the Stockholders' Representative. In particular, notwithstanding any notice received by Buyer, MergerSub or the Surviving Corporation to the contrary, Buyer, MergerSub and the Surviving Corporation will be fully protected in relying upon and will be entitled to rely upon, and will have no liability to the Stockholders with respect to actions, decisions or determinations of the Stockholders' Representative. Any payments made, in accordance with the Stockholders' Representative's request and instruction, by Buyer or the Surviving Corporation pursuant to the terms of this Agreement will fully discharge Buyer and the Surviving Corporation from any liability to any Stockholders in connection with such payment, as fully and completely as if such payment had been made directly to such Stockholder. Buyer, MergerSub and the Surviving Corporation will be entitled to assume that all actions, decisions and determinations of the Stockholders' Representative are fully authorized. The Stockholders' Representative will not be entitled to receive any compensation, directly or indirectly, from Buyer, MergerSub or the Surviving Corporation in connection with performing its functions as the Stockholders' Representative under this Agreement.

(c) The Stockholders' Representative will have the right to recover, at its sole discretion, from the Stockholders' Representative Fund Property, prior to any distribution to the Stockholders, (i) the Stockholders' Representative's reasonable out-of-pocket expenses (including fees and charges of counsel, accountants or other agents) incurred in serving in that capacity and (ii) any amounts to which it is entitled pursuant to the indemnification provision in paragraph (e) of this Article 10 (each item in clauses (i) and (ii) of this paragraph (c) referred to as a "Charge", and

collectively the "Charges"). In the event the amount of the Stockholders' Representative Fund Property available to satisfy Charges (the "Remaining Escrow Property") is insufficient to satisfy all Charges, then each Stockholder will be obligated to pay its Pro Rata Share of the Charges in excess of the Remaining Escrow Property. The Stockholders' Representative shall hold the Stockholders' Representative Fund Property on behalf of the Stockholders as an agent of the Stockholders and shall provide periodic statements to the Stockholders with respect to the release of any portion of the Stockholders' Representative Fund Property.

(d) The Stockholders' Representative will incur no liability with respect to any action taken or suffered by any party in reliance upon any notice, direction, instruction, consent, statement or other document believed by such Stockholders' Representative to be genuine and to have been signed by the proper person (and the Stockholders' Representative will have no responsibility to determine the authenticity thereof), nor for any other action or inaction, except its own gross negligence, bad faith or willful misconduct. In all questions arising under this Agreement or the Escrow Agreement, the Stockholders' Representative may rely on the advice of outside counsel, and the Stockholders' Representative will not be liable to any Stockholder for anything done, omitted or suffered in good faith by the Stockholders' Representative based on such advice.

(e) The Stockholders will severally (each based on and limited to its Pro Rata Share) but not jointly indemnify the Stockholders' Representative and hold the Stockholders' Representative harmless against any loss, liability or expense incurred without gross negligence, bad faith or willful misconduct, on the part of the Stockholders' Representative and arising out of or in connection with the acceptance or administration of the Stockholders' Representative's duties hereunder, including the reasonable fees and expenses of any legal counsel or other agents retained by the Stockholders' Representative.

(f) At any time during the term of the Escrow Agreement, a majority-in-interest of Stockholders may, by written consent, appoint a new representative as the Stockholders' Representative. Notice together with a copy of the written consent appointing such new representative and bearing the signatures of Stockholders of a majority-in-interest of those Stockholders must be delivered to Buyer and, if applicable, the Escrow Agent not less than ten (10) days prior to such appointment. Such appointment will be effective upon the later of the date indicated in the consent or the date such consent is received by Buyer and, if applicable, the Escrow Agent; provided, that until such notice is received, Buyer, MergerSub and the Surviving Corporation will be entitled to rely on the decisions of the prior Stockholders' Representative as described in paragraph (b) above. For the purposes of this paragraph (f), a "majority-in-interest of the Stockholders" will mean Stockholders representing in the aggregate over 50% of the percentage interests in the Remaining Escrow Property.

(g) In the event that the Stockholders' Representative becomes unable or unwilling to continue in its capacity as Stockholders' Representative, or if the Stockholders' Representative resigns as a Stockholders' Representative, a majority-in-interest of the Stockholders may, by written consent, appoint a new representative as the Stockholders' Representative; provided, that in no event will the Stockholders' Representative resign without the majority-in-interest of Stockholders having first appointed a new representative as the Stockholders' Representative. Notice and a copy

of the written consent appointing such new representative and bearing the signatures of a majority-in-interest of the Stockholders must be delivered to Buyer and, if applicable, the Escrow Agent. Such appointment will be effective upon the later of the date indicated in the consent or the date such consent is received by Buyer and, if applicable, the Escrow Agent; provided, that until such notice is received, Buyer, MergerSub and the Surviving Corporation will be entitled to rely on the decisions of the prior Stockholders' Representative as described in paragraph (b) above.

Article 11
MISCELLANEOUS

Section 11.01 Notices. Any notices or other communications required or permitted hereunder will be deemed to have been properly given and delivered if in writing by such party or its legal representative and (i) delivered personally, (ii) sent by a nationally recognized overnight courier service guaranteeing overnight delivery or (iii) sent by electronic mail with confirmation of transmission, provided that any notice sent by electronic mail transmission shall be followed reasonably promptly with a copy delivered by a nationally recognized overnight courier service guaranteeing overnight delivery, addressed as follows:

if to Buyer, MergerSub or, after the Effective Time, the Surviving Corporation, to:

U.S. Silica Company
200 N. LaSalle Street, Suite 2100
Chicago, Illinois 60601
Attention: Executive Vice President and Chief Commercial Officer

with a copy (which will not constitute notice) to:

Baker Botts L.L.P.
One Shell Plaza
910 Louisiana Street
Houston, Texas 77002
Attention: Efren Acosta

if, prior to the Effective Time, to the Company, to:

EP Acquisition Parent, Inc.
c/o Golden Gate Private Equity, Inc.
One Embarcadero Center, 39th Floor
San Francisco, CA 94111
Attention: Rajeev Amara; Stephen Oetgen

if to the Stockholders' Representative, to:

EPMC Parent LLC
c/o Golden Gate Private Equity, Inc.
One Embarcadero Center, 39th Floor
San Francisco, CA 94111
Attention: Rajeev Amara; Stephen Oetgen

Unless otherwise specified herein, such notices or other communications will be deemed given (a) on the date delivered, if delivered personally, (b) one (1) Business Day after being sent by a nationally recognized overnight courier guaranteeing overnight delivery, and (c) upon confirmation of transmission, if delivered by electronic mail transmission. Each of the parties hereto will be entitled to specify a different address by delivering notice as aforesaid to each of the other parties hereto.

Section 11.02 Amendments and Waivers.

(a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party hereto, or in the case of a waiver by the party against whom the waiver is to be effective (with the Stockholders' Representative being authorized to act on behalf of the Stockholders after the Effective Time); provided, that after the adoption and approval of this Agreement by the Stockholders and without their further approval, no such amendment or waiver will reduce the amount or change the kind of consideration to be received in exchange for any Common Stock.

(b) No failure or delay by any party hereto in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by law.

(c) Notwithstanding anything to the contrary contained herein, this Section 11.02(c) and Section 11.07(b), Section 11.08, Section 11.12, and Section 11.18 (and any provision of this Agreement to the extent a modification, waiver or termination of such provision would modify the substance of Section 11.07(b), Section 11.12, Section 11.18 and this Section 11.02(c)) may not be modified, waived or terminated in a manner that is materially adverse to the Financing Sources (taken as a whole) without the prior written consent of the Financing Sources.

Section 11.03 Expenses. Except as specifically set forth in this Agreement, all costs and expenses incurred in connection with this Agreement and the other Transaction Agreements and the related transactions, including all fees and expenses of each party's counsel, accountants and other Representatives, will be paid by the party incurring such cost or expense. Buyer shall be responsible for and shall pay all stock transfer Taxes, real property transfer or mortgage Taxes, sales Taxes, documentary stamp Taxes, recording charges and other similar Taxes, if any, arising from the Contemplated Transactions.

Section 11.04 Waiver of Conflicts Regarding Representation; Non-Assertion of Attorney Client Privilege. Buyer, on behalf of itself and its Affiliates (including the Acquired Companies following the Closing) (Buyer and all such other Persons, "Buyer Related Parties") hereby waives, any claim that Kirkland & Ellis LLP, Nob Hill Law Group, P.C. or any other legal counsel representing any of the Acquired Companies prior to the Closing (each, a "Prior Company Counsel") in connection with this Agreement or its subject matter or the transactions contemplated hereby ("Pre-Closing Representation") has a conflict of interest or is otherwise prohibited from representing any Stockholder, the Stockholders' Representative or any of their respective officers, directors, members, managers or Affiliates ("Stockholder Related Parties") in any dispute with any of the Buyer Related Parties or any other matter involving this Agreement or its subject matter or the transactions contemplated hereby, in each case, after the Closing Date ("Post-Closing Representation"), even though the interests of one or more of the Stockholder Related Parties in such dispute or other matter may be directly adverse to the interests of one or more of the Buyer Related Parties and even though Prior Company Counsel may have represented one or more of the Acquired Companies in a matter substantially related to such dispute or other matter and may be handling ongoing matters for one or more of the Buyer Related Parties. Buyer, on behalf of the Buyer Related Parties, hereby covenants and agrees, that, as to all communications between any Prior Company Counsel, on the one hand, and any Stockholder Related Parties or any Acquired Company (with respect to the Acquired Companies, solely prior to the Closing), on the other hand, that relate in any way to the Pre-Closing Representation, the attorney-client privilege and the expectation of client confidence shall be owned solely by and controlled by such Stockholder Related Party (and, in the case of the Acquired Companies with respect to any matters and disputes adverse to, prior to the Closing, the Stockholders' Representative), and shall not pass to or be claimed by any Buyer Related Parties. This Section 11.04 shall survive the Closing and shall remain in effect. Without limitation of the foregoing, no Buyer Related Parties may use or rely on any communications described in the immediately preceding sentence in any claim, dispute, action, suit or proceeding against or involving any of the Stockholder Related Parties. Notwithstanding the foregoing, if after the Closing a dispute arises between Buyer or the Acquired Companies, on the one hand, and a third party other than (and unaffiliated with) any Stockholder Related Party, on the other hand, then the Company (to the extent applicable) may assert the attorney-client privilege to prevent disclosure to such third party of confidential communications by Prior Company Counsel; provided, however, that neither Buyer nor any Acquired Company may intentionally waive such privilege without the prior written consent of the Stockholders' Representative, which consent shall not be unreasonably withheld, delayed or conditioned. Further, no Stockholder Related Party may intentionally waive the privilege applicable to any confidential communications between an Acquired Company and Prior Company Counsel without the prior written consent of Buyer, which consent shall not be unreasonably withheld, delayed or conditioned. This Section 11.04 is for the benefit of the Stockholders' Representative and the Stockholder Related Parties and each Prior Company Counsel, and the Stockholder Related Parties and each Prior Company Counsel are express third party beneficiaries of this Section 11.04. This Section 11.04 shall be irrevocable, and no term of this Section 11.04 may be amended, waived or modified, without the prior written consent of the Stockholders' Representative and the Prior Company Counsel affected thereby.

Section 11.05 Successors and Assigns. The provisions of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns;

provided, that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of each other party hereto. Notwithstanding the foregoing, Buyer will be permitted to assign its rights under this Agreement (i) to an Affiliate of Buyer and (ii) effective at and after the Closing Date, to any parties providing the Debt Financing pursuant to the terms thereof for purposes of creating a security interest herein or otherwise assign as collateral in respect of such Debt Financing, in each case without obtaining consent from any other party; provided that no such assignment described in clause (i) or (ii) above shall relieve Buyer of its obligations hereunder.

Section 11.06 Governing Law. This Agreement will be governed by and construed in accordance with the law of the State of Delaware, without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

Section 11.07 Jurisdiction.

(a) Except as otherwise expressly provided in this Agreement, each party to this Agreement, by its execution hereof, (i) hereby irrevocably submits to the exclusive jurisdiction of the United States District Court located in the State of Delaware and the Court of Chancery of the State of Delaware located in Wilmington, Delaware for the purpose of any action, claim, cause of action or suit (in contract, tort or otherwise), in any way arising out of or relating to this Agreement, its negotiation or terms, or the transactions contemplated hereby, (ii) hereby waives to the extent not prohibited by Applicable Law, and agrees not to assert by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above-named courts is improper, that the venue is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court and (iii) hereby agrees not to commence or prosecute any such action, claim, cause of action or suit other than before one of the above-named courts, nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit to any court other than one of the above-named courts, whether on the grounds of inconvenient forum or otherwise. Each party hereby consents to service of process in any such proceeding in any manner permitted by Delaware law, and further consents to service of process by nationally recognized overnight courier service guaranteeing overnight delivery, or by registered or certified mail, return receipt requested, at its address specified pursuant to Section 11.01. Notwithstanding the foregoing in this Section 11.07, a party hereto may commence any action, claim, cause of action or suit in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

(b) Notwithstanding anything in Section 11.07(a) to the contrary, with respect to any action, claim, cause of action or suit of any kind or description (in contract, tort or otherwise) involving any Financing Source arising out of or relating to this Agreement or the agreements delivered in connection herewith or any of the transactions contemplated hereby or thereby, the Debt Financing or the Debt Commitment Letter or the performance of services thereunder, each of the parties hereto agrees that (i) such action, claim, cause of action or suit shall be subject to the

exclusive jurisdiction of the United States District Court for the Southern District of New York or any New York State court sitting in the Borough of Manhattan and any appellate court therefrom, (ii) it waives to the extent not prohibited by Applicable Law, and agrees not to assert by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above-named courts is improper, that the venue is improper, or that matters related to the Debt Financing may not be enforced in or by such court and (iii) it will not commence or prosecute any such action, claim, cause of action or suit involving any Financing Source other than before one of the above-named courts, nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit to any court other than one of the above-named courts, whether on the grounds of inconvenient forum or otherwise.

Section 11.08 WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HERETO HEREBY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN RESPECT OF ANY ISSUE, ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT, ITS NEGOTIATION OR TERMS, OR THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING THE DEBT FINANCING), IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE COMPANY THAT THIS SECTION 11.08 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH SUCH OTHER PARTIES ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT AND ANY OTHER AGREEMENTS RELATING HERETO OR CONTEMPLATED HEREBY. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 11.08 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

Section 11.09 NO OTHER REPRESENTATIONS. EACH OF BUYER AND MERGERSUB SPECIFICALLY ACKNOWLEDGES AND AGREES THAT EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 3 (AS MODIFIED BY THE DISCLOSURE SCHEDULES), NEITHER THE COMPANY NOR ANY OTHER PERSON MAKES, OR HAS MADE, ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO THE COMPANY OR ITS SUBSIDIARIES OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF BUYER AND MERGERSUB SPECIFICALLY ACKNOWLEDGES AND AGREES TO THE COMPANY'S EXPRESS DISAVOWAL AND DISCLAIMER OF ANY OTHER REPRESENTATIONS OR WARRANTIES, WHETHER MADE BY THE COMPANY OR ANY OF ITS AFFILIATES, OR ITS OR THEIR RESPECTIVE PARTNERS, MEMBERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES, AND OF ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, PROJECTION, FORECAST, STATEMENT, OR INFORMATION MADE, COMMUNICATED, OR FURNISHED (ORALLY OR IN WRITING) TO ANY OF BUYER, MERGERSUB OR THEIR RESPECTIVE AFFILIATES

OR REPRESENTATIVES (INCLUDING ANY OPINION, INFORMATION, DOCUMENTS, PROJECTION, OR ADVICE THAT MAY HAVE BEEN OR MAY BE PROVIDED TO ANY OF BUYER, MERGERSUB OR THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES BY ANY PARTNER, MEMBER, DIRECTOR, OFFICER, EMPLOYEE, AGENT, CONSULTANT, OR REPRESENTATIVE OF THE COMPANY OR ANY OF ITS AFFILIATES OR REPRESENTATIVES). EACH OF BUYER AND MERGERSUB ACKNOWLEDGES THAT IT HAS CONDUCTED TO ITS SATISFACTION ITS OWN INDEPENDENT INVESTIGATION OF THE CONDITION, OPERATIONS AND BUSINESS OF THE COMPANY AND ITS SUBSIDIARIES AND, IN MAKING ITS DETERMINATION TO PROCEED WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, EACH OF BUYER AND MERGERSUB HAS RELIED ON THE RESULTS OF ITS OWN INDEPENDENT INVESTIGATION. IN FURTHERANCE OF THE FOREGOING, AND NOT IN LIMITATION THEREOF, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 3 (AS MODIFIED BY THE DISCLOSURE SCHEDULES), EACH OF BUYER AND MERGERSUB SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE COMPANY DOES NOT MAKE, NOR HAS MADE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY FINANCIAL PROJECTION, FORECAST OR OTHER INFORMATION DELIVERED TO ANY OF BUYER, MERGERSUB OR THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES WITH RESPECT TO THE PERFORMANCE OF THE COMPANY OR ITS SUBSIDIARIES WHETHER BEFORE, ON OR AFTER THE CLOSING DATE. EACH OF BUYER AND MERGERSUB SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE COMPANY DOES NOT MAKE, NOR HAS MADE (NOR HAS AUTHORIZED ANY OTHER PERSON TO MAKE ON ITS BEHALF), ANY REPRESENTATIONS OR WARRANTIES TO BUYER OR MERGERSUB REGARDING THE PROBABLE SUCCESS OR PROFITABILITY OF THE COMPANY OR ITS SUBSIDIARIES. BUYER AND MERGERSUB SHALL ACQUIRE THE COMPANY AND ITS SUBSIDIARIES (A) WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE QUALITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONFORMITY TO SAMPLES, OR CONDITION OF THE COMPANY, THE COMPANY'S SUBSIDIARIES, ANY ASSETS OR ANY PART THEREOF AND (B) IN AN "AS IS" CONDITION AND ON A "WHERE IS" BASIS, EXCEPT, IN EACH CASE, FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 3 (AS MODIFIED BY THE DISCLOSURE SCHEDULES). EACH OF BUYER AND MERGERSUB HEREBY WAIVES, ON BEHALF OF ITSELF AND ITS SUBSIDIARIES (INCLUDING, AFTER THE CLOSING, THE SURVIVING CORPORATION AND EACH OF ITS SUBSIDIARIES) AND ITS AFFILIATES, FROM AND AFTER THE CLOSING, TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW, ANY AND ALL RIGHTS, CLAIMS AND CAUSES OF ACTION IT MAY HAVE AGAINST THE STOCKHOLDERS, THE STOCKHOLDERS' REPRESENTATIVE, ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OFFICER, DIRECTOR, MANAGER, MEMBER, PARTNER, EMPLOYEE, AGENT, CONSULTANT OR REPRESENTATIVE OF ANY OF THE FOREGOING, AND AGREES NO RECOURSE SHALL BE SOUGHT OR GRANTED AGAINST ANY OF THEM, RELATING TO THE OPERATION OF THE COMPANY, THE COMPANY'S SUBSIDIARIES OR THEIR RESPECTIVE BUSINESSES OR RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT (INCLUDING THE REPRESENTATIONS, WARRANTIES AND COVENANTS CONTAINED

HEREIN, AND ANY CERTIFICATE, INSTRUMENT, OPINION OR OTHER DOCUMENTS DELIVERED HEREUNDER) AND THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER ARISING UNDER OR BASED UPON ANY FEDERAL, STATE, LOCAL OR FOREIGN STATUTE, LAW, ORDINANCE, RULE OR REGULATION OR OTHERWISE (INCLUDING ANY RIGHT, WHETHER ARISING AT LAW OR IN EQUITY, TO SEEK INDEMNIFICATION, CONTRIBUTION, COST RECOVERY, DAMAGES, OR ANY OTHER RECOURSE OR REMEDY, INCLUDING AS MAY ARISE UNDER COMMON LAW). FURTHERMORE, WITHOUT LIMITING THE GENERALITY OF THIS SECTION 11.09, NO CLAIM SHALL BE BROUGHT OR MAINTAINED BY ANY OF BUYER, MERGERSUB OR ANY OF THEIR RESPECTIVE SUBSIDIARIES OR AFFILIATES (INCLUDING, AFTER THE CLOSING, THE SURVIVING CORPORATION AND EACH OF ITS SUBSIDIARIES) AGAINST THE STOCKHOLDERS, THE STOCKHOLDERS' REPRESENTATIVE, ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OFFICER, DIRECTOR, MANAGER, MEMBER, PARTNER, EMPLOYEE, AGENT, CONSULTANT OR REPRESENTATIVE OF ANY OF THE FOREGOING, AND NO RECOURSE SHALL BE SOUGHT OR GRANTED AGAINST ANY OF THEM, BY VIRTUE OF OR BASED UPON ANY ALLEGED MISREPRESENTATION OR INACCURACY IN OR BREACH OF ANY OF THE REPRESENTATIONS, WARRANTIES OR COVENANTS SET FORTH OR CONTAINED IN THIS AGREEMENT, ANY CERTIFICATE, INSTRUMENT, OPINION OR OTHER DOCUMENTS DELIVERED HEREUNDER, THE SUBJECT MATTER OF THIS AGREEMENT, THE BUSINESS, THE OWNERSHIP, OPERATION, MANAGEMENT, USE OR CONTROL OF THE BUSINESS OF THE COMPANY OR THE COMPANY'S SUBSIDIARIES, ANY OF THEIR ASSETS, ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR ANY ACTIONS OR OMISSIONS AT OR PRIOR TO THE CLOSING DATE. NOTHING CONTAINED IN THIS AGREEMENT IS INTENDED TO, OR WILL HAVE THE EFFECT OF, WAIVING ANY RIGHTS OF BUYER TO PURSUE CLAIMS (A) AGAINST ANY OTHER PARTY HERETO ARISING FROM FRAUD IN CONNECTION WITH THE MAKING OF THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT (OTHER THAN THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 3.30 OF THIS AGREEMENT) OR (B) AGAINST ANY OTHER PARTY HERETO OR ANY NONPARTY AFFILIATE ARISING FROM FRAUD IN CONNECTION WITH THE PREPARATION OR PRODUCTION OF THE RESERVE INFORMATION SET FORTH IN SECTION 3.30 OF THE DISCLOSURE SCHEDULES OR THE PROCESS USED IN OBTAINING THE UNDERLYING DATA; PROVIDED THAT IN NO EVENT SHALL THE LIABILITY OF THE NONPARTY AFFILIATES FOR FRAUD AS SET FORTH IN THIS CLAUSE (B) EXCEED $106,250,000 IN THE AGGREGATE AND IN NO EVENT SHALL ANY SUCH CLAIM BE BROUGHT AGAINST ANY NONPARTY AFFILIATE AFTER THE FIRST (1ST) ANNIVERSARY OF THE CLOSING DATE.

Section 11.10 Specific Performance. The parties hereby expressly recognize and acknowledge that immediate, extensive and irreparable damage would result, no adequate remedy at law would exist, and damages would be difficult to determine in the event that any provision of this Agreement is not performed in accordance with its specific terms or otherwise breached. Therefore, in addition to, and not in limitation of, any other remedy available to any party hereto, a party under this Agreement will be entitled to specific performance of the terms hereof and immediate injunctive relief, without the necessity of proving the inadequacy of money damages as

a remedy and without bond or other security being required. Such remedies, and any and all other remedies provided for in this Agreement, will, however, be cumulative in nature and not exclusive and will be in addition to any other remedies whatsoever which any party may otherwise have. Each of the parties hereto hereby acknowledges and agrees that it may be difficult to prove damages with reasonable certainty, that it may be difficult to procure suitable substitute performance, and that injunctive relief and/or specific performance will not cause an undue hardship to the parties. Each of the parties hereto hereby further acknowledges that the existence of any other remedy contemplated by this Agreement does not diminish the availability of specific performance of the obligations hereunder or any other injunctive relief. Each party hereto hereby further agrees that in the event of any action by any other party for specific performance or injunctive relief, it will not assert that a remedy at law or other remedy would be adequate or that specific performance or injunctive relief in respect of such breach or violation should not be available on the grounds that money damages are adequate or any other grounds. Notwithstanding anything herein to the contrary, Buyer and MergerSub shall not be entitled and shall not seek, and in no event shall this Section 11.10 be used, alone or together with any other provision of this Agreement, to require the Company to remedy any breach of any representation or warranty of the Company made herein.

Section 11.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed will be deemed to be an original and all of which together will be deemed to be one and the same instrument binding upon all of the parties hereto notwithstanding the fact that all parties are not signatory to the original or the same counterpart. For purposes of this Agreement, facsimile and pdf signatures will be deemed originals.

Section 11.12 Third Party Beneficiaries; No Recourse Against Third Parties.

(a) No provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder; provided however, that the following Persons are expressly intended as third party beneficiaries with respect to the following specified sections of this Agreement and will have the right to enforce such specified sections against the parties to this Agreement: with respect to Section 6.07, the Persons who are the beneficiaries of the indemnification under such Section; with respect to Section 2.04, Section 2.05, Section 2.06, Section 2.12, Section 6.01, Section 7.01, Section 7.02, and Article 9, the Stockholders; with respect to Section 11.12(b), the Nonparty Affiliates; with respect to Section 11.04, each Prior Company Counsel; and, with respect to Section 11.12(a) and Section 11.02(c), Section 11.07(b), Section 11.08 and Section 11.18, each Financing Source.

(b) Buyer shall not assert any claim against any Person who is not party to this Agreement, including without limitation any Stockholders, partners, members, controlling persons, directors, officers, employees, incorporators, managers, agents, Representatives, or Affiliates of any party hereto (or any Affiliate of any of the foregoing) (each a "Nonparty Affiliate" and, collectively, the "Nonparty Affiliates") and Financing Sources with respect to matters arising under or relating to this Agreement or the Contemplated Transactions (including the Debt Financing) or hold or attempt to hold any Nonparty Affiliate or Financing Source liable for any actual or alleged inaccuracies, misstatements or omissions with respect to information furnished by the Company or

such Persons concerning the Business, the Company, this Agreement or the Contemplated Transactions, to the maximum extent permitted by law.

(c) Notwithstanding the preceding clause (b), Buyer retains the right, and nothing in this Agreement is intended to, or will have the effect of, waiving any rights of Buyer, to pursue claims against any Nonparty Affiliate for Fraud solely to the extent provided in the last sentence of Section 11.09.

Section 11.13 Entire Agreement. This Agreement and the Confidentiality Agreement constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 11.14 Severability. If any term, provision, covenant or restriction of this Agreement is held by any Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement will remain in full force and effect and will in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 11.15 Negotiation of Agreement. Each of the parties hereto acknowledges that it has been represented by independent counsel of its choice throughout all negotiations that have preceded the execution of this Agreement and that it has executed the same with consent and upon the advice of said independent counsel. Each party hereto and its counsel cooperated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto will be deemed the work product of the parties and may not be construed against any party by reason of its preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against the party that drafted it is of no application and is hereby expressly waived.

Section 11.16 Schedules; Construction.

(a) Generally. Attached to this Agreement are certain schedules supplementing the terms and conditions of this Agreement, which schedules are hereby incorporated into and made a part of this Agreement as if set forth in full herein. Except solely in the case of the Disclosure Schedules, the provisions set forth in the schedules shall constitute binding agreements of the parties hereto and shall be construed to constitute an integral part of this Agreement and this Agreement and such schedules shall together constitute one and the same agreement.

(b) Disclosure Schedules. The headings, if any, of the individual sections of each of the Disclosure Schedules are inserted for convenience only and will not be deemed to constitute a part thereof or a part of the Agreement. The Disclosure Schedules are arranged in sections corresponding to those contained in this Agreement merely for convenience, and the disclosure of an item in one

section of the Disclosure Schedules referenced in Article 3 as an exception to any particular representation or warranty in Article 3 will be deemed adequately disclosed as an exception with respect to all other representations or warranties in Article 3, notwithstanding the presence or absence of an appropriate section of the Disclosure Schedules with respect to such other representations or warranties or an appropriate cross-reference thereto; provided that the relevance of such disclosure to the specific representation or warranty or a given part of the Disclosure Schedules referenced in Article 3 is reasonably apparent from the face and terms of such disclosure. The mere inclusion of an item in the Disclosure Schedules as an exception to a representation or warranty will not be deemed an admission or acknowledgment, in and of itself and solely by virtue of the inclusion of such information in the Disclosure Schedules, that such information is required to be listed in the Disclosure Schedules or that such item (or any non-disclosed item or information of comparable or greater significance) represents a material exception or fact, event or circumstance, that such item has had, or is expected to result in, a Material Adverse Effect, or that such item actually constitutes noncompliance with, or a violation of, any Applicable Law, Permit or contract or other topic to which such disclosure is applicable.

Section 11.17 Treatment of Confidential Information.

(a) GGPE, for itself and any other Golden Gate entities, funds and Affiliates, acknowledges that it has or may have had in the past, currently has and in the future may have access to Confidential Information of the Acquired Companies and the Business and Buyer and its Affiliates. GGPE, for itself and any other Golden Gate entities, funds and Affiliates, agrees that it will, and will cause all other Golden Gate entities, funds and Affiliates to, keep confidential all that Confidential Information furnished to Golden Gate and, except with the specific prior written consent of Buyer, will not disclose that Confidential Information to any Person except (i) Representatives of Buyer and (ii) Golden Gate's own Representatives, provided that those Representatives agree to the confidentiality provisions of this Section 11.17; provided, however, that, for purposes of this Section 11.17, Confidential Information does not include such information as (A) is publicly available as of the date hereof, (B) later becomes known to the public generally through no fault of Golden Gate, (C) is independently developed by Golden Gate without reference to or reliance on any information referenced hereunder or (D) is required to be disclosed by Applicable Law or Governmental Order, provided, that prior to the disclosure by Golden Gate of any information under this clause (D), Golden Gate will give prior written notice thereof to Buyer and provide Buyer with the opportunity to contest that disclosure (to the extent allowable by the Applicable Law or Governmental Order).

(b) Because of (i) the difficulty of measuring economic losses as a result of the breach of the foregoing covenants in Section 11.17(a) and (ii) the immediate and irreparable damage that would be caused to Buyer for which it would have no other adequate remedy, in the event of a breach or threatened breach by Golden Gate of the provisions of this Section 11.17 with respect to any Confidential Information, Buyer will be entitled to an injunction restraining Golden Gate from disclosing, in whole or in part, that Confidential Information. Nothing herein shall be construed as prohibiting Buyer from pursuing any other available remedy for such breach or threatened breach, including the recovery of damages.

Section 11.18 Provisions Related to Financing Sources. Notwithstanding anything herein to the contrary, each of the Company and the Stockholders' Representative agrees that neither it, nor any of its former, current or future representatives, Affiliates, successors or assigns (collectively, "Seller Related Parties"), shall have any claim against any Financing Source participating in the Debt Financing or any of their respective former, current or future representatives, Affiliates, successors or assigns (collectively, "Financing Related Parties"), nor shall any Financing Related Party have any liability whatsoever to the Company, the Stockholders' Representative or any Seller Related Party, in connection with the Debt Financing or in any way relating to this Agreement or any of the Contemplated Transactions, whether at law, in equity, in contract, in tort or otherwise, in each case, whether arising, in whole or in part, out of comparative, contributory or sole negligence by any Financing Related Party. For the avoidance of doubt, nothing contained herein is intended to, nor shall it, result in the waiver of any rights or privileges of Buyer, the Company or their respective Affiliates under the documents entered into in connection with the Debt Financing.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

EP ACQUISITION PARENT, INC.

By: _____
Name:
Title:

U.S. SILICA COMPANY

By: _____
Name:
Title:

TRANQUILITY ACQUISITION CORP.

By: _____
Name:
Title:

EPMC PARENT LLC, solely in its capacity as the Stockholders' Representative

By: _____

Name:

Title:

GOLDEN GATE PRIVATE EQUITY, INC., solely for purposes of Section 11.17

By: _____

Name:

Title:

PERFORMANCE SHARE UNIT AGREEMENT
PURSUANT TO THE
AMENDED AND RESTATED U.S. SILICA HOLDINGS, INC.
2011 INCENTIVE COMPENSATION PLAN

*** * * * ***

Participant: [[FIRSTNAME]] [[LASTNAME]]

Grant Date: [[GRANTDATE]]

Number of Performance Share Units Granted at Target Performance: [[SHARESGRANTED]]

*** * * * ***

THIS PERFORMANCE SHARE UNIT AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between U.S. Silica Holdings, Inc., a corporation organized in the State of Delaware (the "Company"), and the Participant specified above, pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan, as in effect and as amended from time to time (the "Plan"), which is administered by the Committee; and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the performance share units ("PSUs") provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, including the Restrictive Covenants in Section 11, and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. **Incorporation By Reference; Plan Document Receipt**. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. **Grant of Performance Share Unit Award**. The Company hereby grants to the Participant, as of the Grant Date specified above, the number of PSUs specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained

in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of the shares of Common Stock underlying the PSUs, except as otherwise specifically provided for in the Plan or this Agreement. Notwithstanding any other provision herein to the contrary, to the extent applicable to the Participant hereunder, the Award is intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code and shall be subject in all respects to all of the terms and conditions of the Plan required for such qualification.

3. **Vesting**.

(a) Performance-Based Vesting. Subject to the provisions of Sections 3(b) through 3(d) hereof, the PSUs subject to this grant shall become performance vested based on the Company's total shareholder return, or "TSR" (as defined below) for the performance period beginning on January 1, 2018 and ending on December 31, 2020 (the "Performance Period") expressed as a percentage ranking as compared to the TSR for the Performance Period of each of the companies in the S&P SmallCap 600 Energy Sector Index that are part of such index at both the beginning and the end of the Performance Period (the "TSR Ranking"), in accordance with the following schedule, subject to the Participant's continued employment with the Company or its Subsidiaries through the end of the Performance Period:

TSR Ranking **January 1, 2018 through December 31, 2020**	**Number of PSUs Vested as Percentage of Target**
Less Than 30th percentile	0%
30th percentile	50% (Threshold)
50th percentile	100%
75th percentile	150%
Equal to or Greater Than 90th percentile	200% (Maximum)

To the extent that actual TSR Ranking for the Performance Period hereunder is between any two levels provided in the table above, the number of PSUs to become vested hereunder shall be determined on a pro rata basis using straight line interpolation; provided that no PSUs shall become vested if the actual TSR Ranking for the Performance Period is less than the Threshold level of performance set forth in the schedule above; and provided, further, that the maximum number of PSUs that may become vested shall not exceed the number of PSUs set forth in the schedule above corresponding to the Maximum level of performance set forth in the schedule above.

For purposes hereof, the term "TSR" shall mean total shareholder return for a company, expressed as a percentage, determined by dividing (i) an amount equal to the sum of (x) the difference between the Beginning Stock Price (as defined below) and the Ending Stock Price (as defined below) and (y) the sum of all dividends paid on one share of such company's stock during the Performance Period, provided that dividends shall be treated as reinvested on the ex-dividend date at the closing price on that date by (ii) the Beginning Stock Price, as calculated in good faith by the Committee.

For purposes of this paragraph, "Beginning Stock Price" for a company shall mean the average closing price on the applicable stock exchange of one share of the company's stock for the sixty (60) days immediately prior to the first day of the Performance Period, and "Ending Stock Price" for a company shall mean the average closing price on the applicable stock exchange of one share of the company's stock for the sixty (60) days immediately prior to the last day of the Performance Period.

(b) Termination due to death or Disability, without Cause or due to Retirement. Subject to the provisions of Sections 3(c) and 3(d) hereof, in the event of the Participant's Termination as a result of death or Disability, by the Company without Cause, or due to the Participant's "Retirement" (as defined below) at any time prior to the end of the Performance Period, the requirement that the Participant remain in the continued employment of the Company or its Subsidiaries through the end of the Performance Period in order for the time-based vesting condition to be satisfied under Section 3(a) hereof shall be waived as of the date of such Termination. Thereafter, the PSUs shall continue to remain outstanding until the Committee can certify the Company's TSR Ranking for the Performance Period, and the PSUs shall become vested or be forfeited based on actual performance on a pro rata basis (as determined in accordance with the following sentence) in accordance with the otherwise applicable vesting conditions set forth in Section 3(a) hereof, and shall be paid, to the extent so earned and vested, as provided in Section 4 hereof. For purposes of determining the pro rated number of PSUs to become vested under this Section 3(b), the number of PSUs that would have become vested based on actual performance for the full Performance Period in accordance with Section 3(a) hereof shall be multiplied by a fraction, the numerator of which is the number of calendar days in the period beginning with the date of commencement of the Performance Period and ending on the date of such Termination, and the denominator of which is one thousand ninety six (1,096). For purposes hereof, the term "Retirement" shall mean the Participant's voluntary Termination of Employment at or after age sixty-five (65) or such earlier date after age fifty (50), in either case, as may be approved by the Committee in its sole discretion with regard to the Participant.

(c) Change in Control. Notwithstanding the provisions of Sections 3(a) and 3(b) hereof, in the event of the Participant's Termination as a result of death or Disability, by the Company without Cause, or as a result of the Participant's Retirement, in any case, at any time upon or following a Change in Control but prior to the end of the Performance Period, the PSUs shall become vested based on the Target level of performance set forth in Section 3(a) hereof as of the date of such Termination, and shall be paid, to the extent so vested, as provided in Section 4 hereof.

(d) Committee Discretion to Accelerate Vesting. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the PSUs at any time and for any reason.

(e) Effect of Detrimental Activity. The provisions of Section 10.4 of the Plan regarding Detrimental Activity shall apply to the PSUs.

(f) Forfeiture. Subject to the provisions of Sections 3(b) through 3(d) hereof, all unvested PSUs shall be immediately forfeited upon the Participant's Termination for any reason.

4. **Delivery of Shares**.

(a) General. Subject to the provisions of Sections 4(b) and 4(c) hereof, within two and one-half months following the full vesting of the PSUs, the Participant shall receive the number of shares of Common Stock that correspond to the number of PSUs that have become vested hereunder; provided that the Participant shall be obligated to pay to the Company the aggregate par value of the shares of Common Stock to be issued within ten (10) days following the issuance of such shares unless such shares have been issued by the Company from the Company's treasury.

(b) Blackout Periods. If the Participant is subject to any Company "blackout" policy or other trading restriction imposed by the Company on the date such distribution would otherwise be made pursuant to Section 4(a) hereof, such distribution shall be instead made on the earlier of (i) the date that the Participant is not subject to any such policy or restriction and (ii) the later of (A) the end of the calendar year in which such distribution would otherwise have been made, and (B) a date that is immediately prior to the expiration of two and one-half months following the date such distribution would otherwise have been made hereunder.

(c) Deferrals. If permitted by the Company, the Participant may elect, subject to the terms and conditions of the Plan and any other applicable written plan or procedure adopted by the Company from time to time for purposes of such election, to defer the distribution of all or any portion of the shares of Common Stock that would otherwise be distributed to the Participant hereunder (the "Deferred Shares"), consistent with the requirements of Section 409A of the Code. Upon the vesting of PSUs that have been so deferred, the applicable number of Deferred Shares shall be credited to a bookkeeping account established on the Participant's behalf (the "Account"). Subject to Section 5 hereof, the number of shares of Common Stock equal to the number of Deferred Shares credited to the Participant's Account shall be distributed to the Participant in accordance with the terms and conditions of the Plan and the other applicable written plans or procedures of the Company, consistent with the requirements of Section 409A of the Code.

5. **Dividends; Rights as Stockholder**. The Participant shall have no rights to any dividends paid on any shares of Common Stock covered by any PSU unless and until the Participant has become the holder of record of such shares. The Participant shall have no other rights as a stockholder with respect to any shares of Common Stock covered by any PSU unless and until the Participant has become the holder of record of such shares.

6. **Non-Transferability**. No portion of the PSUs may be sold, assigned, transferred, encumbered, hypothecated or pledged by the Participant, other than to the Company as a result of forfeiture of the PSUs as provided herein, unless and until payment is made in respect of vested PSUs in accordance with the provisions hereof and the Participant has become the holder of record of the vested shares of Common Stock issuable hereunder.

7. **Governing Law**. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

8. **Withholding of Tax**. The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Participant's FICA and SDI obligations) which the Company, in its sole discretion, deems necessary to be withheld or remitted to comply with the Code and/or any other applicable law, rule or regulation with respect to the PSUs and, if the Participant fails to do so, the Company may otherwise refuse to issue or transfer any shares of Common Stock otherwise required to be issued pursuant to this Agreement. Any statutorily required withholding obligation with regard to the Participant may be satisfied by reducing the amount of cash or shares of Common Stock otherwise deliverable to the Participant hereunder.

9. **Legend**. The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of Common Stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares of Common Stock acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section 9.

10. **Securities Representations**. This Agreement is being entered into by the Company in reliance upon the following express representations and warranties of the Participant. The Participant hereby acknowledges, represents and warrants that:

(a) The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on the Participant's representations set forth in this Section 10.

(b) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the shares of Common Stock issuable hereunder must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such shares of Common Stock and the Company is under no obligation to register such shares of Common Stock (or to file a "re-offer prospectus").

(c) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Participant understands that (i) the exemption from registration under Rule 144 will not be available unless (A) a public trading market then exists for the Common Stock of the Company, (B) adequate information concerning the Company is then available to the public, and (C) other terms and conditions of Rule 144 or any exemption therefrom are complied with, and (ii) any sale of the shares of Common Stock issuable hereunder may be made only in limited amounts in accordance with the terms and conditions of Rule 144 or any exemption therefrom.

11. **Restrictive Covenants**. Participant agrees and understands the primary consideration for Participant's receipt of the PSUs under this Agreement is Participant's compliance with the restrictive covenants in this Section 11. Participant further understands that the restrictive covenants stated in this Section are independent of and severable from one another.

(a) Definitions. See **Addendum A**.

(b) Non-Competition During Employment. Participant acknowledges that employment creates a relationship of trust and confidence between Participant and the Company. During the Employment Period, Participant shall not directly or indirectly, in any Capacity: (i) engage in a Competing Business and/or preparations for engaging in a Competing Business; provided however, that nothing herein shall prohibit Participant from holding or being beneficially interested in less than 5% of the outstanding equity securities of any publicly reporting company; or (ii) engage in any other activity, interest or association that is hostile or adverse to the interests of the Company.

(c) Non-Competition Post-Employment. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity, engage in Restricted Activities for a Competing Business within the Geographic Area.

(d) Customer Non-Solicitation. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity, induce, encourage or solicit, or attempt to induce, encourage or solicit any Customer (regardless of whether Participant initiates contact for such purposes) to: (i) do business with a Competing Business; or (ii) divert, reduce, restrict or terminate business or business relationships with the Company and/or any other Company Party.

(e) Participant/Contractor Non-Solicitation & No-Hire. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity: (i) attempt to or actually recruit or solicit any employee or independent contractor of the Company and/or any other Company Party, to work or provide services to a Person other than the Company or a Company Party, or to terminate employment with or otherwise cease work for the Company and/or any other Company Party, regardless of whether Participant initiates contact for such purposes; or (ii) employ and/or establish an independent contractor relationship with any Person who is or was an employee or independent contractor of the Company and/or any other Company Party at any time during the Reference Period. Nothing in this Section should be construed to affect any responsibility Participant may have as an employee of the Company, with respect to the bona fide hiring and firing of Company personnel.

(f) Media Nondisclosure. At all times, during and after the Employment Period, Participant shall not directly or indirectly disclose to the Media any information relating to any aspect of Participant employment or termination from employment with the Company and/or any other Company Party, any non-public information related to the business of the Company and/or any other Company Party, and/or any aspect of any Dispute.

(g) Non-Disparagement. At all times, during and after the Employment Period, Participant shall not make any communications in any form to any Media or Customer that would constitute libel, slander or disparagement of the Company and/or any other Company Party and its/their current or future officers, employees, directors, and agents; provided, however, that the terms of this Section shall not apply to communications by Participant that are privileged as a matter of law. Participant shall not in any way solicit any such communications from others.

(h) Acknowledgements. Participant acknowledges that: (i) Participant's experiences and capabilities are such that Participant can seek gainful employment after the Termination Date without violating this Agreement; (ii) the restrictive covenants set forth in this Agreement will continue in force even in the event of change in Participant's job title, position, or duties, unless the Parties sign a new agreement to replace this Agreement; (iii) the non-competition provisions of this Agreement are reasonable in duration, territory and scope of activity; and (iv) Participant's engaging in any service or activity contrary to the promises in Sections 11(b), (c) or (d) would jeopardize the Company's Intellectual Property, Proprietary Information, other intellectual property and/or customer goodwill.

(i) Notice & Extension. Upon the Termination Date and during the Restricted Period, Participant shall keep the Company apprised of Participant's correct address and the name and address of Participant's employer, and of any changes in same. The Restricted Period will be extended by one day for each day that Participant is determined to be in violation of any restrictive covenant stated in Sections 11(b), (c) or (d) as determined by a court of competent jurisdiction.

(j) Equitable Remedies. Participant acknowledges that (1) Participant's services to the Company are of a special, unique and extraordinary character, (2) Participant's position with the Company will place Participant in a position of confidence and trust with respect to the operations of the Company, (3) Participant will benefit from continued employment with the Company, (4) the nature and periods of restrictions imposed by the covenants contained in this Section are fair, reasonable and necessary to protect the Company, (5) the Company would sustain immediate and irreparable loss and damage if Participant were to breach any of such covenants, and (6) the Company's remedy at law for such a breach will be inadequate. Accordingly, Participant agrees and consents that the Company, in addition to the recovery of damages and all other remedies available to it, at law or in equity, shall be entitled to, without posting a bond, seek both temporary, preliminary and permanent injunctions to prevent and/or halt a breach or threatened breach by Participant of any covenant contained in this Section.

(k) Clawback for Breach of Restrictive Covenants. If the Company determines that Participant has breached or has threatened to breach any of Participant's obligations under this Section, then any outstanding PSUs shall terminate and be cancelled effective immediately without payment, unless terminated or cancelled sooner by operation of another term or condition of this Agreement or the Plan.

12. **Entire Agreement; Amendment**. This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

13. **Notices**. Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company.

14. **No Right to Employment**. Any questions as to whether and when there has been a Termination and the cause of such Termination shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

15. **Transfer of Personal Data**. The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the PSUs awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

16. **Compliance with Laws**. The grant of PSUs and the issuance of shares of Common Stock hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule regulation or exchange requirement applicable thereto. The Company shall not be obligated to issue the PSUs or any shares of Common Stock pursuant to this Agreement if any such issuance would violate any such requirements. As a condition to the settlement of the PSUs, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

17. **Binding Agreement; Assignment**. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with Section 6 hereof) any part of this Agreement without the prior express written consent of the Company.

18. **Headings**. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

19. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

20. **Further Assurances**. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request

in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

21. **Severability**. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

22. **Acquired Rights**. The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the Award of PSUs made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the PSUs awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation.

*** * * * ***

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

U.S. SILICA HOLDINGS, INC.

By: 

Name: Bryan A. Shinn

Title: President and Chief Executive Officer

PARTICIPANT

Name: [[FIRSTNAME]] [[LASTNAME]]

ADDENDUM A
Restrictive Covenant Definitions

1. "Capacity" means, on Participant's own behalf and/or on behalf of any other Person, owning, investing or otherwise taking a financial interest in, managing, operating, controlling, being employed by, being associated or affiliated with, providing services as a consultant or independent contractor to, and/or participating in the ownership, management, operation or control of; provided, however, that this definition does not preclude ownership of less than 1% of the outstanding equity securities of any publicly reporting company.

2. "Company Party(ies)" means the Company and all other Persons controlled by, controlling, or under common control with, the Company, together with their respective successors in interest. The term Company Party(ies) specifically includes Coated Sand Solutions, LLC, a wholly-owned subsidiary of Company, and all other affiliated entities of GGC USS Holdings, LLC and U.S. Silica Holdings, Inc. as the equity owners of U.S. Silica Company.

3. "Competing Business" means the business of research, development, design, training, testing, manufacture, production, marketing, licensing, supply and/or sales, as applicable, of products and/or services that are the same or substantially similar to the products and/or services that the Company or any other Company Party supplied, manufactured, produced, designed, sold and/or marketed during the Reference Period. The term Competing Business includes without limitation, research, development, design, training, testing, manufacture, production, marketing, licensing, supply and/or sales relating to silica, kaolin, aplite, florisil and related products, including without limitation, resin coated sand proppants for oil and gas well fracing. The term Competing Business also includes, without limitation, the Competing Business entities listed in **Addendum B** to this Agreement, if any.

4. "Customer" means (a) any Person in a business relationship with any Company Party for which Participant, or any employees working under Participant's direct supervision, had responsibility during the Reference Period; (b) any Person in a business relationship with any Company Party about which Participant learned Proprietary Information as a result of employment with any Company Party during the Reference Period; and/or (c) any Person that has purchased or licensed products or services from any Company Party of the kind produced or provided with the use of Participant's specialized knowledge during the Reference Period. The term Customer also includes, without limitation, the Customer entities listed in **Addendum B** to this Agreement, if any.

5. "Dispute(s)" means any controversies or claims (including all claims pursuant to common and/or statutory law) between the Parties, including without limitation, any controversies and/or claims arising from and/or relating to: (a) the subject matter of this Agreement; (b) Participant's employment with and/or termination from the Company and/or any other Company Party; and/or (c) the Parties' relationship.

6. "Employment Period" means the Participant's term of employment, from the first day of Participant's work for the Company or any other Company Party through the last day of Participant's work for the Company or any other Company Party. The Employment Period is not dependent on the date of this Agreement.

7. "Geographic Area" means the counties, cities, states or other territories within the United States, as applicable: (a) encompassed by Participant's job duties, responsibilities and actual job

activities for the Company and/or any other Company Party during the Reference Period; (b) encompassing the office(s) of the Company or any other Company Party where Participant worked, was based, was supported and/or for which the Participant was responsible, during the Reference Period; and (c) where the Company and/or any other Company Party sells products or services of the kind produced or provided with the use of Participant's specialized knowledge during the Reference Period, including without limitation, resin coated sand proppants for oil and gas well fracing. The term Geographic Area includes, without limitation, the named Geographic Areas listed in **Addendum B** to this Agreement, if any.

8. "Intellectual Property" means all Work Product that is directly or indirectly written, conceived, discovered, reduced to practice, developed and/or made, whether in oral, written, tangible or intangible form: (a) by Participant, alone or with others in the course of Participant's employment with or services to the Company and/or any other Company Party (including without limitation, the Employment Period and employment or services prior to the Effective Date); (b) using any equipment, supplies, facilities, assets, information (including without limitation Proprietary Information), or resources of, owned, leased or controlled by the Company and/or any other Company Party; (c) relating to or resulting from Participant's work for, duties with and/or tasks assigned to Participant by, the Company; and/or (d) relating to or resulting from the Company's and/or any other Company Party's actual or planned business, products, services and/or research and development. Intellectual Property does not include Work Product that fails to meet one or more of the foregoing requirements.

9. "Media" means any station, publication, show, website, web log (blog), bulletin board, social networking site, chat room, program and/or news organization (past, present and/or future), whether published through the means of print, radio, television, email, text message, the Internet or otherwise, and any member, representative, agent and/or employee of the same.

10. "Proprietary Information" means any and all information, material and/or data of, relating to, owned in whole or in part by, licensed to, assigned or conveyed to, and/or in the possession, custody or control of the Company or any other Company Party (and/or their Customers), regardless of media, format, or original source, that is confidential, proprietary and/or a trade secret: (a) by its nature; (b) based on how it is designated or treated by any Company Party (including any designations in this Agreement); (c) based on the significance of its existing or potential commercial value or business utility; (d) such that its retention, withholding, appropriation, use or disclosure would have a material adverse affect on the business or planned business of any Company Party; and/or (e) as a matter of law. Examples of Proprietary Information include the following, without limitation: (a) Intellectual Property; (b) Work for Hire; (c) any and all information, material and/or data related to the Company's and/or any Company Party's program(s) of research, development, training and/or production relating to silica, kaolin, aplite, florisil and related products, including without limitation, resin coated sand proppants for oil and gas well fracing; and (d) any and all other information, material and/or data about the Company's and/or any Company Party's products, processes, machines, services, research, development, manufacturing, purchasing, finance, data processing, engineering, marketing, merchandising, selling, and/or customers. Proprietary Information specifically includes, without limitation, any and all information, material and/or data that is referenced in the foregoing definition and examples of Proprietary Information, that is created, contributed by, discovered, known to, disclosed to, accessed by, and/or developed by Participant during the Employment Period, and/or that otherwise comes within Participant's possession, custody or control as a result of Participant's employment with the Company. Proprietary Information does not include material, data and/or information that: (e) any

Company Party has voluntarily and intentionally placed in the public domain for public disclosure; (f) has been lawfully and independently developed and publicly disclosed by third parties without any direct or indirect access to any Proprietary Information; and/or (g) otherwise enters the public domain through lawful means; provided, however, that the unauthorized retention, withholding, appropriation, use or disclosure of Proprietary Information by Participant, directly or indirectly, shall not affect the protection and relief afforded by this Agreement regarding such information.

11. "Reference Period" means the lesser of: (a) the Employment Period; or (b) the twenty-four (24) months prior to the Termination Date.

12. "Restricted Activities" means work activities, duties and/or responsibilities that are the same as, substantially similar to, or include, the kind of work activities, duties and/or responsibilities that Participant had with the Company and/or any other Company Party during the Reference Period. The Restricted Activities may include, without limitation, (a) engaging in or directly supporting the sale, licensing, or marketing of any resin coated sand proppants for oil and gas well fracing, (b) engaging in or directly supporting the servicing, supplying, training, consulting or development of relationships and goodwill with any customer or potential customer of the Company for any resin coated sand proppants for oil ahnd gas well fracing, and/or (c) engaging in or directly supporting the research, development, testing, manufacturing, or processing of any resin coated sand proppants for oil and gas well fracing.

13. "Restricted Period" means the Employment Period and the twenty-four (24) month period commencing on the Termination Date.

14. "Termination Date" means the last day of the Employment Period.

15. "Work for Hire" means all Work Product created or developed by Participant in whole or in part during the Employment Period that falls under the category of "work for hire" under the copyright laws of the United States, including without limitation works of authorship, computer software and related works. Work for Hire includes without limitation, all programs and other work or documentation written or created by Participant in the general areas of research and development being pursued by or under study by the Company.

16. "Work Product" means all patents and patent applications, all inventions (including without limitation all types of technical, artistic or commercial creative work), innovations, discoveries, creative works, works of authorship, improvements, research, developments, modifications, enhancements, software, computer programs, circuit and logic diagrams, circuit layouts, mask works, concepts, ideas, know-how, methods, methodologies, designs, formulae, formulations, drawings, processes, techniques, skills, algorithms, data, flow charts, sketches, schematics, drawings, blue prints, silk screens, models, plans, specifications, micro codes, lab books, documentation, research reports, analyses, all similar or related information (in each case whether patentable or not), all copyrights and copyrightable works, all trade secrets and confidential information, all trademarks, branding and service marks, and all other forms of intellectual property.

ADDENDUM B
Restrictive Covenant References

1. **Competing Businesses**
   (all entities listed shall include affiliates of such entities)

   - Unimin Corporation
   - Fairmount Minerals/Santrol
   - Preferred Proppants, LLC
   - Badger Mining Corporation
   - Hi-Crush Proppants LLC
   - Emerge Energy Services LP
   - Superior Silica Sands LLC
   - EOG Resources, Inc.
   - Alpine Materials, LLC
   - Canadian Sand and Proppants, Inc.
   - Sierra Frac Sand, LLC
   - Grit Energy Solutions, LLC
   - Grit Energy, LLC
   - Proppant Express Solutions LLC
   - Arrows Up LLC
   - OmniTrax, Inc.

2. **Customers:**
   (all entities listed shall include affiliates of such entities)

   - Halliburton Energy Services, Inc.
   - Schlumberger Technology Corporation
   - C&J Well Services, Inc./Nabors Industries Ltd./C&J and Nabors affiliates
   - Weatherford International Ltd.
   - Baker Hughes Incorporated/BJ Services Company
   - Liberty Oilfield Services LLC

3. **Geographic Area:**

   - Colorado
   - Illinois
   - Louisiana
   - New Jersey
   - New Mexico
   - North Dakota
   - Oklahoma
   - Pennsylvania
   - Texas
   - West Virginia
   - Wisconsin

RESTRICTED STOCK UNIT AGREEMENT
PURSUANT TO THE
AMENDED AND RESTATED U.S. SILICA HOLDINGS, INC.
2011 INCENTIVE COMPENSATION PLAN

*** * * * ***

Participant: [[FIRSTNAME]] [[LASTNAME]]

Grant Date: [[GRANTDATE]]

Number of Restricted Stock Units Granted: [[SHARESGRANTED]]

*** * * * ***

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between U.S. Silica Holdings, Inc., a corporation organized in the State of Delaware (the "Company"), and the Participant specified above, pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan, as in effect and as amended from time to time (the "Plan"), which is administered by the Committee; and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the Restricted Stock Units ("RSUs") provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, including the Restrictive Covenants in Section 11, and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. **Incorporation By Reference; Plan Document Receipt**. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. **Grant of Restricted Stock Unit Award**. The Company hereby grants to the Participant, as of the Grant Date specified above, the number of RSUs specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection against potential future dilution of the Participant's interest in the Company for any reason, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in

respect of the shares of Common Stock underlying the RSUs, except as otherwise specifically provided for in the Plan or this Agreement.

3. **Vesting**.

(a) The RSUs subject to this Award shall become vested as follows, provided that the Participant has not incurred a Termination prior to each such vesting date:

[[ALLVESTSEGS]]

There shall be no proportionate or partial vesting in the periods prior to each vesting date and all vesting shall occur only on the appropriate vesting date, subject to the Participant's continued service with the Company or any of its Subsidiaries on each applicable vesting date.

(b) Termination due to death or Disability, without Cause or due to Retirement. Subject to the provisions of Sections 3(c) and 3(d) hereof, in the event of the Participant's Termination as a result of death or Disability, by the Company without Cause or due to the Participant's "Retirement" (as defined below), the unvested RSUs that would have become vested at the vesting date immediately following such Termination as provided in Section 3(a) hereof shall become vested on a pro rata basis (determined by multiplying the number of such unvested RSUs by a fraction, the numerator of which is the number of calendar days in the period beginning with, if prior to the first vesting date as set forth in Section 3(a) hereof, the Grant Date or, if after the first vesting date as set forth in Section 3(a) hereof, the vesting date immediately preceding the date of such Termination as set forth in Section 3(a) hereof and ending on the date of such Termination, and the denominator of which is three hundred sixty five (365)), and shares of Common Stock shall be delivered in respect thereof as provided in Section 4 hereof.

For purposes hereof, the term "Retirement" shall mean the Participant's voluntary Termination of Employment at or after age sixty-five (65) or such earlier date after age fifty (50), in either case, as may be approved by the Committee in its sole discretion with regard to the Participant.

(c) Change in Control. Notwithstanding the provisions of Sections 3(a) and 3(b) hereof, in the event of the Participant's Termination as a result of death or Disability, by the Company without Cause, or as a result of the Participant's Retirement, in any case, at any time upon or following a Change in Control, the unvested RSUs shall become fully vested, and shares of Common Stock shall be delivered in respect thereof, as provided in Section 4 hereof.

(d) Committee Discretion to Accelerate Vesting. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the RSUs at any time and for any reason.

(e) Effect of Detrimental Activity. The provisions of Section 10.4 of the Plan regarding Detrimental Activity shall apply to the RSUs.

(f) Forfeiture. Subject to the provisions of Sections 3(b) through 3(d) hereof, all unvested RSUs shall be immediately forfeited upon the Participant's Termination for any reason.

4. **Delivery of Shares**.

(a) General. Subject to the provisions of Sections 4(b) and 4(c) hereof, within thirty (30) days following the vesting of the RSUs, the Participant shall receive the number of shares of Common Stock that correspond to the number of RSUs that have become vested on the applicable vesting date; provided that the Participant shall be obligated to pay to the Company the aggregate par value of the shares of Common Stock to be issued within ten (10) days following the issuance of such shares unless such shares have been issued by the Company from the Company's treasury.

(b) Blackout Periods. If the Participant is subject to any Company "blackout" policy or other trading restriction imposed by the Company on the date such distribution would otherwise be made pursuant to Section 4(a) hereof, such distribution shall be instead made on the earlier of (i) the date that the Participant is not subject to any such policy or restriction and (ii) the later of (A) the end of the calendar year in which such distribution would otherwise have been made, and (B) a date that is immediately prior to the expiration of two and one-half months following the date such distribution would otherwise have been made hereunder.

(c) Deferrals. If permitted by the Company, the Participant may elect, subject to the terms and conditions of the Plan and any other applicable written plan or procedure adopted by the Company from time to time for purposes of such election, to defer the distribution of all or any portion of the shares of Common Stock that would otherwise be distributed to the Participant hereunder (the "Deferred Shares"), consistent with the requirements of Section 409A of the Code. Upon the vesting of RSUs that have been so deferred, the applicable number of Deferred Shares shall be credited to a bookkeeping account established on the Participant's behalf (the "Account"). Subject to Section 5 hereof, the number of shares of Common Stock equal to the number of Deferred Shares credited to the Participant's Account shall be distributed to the Participant in accordance with the terms and conditions of the Plan and the other applicable written plans or procedures of the Company, consistent with the requirements of Section 409A of the Code.

5. **Dividends; Rights as Stockholder**. Cash dividends on shares of Common Stock issuable hereunder shall be credited to a dividend book entry account on behalf of the Participant with respect to each RSU granted to the Participant, provided that such cash dividends shall not be deemed to be reinvested in shares of Common Stock and shall be held uninvested and without interest and paid in cash at the same time that the shares of Common Stock underlying the RSUs are delivered to the Participant in accordance with the provisions hereof. Stock dividends on shares of Common Stock shall be credited to a dividend book entry account on behalf of the Participant with respect to each RSU granted to the Participant, provided that such stock dividends shall be paid in shares of Common Stock at the same time that the shares of Common Stock underlying the RSUs are delivered to the Participant in accordance with the provisions hereof. Except as otherwise provided herein, the Participant shall have no rights as a stockholder with respect to any shares of Common Stock covered by any RSU unless and until the Participant has become the holder of record of such shares.

6. **Non-Transferability**. No portion of the RSUs may be sold, assigned, transferred, encumbered, hypothecated or pledged by the Participant, other than to the Company as a result of forfeiture of the RSUs as provided herein, unless and until payment is made in respect of vested RSUs in accordance with the provisions hereof and the Participant has become the holder of record of the vested shares of Common Stock issuable hereunder.

7. **Governing Law**. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

8. **Withholding of Tax**. The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Participant's FICA and SDI obligations) which the Company, in its sole discretion, deems necessary to be withheld or remitted to comply with the Code and/or any other applicable law, rule or regulation with respect to the RSUs and, if the Participant fails to do so, the Company may otherwise refuse to issue or transfer any shares of Common Stock otherwise required to be issued pursuant to this Agreement. Any statutorily required withholding obligation with regard to the Participant may be satisfied by reducing the amount of cash or number of shares of Common Stock otherwise deliverable to the Participant hereunder.

9. **Legend**. The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing shares of Common Stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares of Common Stock acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section 9.

10. **Securities Representations**. This Agreement is being entered into by the Company in reliance upon the following express representations and warranties of the Participant. The Participant hereby acknowledges, represents and warrants that:

(a) The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on the Participant's representations set forth in this Section 10.

(b) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the shares of Common Stock issuable hereunder must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to such shares of Common Stock and the Company is under no obligation to register such shares of Common Stock (or to file a "re-offer prospectus").

(c) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Participant understands that (i) the exemption from registration under Rule 144 will not be available unless (A) a public trading market then exists for the Common Stock of

the Company, (B) adequate information concerning the Company is then available to the public, and (C) other terms and conditions of Rule 144 or any exemption therefrom are complied with, and (ii) any sale of the shares of Common Stock issuable hereunder may be made only in limited amounts in accordance with the terms and conditions of Rule 144 or any exemption therefrom.

11. **Restrictive Covenants**. Participant agrees and understands the primary consideration for Participant's receipt of the RSUs under this Agreement is Participant's compliance with the restrictive covenants in this Section 11. Participant further understands that the restrictive covenants stated in this Section are independent of and severable from one another.

(a) Definitions. See **Addendum A**.

(b) Non-Competition During Employment. Participant acknowledges that employment creates a relationship of trust and confidence between Participant and the Company. During the Employment Period, Participant shall not directly or indirectly, in any Capacity: (i) engage in a Competing Business and/or preparations for engaging in a Competing Business; provided however, that nothing herein shall prohibit Participant from holding or being beneficially interested in less than 5% of the outstanding equity securities of any publicly reporting company; or (ii) engage in any other activity, interest or association that is hostile or adverse to the interests of the Company.

(c) Non-Competition Post-Employment. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity, engage in Restricted Activities for a Competing Business within the Geographic Area.

(d) Customer Non-Solicitation. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity, induce, encourage or solicit, or attempt to induce, encourage or solicit any Customer (regardless of whether Participant initiates contact for such purposes) to: (i) do business with a Competing Business; or (ii) divert, reduce, restrict or terminate business or business relationships with the Company and/or any other Company Party.

(e) Participant/Contractor Non-Solicitation & No-Hire. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity: (i) attempt to or actually recruit or solicit any employee or independent contractor of the Company and/or any other Company Party, to work or provide services to a Person other than the Company or a Company Party, or to terminate employment with or otherwise cease work for the Company and/or any other Company Party, regardless of whether Participant initiates contact for such purposes; or (ii) employ and/or establish an independent contractor relationship with any Person who is or was an employee or independent contractor of the Company and/or any other Company Party at any time during the Reference Period. Nothing in this Section should be construed to affect any responsibility Participant may have as an employee of the Company, with respect to the bona fide hiring and firing of Company personnel.

(f) Media Nondisclosure. At all times, during and after the Employment Period, Participant shall not directly or indirectly disclose to the Media any information relating to any aspect of Participant employment or termination from employment with the Company and/or any

other Company Party, any non-public information related to the business of the Company and/or any other Company Party, and/or any aspect of any Dispute.

(g) Non-Disparagement. At all times, during and after the Employment Period, Participant shall not make any communications in any form to any Media or Customer that would constitute libel, slander or disparagement of the Company and/or any other Company Party and its/their current or future officers, employees, directors, and agents; provided, however, that the terms of this Section shall not apply to communications by Participant that are privileged as a matter of law. Participant shall not in any way solicit any such communications from others.

(h) Acknowledgements. Participant acknowledges that: (i) Participant's experiences and capabilities are such that Participant can seek gainful employment after the Termination Date without violating this Agreement; (ii) the restrictive covenants set forth in this Agreement will continue in force even in the event of change in Participant's job title, position, or duties, unless the Parties sign a new agreement to replace this Agreement; (iii) the non-competition provisions of this Agreement are reasonable in duration, territory and scope of activity; and (iv) Participant's engaging in any service or activity contrary to the promises in Sections 11(b), (c) or (d) would jeopardize the Company's Intellectual Property, Proprietary Information, other intellectual property and/or customer goodwill.

(i) Notice & Extension. Upon the Termination Date and during the Restricted Period, Participant shall keep the Company apprised of Participant's correct address and the name and address of Participant's employer, and of any changes in same. The Restricted Period will be extended by one day for each day that Participant is determined to be in violation of any restrictive covenant stated in Sections 11(b), (c) or (d) as determined by a court of competent jurisdiction.

(j) Equitable Remedies. Participant acknowledges that (1) Participant's services to the Company are of a special, unique and extraordinary character, (2) Participant's position with the Company will place Participant in a position of confidence and trust with respect to the operations of the Company, (3) Participant will benefit from continued employment with the Company, (4) the nature and periods of restrictions imposed by the covenants contained in this Section are fair, reasonable and necessary to protect the Company, (5) the Company would sustain immediate and irreparable loss and damage if Participant were to breach any of such covenants, and (6) the Company's remedy at law for such a breach will be inadequate. Accordingly, Participant agrees and consents that the Company, in addition to the recovery of damages and all other remedies available to it, at law or in equity, shall be entitled to, without posting a bond, seek both temporary, preliminary and permanent injunctions to prevent and/or halt a breach or threatened breach by Participant of any covenant contained in this Section.

(k) Clawback for Breach of Restrictive Covenants. If the Company determines that Participant has breached or has threatened to breach any of Participant's obligations under this Section, then any outstanding RSUs shall terminate and be cancelled effective immediately without payment, unless terminated or cancelled sooner by operation of another term or condition of this Agreement or the Plan.

12. **Entire Agreement; Amendment**. Except with respect to any other agreement(s) entered into at any time between Participant and the Company relating to restrictions on competition and solicitation, confidential information, trade secrets and/or intellectual property (all of which shall be in full force and effect regardless of this Agreement, including the limitations in this Section), this Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

13. **Notices**. Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company.

14. **No Right to Employment**. Any questions as to whether and when there has been a Termination and the cause of such Termination shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or its Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

15. **Transfer of Personal Data**. The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the RSUs awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

16. **Compliance with Laws**. The grant of RSUs and the issuance of shares of Common Stock hereunder shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law, rule regulation or exchange requirement applicable thereto. The Company shall not be obligated to issue the RSUs or any shares of Common Stock pursuant to this Agreement if any such issuance would violate any such requirements. As a condition to the settlement of the RSUs, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation.

17. **Binding Agreement; Assignment**. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with Section 6 hereof) any part of this Agreement without the prior express written consent of the Company.

18. **Headings**. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

19. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

20. **Further Assurances**. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

21. **Severability**. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

22. **Acquired Rights**. The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the Award of RSUs made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the RSUs awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

U.S. SILICA HOLDINGS, INC.

By:
Name: Bryan A. Shinn

Title: President and Chief Executive Officer

PARTICIPANT

Name: [[FIRSTNAME]] [[LASTNAME]]

ADDENDUM A
Restrictive Covenant Definitions

1. "Capacity" means, on Participant's own behalf and/or on behalf of any other Person, owning, investing or otherwise taking a financial interest in, managing, operating, controlling, being employed by, being associated or affiliated with, providing services as a consultant or independent contractor to, and/or participating in the ownership, management, operation or control of; provided, however, that this definition does not preclude ownership of less than 1% of the outstanding equity securities of any publicly reporting company.

2. "Company Party(ies)" means the Company and all other Persons controlled by, controlling, or under common control with, the Company, together with their respective successors in interest. The term Company Party(ies) specifically includes Coated Sand Solutions, LLC, a wholly-owned subsidiary of Company, and all other affiliated entities of GGC USS Holdings, LLC and U.S. Silica Holdings, Inc. as the equity owners of U.S. Silica Company.

3. "Competing Business" means the business of research, development, design, training, testing, manufacture, production, marketing, licensing, supply and/or sales, as applicable, of products and/or services that are the same or substantially similar to the products and/or services that the Company or any other Company Party supplied, manufactured, produced, designed, sold and/or marketed during the Reference Period. The term Competing Business includes without limitation, research, development, design, training, testing, manufacture, production, marketing, licensing, supply and/or sales relating to silica, kaolin, aplite, florisil and related products, including without limitation, resin coated sand proppants for oil and gas well fracing. The term Competing Business also includes, without limitation, the Competing Business entities listed in **Addendum B** to this Agreement, if any.

4. "Customer" means (a) any Person in a business relationship with any Company Party for which Participant, or any employees working under Participant's direct supervision, had responsibility during the Reference Period; (b) any Person in a business relationship with any Company Party about which Participant learned Proprietary Information as a result of employment with any Company Party during the Reference Period; and/or (c) any Person that has purchased or licensed products or services from any Company Party of the kind produced or provided with the use of Participant's specialized knowledge during the Reference Period. The term Customer also includes, without limitation, the Customer entities listed in **Addendum B** to this Agreement, if any.

5. "Dispute(s)" means any controversies or claims (including all claims pursuant to common and/or statutory law) between the Parties, including without limitation, any controversies and/or claims arising from and/or relating to: (a) the subject matter of this Agreement; (b) Participant's employment with and/or termination from the Company and/or any other Company Party; and/or (c) the Parties' relationship.

6. "Employment Period" means the Participant's term of employment, from the first day of Participant's work for the Company or any other Company Party through the last day of Participant's work for the Company or any other Company Party. The Employment Period is not dependent on the date of this Agreement.

7. "Geographic Area" means the counties, cities, states or other territories within the United States, as applicable: (a) encompassed by Participant's job duties, responsibilities and actual job

activities for the Company and/or any other Company Party during the Reference Period; (b) encompassing the office(s) of the Company or any other Company Party where Participant worked, was based, was supported and/or for which the Participant was responsible, during the Reference Period; and (c) where the Company and/or any other Company Party sells products or services of the kind produced or provided with the use of Participant's specialized knowledge during the Reference Period, including without limitation, resin coated sand proppants for oil and gas well fracing. The term Geographic Area includes, without limitation, the named Geographic Areas listed in **Addendum B** to this Agreement, if any.

8. "Intellectual Property" means all Work Product that is directly or indirectly written, conceived, discovered, reduced to practice, developed and/or made, whether in oral, written, tangible or intangible form: (a) by Participant, alone or with others in the course of Participant's employment with or services to the Company and/or any other Company Party (including without limitation, the Employment Period and employment or services prior to the Effective Date); (b) using any equipment, supplies, facilities, assets, information (including without limitation Proprietary Information), or resources of, owned, leased or controlled by the Company and/or any other Company Party; (c) relating to or resulting from Participant's work for, duties with and/or tasks assigned to Participant by, the Company; and/or (d) relating to or resulting from the Company's and/or any other Company Party's actual or planned business, products, services and/or research and development. Intellectual Property does not include Work Product that fails to meet one or more of the foregoing requirements.

9. "Media" means any station, publication, show, website, web log (blog), bulletin board, social networking site, chat room, program and/or news organization (past, present and/or future), whether published through the means of print, radio, television, email, text message, the Internet or otherwise, and any member, representative, agent and/or employee of the same.

10. "Proprietary Information" means any and all information, material and/or data of, relating to, owned in whole or in part by, licensed to, assigned or conveyed to, and/or in the possession, custody or control of the Company or any other Company Party (and/or their Customers), regardless of media, format, or original source, that is confidential, proprietary and/or a trade secret: (a) by its nature; (b) based on how it is designated or treated by any Company Party (including any designations in this Agreement); (c) based on the significance of its existing or potential commercial value or business utility; (d) such that its retention, withholding, appropriation, use or disclosure would have a material adverse affect on the business or planned business of any Company Party; and/or (e) as a matter of law. Examples of Proprietary Information include the following, without limitation: (a) Intellectual Property; (b) Work for Hire; (c) any and all information, material and/or data related to the Company's and/or any Company Party's program(s) of research, development, training and/or production relating to silica, kaolin, aplite, florisil and related products, including without limitation, resin coated sand proppants for oil and gas well fracing; and (d) any and all other information, material and/or data about the Company's and/or any Company Party's products, processes, machines, services, research, development, manufacturing, purchasing, finance, data processing, engineering, marketing, merchandising, selling, and/or customers. Proprietary Information specifically includes, without limitation, any and all information, material and/or data that is referenced in the foregoing definition and examples of Proprietary Information, that is created, contributed by, discovered, known to, disclosed to, accessed by, and/or developed by Participant during the Employment Period, and/or that otherwise comes within Participant's possession, custody or control as a result of Participant's employment with the Company. Proprietary Information does not include material, data and/or information that: (e) any

Company Party has voluntarily and intentionally placed in the public domain for public disclosure; (f) has been lawfully and independently developed and publicly disclosed by third parties without any direct or indirect access to any Proprietary Information; and/or (g) otherwise enters the public domain through lawful means; provided, however, that the unauthorized retention, withholding, appropriation, use or disclosure of Proprietary Information by Participant, directly or indirectly, shall not affect the protection and relief afforded by this Agreement regarding such information.

11. "Reference Period" means the lesser of: (a) the Employment Period; or (b) the twenty-four (24) months prior to the Termination Date.

12. "Restricted Activities" means work activities, duties and/or responsibilities that are the same as, substantially similar to, or include, the kind of work activities, duties and/or responsibilities that Participant had with the Company and/or any other Company Party during the Reference Period. The Restricted Activities may include, without limitation, (a) engaging in or directly supporting the sale, licensing, or marketing of any resin coated sand proppants for oil and gas well fracing, (b) engaging in or directly supporting the servicing, supplying, training, consulting or development of relationships and goodwill with any customer or potential customer of the Company for any resin coated sand proppants for oil ahnd gas well fracing, and/or (c) engaging in or directly supporting the research, development, testing, manufacturing, or processing of any resin coated sand proppants for oil and gas well fracing.

13. "Restricted Period" means the Employment Period and the twenty-four (24) month period commencing on the Termination Date.

14. "Termination Date" means the last day of the Employment Period.

15. "Work for Hire" means all Work Product created or developed by Participant in whole or in part during the Employment Period that falls under the category of "work for hire" under the copyright laws of the United States, including without limitation works of authorship, computer software and related works. Work for Hire includes without limitation, all programs and other work or documentation written or created by Participant in the general areas of research and development being pursued by or under study by the Company.

16. "Work Product" means all patents and patent applications, all inventions (including without limitation all types of technical, artistic or commercial creative work), innovations, discoveries, creative works, works of authorship, improvements, research, developments, modifications, enhancements, software, computer programs, circuit and logic diagrams, circuit layouts, mask works, concepts, ideas, know-how, methods, methodologies, designs, formulae, formulations, drawings, processes, techniques, skills, algorithms, data, flow charts, sketches, schematics, drawings, blue prints, silk screens, models, plans, specifications, micro codes, lab books, documentation, research reports, analyses, all similar or related information (in each case whether patentable or not), all copyrights and copyrightable works, all trade secrets and confidential information, all trademarks, branding and service marks, and all other forms of intellectual property.

ADDENDUM B
Restrictive Covenant References

1. **Competing Businesses**
   (all entities listed shall include affiliates of such entities)

   - Unimin Corporation
   - Fairmount Minerals/Santrol
   - Preferred Proppants, LLC
   - Badger Mining Corporation
   - Hi-Crush Proppants LLC
   - Emerge Energy Services LP
   - Superior Silica Sands LLC
   - EOG Resources, Inc.
   - Alpine Materials, LLC
   - Canadian Sand and Proppants, Inc.
   - Sierra Frac Sand, LLC
   - Grit Energy Solutions, LLC
   - Grit Energy, LLC
   - Proppant Express Solutions LLC
   - Arrows Up LLC
   - OmniTrax, Inc.

2. **Customers:**
   (all entities listed shall include affiliates of such entities)

   - Halliburton Energy Services, Inc.
   - Schlumberger Technology Corporation
   - C&J Well Services, Inc./Nabors Industries Ltd./C&J and Nabors affiliates
   - Weatherford International Ltd.
   - Baker Hughes Incorporated/BJ Services Company
   - Liberty Oilfield Services LLC

3. **Geographic Area:**

   - Colorado
   - Illinois
   - Louisiana
   - New Jersey
   - New Mexico
   - North Dakota
   - Oklahoma
   - Pennsylvania
   - Texas
   - West Virginia
   - Wisconsin

RESTRICTED STOCK AGREEMENT
PURSUANT TO THE
AMENDED AND RESTATED U.S. SILICA HOLDINGS, INC.
2011 INCENTIVE COMPENSATION PLAN

*** * * * ***

Participant: [[FIRSTNAME]] [[LASTNAME]]

Grant Date: [[GRANTDATE]]

Number of Shares of
Restricted Stock Granted: [[SHARESGRANTED]]

*** * * * ***

THIS RESTRICTED STOCK AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between U.S. Silica Holdings, Inc., a corporation organized in the State of Delaware (the "Company"), and the Participant specified above, pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan, as in effect and as amended from time to time (the "Plan"), which is administered by the Committee; and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the shares of Restricted Stock provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, including the Restrictive Covenants in Section 12, and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. **Incorporation By Reference; Plan Document Receipt**. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. **Grant of Restricted Stock Award**. The Company hereby grants to the Participant, as of the Grant Date specified above, the number of shares of Restricted Stock specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection

against potential future dilution of the Participant's interest in the Company for any reason, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such shares, except as otherwise specifically provided for in the Plan or this Agreement. Subject to Section 5 hereof, the Participant shall not have the rights of a stockholder in respect of the shares underlying this Award until such shares are delivered to the Participant in accordance with Section 4 hereof.

3. **Vesting**.

(i) The Restricted Stock subject to this grant shall become unrestricted and vested as follows, provided that the Participant has not incurred a Termination prior to each such vesting date:

[[ALLVESTSEGS]]

There shall be no proportionate or partial vesting in the periods prior to each vesting date and all vesting shall occur only on the appropriate vesting date, subject to the Participant's continued service with the Company or any of its Subsidiaries on each applicable vesting date.

(ii) Termination due to death or Disability, without Cause or due to Retirement. Subject to the provisions of Sections 3(c) and 3(d) hereof, in the event of the Participant's Termination as a result of death or Disability, by the Company without Cause or due to the Participant's "Retirement" (as defined below), the unvested shares of Restricted Stock that would have become vested at the vesting date immediately following such Termination as provided in Section 3(a) hereof shall become vested on a pro rata basis (determined by multiplying the number of such unvested shares of Restricted Stock by a fraction, the numerator of which is the number of calendar days in the period beginning with, if prior to the first vesting date as set forth in Section 3(a) hereof, the Grant Date or, if after the first vesting date as set forth in Section 3(a) hereof, the vesting date immediately preceding the date of such Termination as set forth in Section 3(a) hereof and ending on the date of such Termination, and the denominator of which is three hundred sixty five (365)), and unrestricted shares shall be delivered in respect thereof as provided in Section 4 hereof.

For purposes hereof, the term "Retirement" shall mean the Participant's voluntary Termination of Employment at or after age sixty-five (65) or such earlier date after age fifty (50), in either case, as may be approved by the Committee in its sole discretion with regard to the Participant.

(iii) Change in Control. Notwithstanding the provisions of Sections 3(a) and 3(b) hereof, in the event of the Participant's Termination as a result of death or Disability, by the Company without Cause or as a result of the Participant's Retirement, in any case, at any time upon or following a Change in Control, the unvested shares of Restricted Stock shall become fully vested, and unrestricted shares shall be delivered in respect thereof, as provided in Section 4 hereof.

(iv) Committee Discretion to Accelerate Vesting. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the shares of Restricted Stock at any time and for any reason.

(v) Effect of Detrimental Activity. The provisions of Section 10.4 of the Plan regarding Detrimental Activity shall apply to the Restricted Stock.

(vi) Forfeiture. Subject to the provisions of Sections 3(b) through 3(d) hereof, all unvested shares of Restricted Stock shall be immediately forfeited upon the Participant's Termination for any reason.

4. **Period of Restriction; Delivery of Unrestricted Shares**. During the Period of Restriction, the Restricted Stock shall bear a legend as described in Section 8.2(c) of the Plan. When shares of Restricted Stock awarded by this Agreement become vested, the Participant shall be entitled to receive unrestricted shares and if the Participant's stock certificates contain legends restricting the transfer of such shares, the Participant shall be entitled to receive new stock certificates free of such legends (except any legends requiring compliance with securities laws).

5. **Dividends and Other Distributions; Voting**. Participants holding Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to such shares, provided that any such dividends or other distributions will be subject to the same vesting requirements as the underlying Restricted Stock and shall be paid in cash and without interest at the time the Restricted Stock becomes vested pursuant to Section 3 hereof. If any dividends or distributions are paid in shares, the shares shall be deposited with the Company and shall be subject to the same restrictions on transferability and forfeitability as the Restricted Stock with respect to which they were paid. The Participant may exercise full voting rights with respect to the Restricted Stock granted hereunder.

6. **Non-Transferability**. The shares of Restricted Stock, and any rights and interests with respect thereto, issued under this Agreement and the Plan shall not, prior to vesting, be sold, exchanged, transferred, assigned or otherwise disposed of in any way by the Participant (or any beneficiary of the Participant), other than by testamentary disposition by the Participant or the laws of descent and distribution. Any attempt to sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of or hypothecate in any way any of the Restricted Stock, or the levy of any execution, attachment or similar legal process upon the Restricted Stock, contrary to the terms and provisions of this Agreement and/or the Plan shall be null and void and without legal force or effect.

7. **Governing Law**. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

8. **Withholding of Tax**. The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Participant's FICA and SDI obligations) which the Company, in its sole discretion, deems necessary

to be withheld or remitted to comply with the Code and/or any other applicable law, rule or regulation with respect to the Restricted Stock and, if the Participant fails to do so, the Company may otherwise refuse to issue or transfer any shares of Common Stock otherwise required to be issued pursuant to this Agreement. Any statutorily required withholding obligation with regard to the Participant may be satisfied by reducing the amount of cash or shares of Common Stock otherwise deliverable to the Participant hereunder.

9. **Section 83(b)**. The Participant's execution of this agreement will constitute the Participant's waiver to make an election under Section 83(b) of the Code with respect to the Participant's Award. This waiver means that the Participant will not have the option of electing to be taxed on the Restricted Stock on the Grant Date. Instead, the Participant will be taxed on the Restricted Stock as it becomes vested on each vesting date.

10. **Legend**. All certificates representing the Restricted Stock shall have endorsed thereon the legend set forth in Section 8.2(c) of the Plan. Notwithstanding the foregoing, in no event shall the Company be obligated to deliver to the Participant a certificate representing the Restricted Stock prior to the vesting dates set forth above.

11. **Securities Representations**. The shares of Restricted Stock are being issued to the Participant and this Agreement is being made by the Company in reliance upon the following express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

(a) The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on the Participant's representations set forth in this Section 11.

(b) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the shares of Restricted Stock must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to the shares of Restricted Stock and the Company is under no obligation to register the shares of Restricted Stock (or to file a "re-offer prospectus").

(a) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Participant understands that (i) the exemption from registration under Rule 144 will not be available unless (A) a public trading market then exists for the Common Stock of the Company, (B) adequate information concerning the Company is then available to the public, and (C) other terms and conditions of Rule 144 or any exemption therefrom are complied with, and (ii) any sale of the shares of vested Restricted Stock hereunder may be made only in limited amounts in accordance with the terms and conditions of Rule 144 or any exemption therefrom.

12. **Restrictive Covenants**. Participant agrees and understands the primary consideration for Participant's receipt of the shares of Restricted Stock under this Agreement is Participant's compliance with the restrictive covenants in this Section 11. Participant further understands that the restrictive covenants stated in this Section are independent of and severable from one another.

(a) Definitions. See **Addendum A**.

(b) Non-Competition During Employment. Participant acknowledges that employment creates a relationship of trust and confidence between Participant and the Company. During the Employment Period, Participant shall not directly or indirectly, in any Capacity: (i) engage in a Competing Business and/or preparations for engaging in a Competing Business; provided however, that nothing herein shall prohibit Participant from holding or being beneficially interested in less than 5% of the outstanding equity securities of any publicly reporting company; or (ii) engage in any other activity, interest or association that is hostile or adverse to the interests of the Company.

(c) Non-Competition Post-Employment. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity, engage in Restricted Activities for a Competing Business within the Geographic Area.

(d) Customer Non-Solicitation. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity, induce, encourage or solicit, or attempt to induce, encourage or solicit any Customer (regardless of whether Participant initiates contact for such purposes) to: (i) do business with a Competing Business; or (ii) divert, reduce, restrict or terminate business or business relationships with the Company and/or any other Company Party.

(e) Participant/Contractor Non-Solicitation & No-Hire. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity: (i) attempt to or actually recruit or solicit any employee or independent contractor of the Company and/or any other Company Party, to work or provide services to a Person other than the Company or a Company Party, or to terminate employment with or otherwise cease work for the Company and/or any other Company Party, regardless of whether Participant initiates contact for such purposes; or (ii) employ and/or establish an independent contractor relationship with any Person who is or was an employee or independent contractor of the Company and/or any other Company Party at any time during the Reference Period. Nothing in this Section should be construed to affect any responsibility Participant may have as an employee of the Company, with respect to the bona fide hiring and firing of Company personnel.

(f) Media Nondisclosure. At all times, during and after the Employment Period, Participant shall not directly or indirectly disclose to the Media any information relating to any aspect of Participant employment or termination from employment with the Company and/or any other Company Party, any non-public information related to the business of the Company and/or any other Company Party, and/or any aspect of any Dispute.

(g) Non-Disparagement. At all times, during and after the Employment Period, Participant shall not make any communications in any form to any Media or Customer that would constitute libel, slander or disparagement of the Company and/or any other Company Party and its/their current or future officers, employees, directors, and agents; provided, however, that the terms of this Section shall not apply to communications by Participant that are privileged as a matter of law. Participant shall not in any way solicit any such communications from others.

(h) Acknowledgements. Participant acknowledges that: (i) Participant's experiences and capabilities are such that Participant can seek gainful employment after the Termination Date without violating this Agreement; (ii) the restrictive covenants set forth in this Agreement will continue in force even in the event of change in Participant's job title, position, or duties, unless the Parties sign a new agreement to replace this Agreement; (iii) the non-competition provisions of this Agreement are reasonable in duration, territory and scope of activity; and (iv) Participant's engaging in any service or activity contrary to the promises in Sections 11(b), (c) or (d) would jeopardize the Company's Intellectual Property, Proprietary Information, other intellectual property and/or customer goodwill.

(i) Notice & Extension. Upon the Termination Date and during the Restricted Period, Participant shall keep the Company apprised of Participant's correct address and the name and address of Participant's employer, and of any changes in same. The Restricted Period will be extended by one day for each day that Participant is determined to be in violation of any restrictive covenant stated in Sections 11(b), (c) or (d) as determined by a court of competent jurisdiction.

(j) Equitable Remedies. Participant acknowledges that (1) Participant's services to the Company are of a special, unique and extraordinary character, (2) Participant's position with the Company will place Participant in a position of confidence and trust with respect to the operations of the Company, (3) Participant will benefit from continued employment with the Company, (4) the nature and periods of restrictions imposed by the covenants contained in this Section are fair, reasonable and necessary to protect the Company, (5) the Company would sustain immediate and irreparable loss and damage if Participant were to breach any of such covenants, and (6) the Company's remedy at law for such a breach will be inadequate. Accordingly, Participant agrees and consents that the Company, in addition to the recovery of damages and all other remedies available to it, at law or in equity, shall be entitled to, without posting a bond, seek both temporary, preliminary and permanent injunctions to prevent and/or halt a breach or threatened breach by Participant of any covenant contained in this Section.

(k) Clawback for Breach of Restrictive Covenants. If the Company determines that Participant has breached or has threatened to breach any of Participant's obligations under this Section, then any outstanding shares of Restricted Stock shall terminate and be cancelled effective immediately without payment, unless terminated or cancelled sooner by operation of another term or condition of this Agreement or the Plan.

13. **Entire Agreement; Amendment**. This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

14. **Notices**. Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the

General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company.

15. **Acceptance**. As required by Section 8.2 of the Plan, the Participant shall forfeit the Restricted Stock if the Participant does not execute this Agreement within a period of sixty (60) days from the date that the Participant receives this Agreement (or such other period as the Committee shall provide).

16. **No Right to Employment**. Any questions as to whether and when there has been a Termination and the cause of such Termination shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

17. **Transfer of Personal Data**. The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the Restricted Stock awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

18. **Compliance with Laws**. The issuance of the Restricted Stock or unrestricted shares pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue the Restricted Stock or any of the shares pursuant to this Agreement if any such issuance would violate any such requirements.

19. **Section 409A**. Notwithstanding anything herein or in the Plan to the contrary, the shares of Restricted Stock are intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent.

20. **Binding Agreement; Assignment**. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with Section 6 hereof) any part of this Agreement without the prior express written consent of the Company.

21. **Headings**. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

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

23. **Further Assurances**. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

24. **Severability**. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

25. **Acquired Rights**. The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of Restricted Stock made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the Restricted Stock awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

U.S. SILICA HOLDINGS, INC.

By: 

Name: Bryan A. Shinn

Title: President and Chief Executive Officer

PARTICIPANT

Name: [[FIRSTNAME]] [[LASTNAME]]

ADDENDUM A
Restrictive Covenant Definitions

1. "Capacity" means, on Participant's own behalf and/or on behalf of any other Person, owning, investing or otherwise taking a financial interest in, managing, operating, controlling, being employed by, being associated or affiliated with, providing services as a consultant or independent contractor to, and/or participating in the ownership, management, operation or control of; provided, however, that this definition does not preclude ownership of less than 1% of the outstanding equity securities of any publicly reporting company.

2. "Company Party(ies)" means the Company and all other Persons controlled by, controlling, or under common control with, the Company, together with their respective successors in interest. The term Company Party(ies) specifically includes Coated Sand Solutions, LLC, a wholly-owned subsidiary of Company, and all other affiliated entities of GGC USS Holdings, LLC and U.S. Silica Holdings, Inc. as the equity owners of U.S. Silica Company.

3. "Competing Business" means the business of research, development, design, training, testing, manufacture, production, marketing, licensing, supply and/or sales, as applicable, of products and/or services that are the same or substantially similar to the products and/or services that the Company or any other Company Party supplied, manufactured, produced, designed, sold and/or marketed during the Reference Period. The term Competing Business includes without limitation, research, development, design, training, testing, manufacture, production, marketing, licensing, supply and/or sales relating to silica, kaolin, aplite, florisil and related products, including without limitation, resin coated sand proppants for oil and gas well fracing. The term Competing Business also includes, without limitation, the Competing Business entities listed in **Addendum B** to this Agreement, if any.

4. "Customer" means (a) any Person in a business relationship with any Company Party for which Participant, or any employees working under Participant's direct supervision, had responsibility during the Reference Period; (b) any Person in a business relationship with any Company Party about which Participant learned Proprietary Information as a result of employment with any Company Party during the Reference Period; and/or (c) any Person that has purchased or licensed products or services from any Company Party of the kind produced or provided with the use of Participant's specialized knowledge during the Reference Period. The term Customer also includes, without limitation, the Customer entities listed in **Addendum B** to this Agreement, if any.

5. "Dispute(s)" means any controversies or claims (including all claims pursuant to common and/or statutory law) between the Parties, including without limitation, any controversies and/or claims arising from and/or relating to: (a) the subject matter of this Agreement; (b) Participant's employment with and/or termination from the Company and/or any other Company Party; and/or (c) the Parties' relationship.

6. "Employment Period" means the Participant's term of employment, from the first day of Participant's work for the Company or any other Company Party through the last day of Participant's work for the Company or any other Company Party. The Employment Period is not dependent on the date of this Agreement.

7. "Geographic Area" means the counties, cities, states or other territories within the United States, as applicable: (a) encompassed by Participant's job duties, responsibilities and actual job activities for the Company and/or any other Company Party during the Reference Period; (b) encompassing the office(s) of the Company or any other Company Party where Participant worked, was based, was supported and/or for which the Participant was responsible, during the Reference Period; and (c) where the Company and/or any other Company Party sells products or services of the kind produced or provided with the use of Participant's specialized knowledge during the Reference Period, including without limitation, resin coated sand proppants for oil and gas well fracing. The term Geographic Area includes, without limitation, the named Geographic Areas listed in **Addendum B** to this Agreement, if any.

8. "Intellectual Property" means all Work Product that is directly or indirectly written, conceived, discovered, reduced to practice, developed and/or made, whether in oral, written, tangible or intangible form: (a) by Participant, alone or with others in the course of Participant's employment with or services to the Company and/or any other Company Party (including without limitation, the Employment Period and employment or services prior to the Effective Date); (b) using any equipment, supplies, facilities, assets, information (including without limitation Proprietary Information), or resources of, owned, leased or controlled by the Company and/or any other Company Party; (c) relating to or resulting from Participant's work for, duties with and/or tasks assigned to Participant by, the Company; and/or (d) relating to or resulting from the Company's and/or any other Company Party's actual or planned business, products, services and/or research and development. Intellectual Property does not include Work Product that fails to meet one or more of the foregoing requirements.

9. "Media" means any station, publication, show, website, web log (blog), bulletin board, social networking site, chat room, program and/or news organization (past, present and/or future), whether published through the means of print, radio, television, email, text message, the Internet or otherwise, and any member, representative, agent and/or employee of the same.

10. "Proprietary Information" means any and all information, material and/or data of, relating to, owned in whole or in part by, licensed to, assigned or conveyed to, and/or in the possession, custody or control of the Company or any other Company Party (and/or their Customers), regardless of media, format, or original source, that is confidential, proprietary and/or a trade secret: (a) by its nature; (b) based on how it is designated or treated by any Company Party (including any designations in this Agreement); (c) based on the significance of its existing or potential commercial value or business utility; (d) such that its retention, withholding, appropriation, use or disclosure would have a material adverse affect on the business or planned business of any Company Party; and/or (e) as a matter of law. Examples of Proprietary Information include the following, without limitation: (a) Intellectual Property; (b) Work for Hire; (c) any and all information, material and/or data related to the Company's and/or any Company Party's program(s) of research, development, training and/or production relating to silica, kaolin, aplite, florisil and related products, including without limitation, resin coated sand proppants for oil and gas well fracing; and (d) any and all other information, material and/or data about the Company's and/or any Company Party's products, processes, machines, services, research, development, manufacturing, purchasing, finance, data processing, engineering, marketing, merchandising, selling, and/or customers. Proprietary Information specifically includes, without limitation, any and all information, material and/or data that is referenced in the foregoing definition and examples of Proprietary Information, that is created, contributed by, discovered, known to, disclosed to, accessed by, and/or developed by Participant during the Employment Period, and/or that otherwise

comes within Participant's possession, custody or control as a result of Participant's employment with the Company. Proprietary Information does not include material, data and/or information that: (e) any Company Party has voluntarily and intentionally placed in the public domain for public disclosure; (f) has been lawfully and independently developed and publicly disclosed by third parties without any direct or indirect access to any Proprietary Information; and/or (g) otherwise enters the public domain through lawful means; provided, however, that the unauthorized retention, withholding, appropriation, use or disclosure of Proprietary Information by Participant, directly or indirectly, shall not affect the protection and relief afforded by this Agreement regarding such information.

11. "Reference Period" means the lesser of: (a) the Employment Period; or (b) the twenty-four (24) months prior to the Termination Date.

12. "Restricted Activities" means work activities, duties and/or responsibilities that are the same as, substantially similar to, or include, the kind of work activities, duties and/or responsibilities that Participant had with the Company and/or any other Company Party during the Reference Period. The Restricted Activities may include, without limitation, (a) engaging in or directly supporting the sale, licensing, or marketing of any resin coated sand proppants for oil and gas well fracing, (b) engaging in or directly supporting the servicing, supplying, training, consulting or development of relationships and goodwill with any customer or potential customer of the Company for any resin coated sand proppants for oil ahnd gas well fracing, and/or (c) engaging in or directly supporting the research, development, testing, manufacturing, or processing of any resin coated sand proppants for oil and gas well fracing.

13. "Restricted Period" means the Employment Period and the twenty-four (24) month period commencing on the Termination Date.

14. "Termination Date" means the last day of the Employment Period.

15. "Work for Hire" means all Work Product created or developed by Participant in whole or in part during the Employment Period that falls under the category of "work for hire" under the copyright laws of the United States, including without limitation works of authorship, computer software and related works. Work for Hire includes without limitation, all programs and other work or documentation written or created by Participant in the general areas of research and development being pursued by or under study by the Company.

16. "Work Product" means all patents and patent applications, all inventions (including without limitation all types of technical, artistic or commercial creative work), innovations, discoveries, creative works, works of authorship, improvements, research, developments, modifications, enhancements, software, computer programs, circuit and logic diagrams, circuit layouts, mask works, concepts, ideas, know-how, methods, methodologies, designs, formulae, formulations, drawings, processes, techniques, skills, algorithms, data, flow charts, sketches, schematics, drawings, blue prints, silk screens, models, plans, specifications, micro codes, lab books, documentation, research reports, analyses, all similar or related information (in each case whether patentable or not), all copyrights and copyrightable works, all trade secrets and confidential information, all trademarks, branding and service marks, and all other forms of intellectual property.

ADDENDUM B
Restrictive Covenant References

1. **Competing Businesses**
   (all entities listed shall include affiliates of such entities)

   - Unimin Corporation
   - Fairmount Minerals/Santrol
   - Preferred Proppants, LLC
   - Badger Mining Corporation
   - Hi-Crush Proppants LLC
   - Emerge Energy Services LP
   - Superior Silica Sands LLC
   - EOG Resources, Inc.
   - Alpine Materials, LLC
   - Canadian Sand and Proppants, Inc.
   - Sierra Frac Sand, LLC
   - Grit Energy Solutions, LLC
   - Grit Energy, LLC
   - Proppant Express Solutions LLC
   - Arrows Up LLC
   - OmniTrax, Inc.

2. **Customers:**
   (all entities listed shall include affiliates of such entities)

   - Halliburton Energy Services, Inc.
   - Schlumberger Technology Corporation
   - C&J Well Services, Inc./Nabors Industries Ltd./C&J and Nabors affiliates
   - Weatherford International Ltd.
   - Baker Hughes Incorporated/BJ Services Company
   - Liberty Oilfield Services LLC

3. **Geographic Area:**

   - Colorado
   - Illinois
   - Louisiana
   - New Jersey
   - New Mexico
   - North Dakota
   - Oklahoma
   - Pennsylvania
   - Texas
   - West Virginia
   - Wisconsin

RESTRICTED STOCK AGREEMENT
PURSUANT TO THE
AMENDED AND RESTATED U.S. SILICA HOLDINGS, INC.
2011 INCENTIVE COMPENSATION PLAN

*** * * * ***

Participant: [[FIRSTNAME]] [[LASTNAME]]

Grant Date: [[GRANTDATE]]

Number of Shares of
Restricted Stock Granted: [[SHARESGRANTED]]

*** * * * ***

THIS RESTRICTED STOCK AWARD AGREEMENT (this "Agreement"), dated as of the Grant Date specified above, is entered into by and between U.S. Silica Holdings, Inc., a corporation organized in the State of Delaware (the "Company"), and the Participant specified above, pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan, as in effect and as amended from time to time (the "Plan"), which is administered by the Committee; and

WHEREAS, it has been determined under the Plan that it would be in the best interests of the Company to grant the shares of Restricted Stock provided herein to the Participant.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, including the Restrictive Covenants in Section 12, and for other good and valuable consideration, the parties hereto hereby mutually covenant and agree as follows:

1. **Incorporation By Reference; Plan Document Receipt**. This Agreement is subject in all respects to the terms and provisions of the Plan (including, without limitation, any amendments thereto adopted at any time and from time to time unless such amendments are expressly intended not to apply to the Award provided hereunder), all of which terms and provisions are made a part of and incorporated in this Agreement as if they were each expressly set forth herein. Any capitalized term not defined in this Agreement shall have the same meaning as is ascribed thereto in the Plan. The Participant hereby acknowledges receipt of a true copy of the Plan and that the Participant has read the Plan carefully and fully understands its content. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall control.

2. **Grant of Restricted Stock Award**. The Company hereby grants to the Participant, as of the Grant Date specified above, the number of shares of Restricted Stock specified above. Except as otherwise provided by the Plan, the Participant agrees and understands that nothing contained in this Agreement provides, or is intended to provide, the Participant with any protection

against potential future dilution of the Participant's interest in the Company for any reason, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such shares, except as otherwise specifically provided for in the Plan or this Agreement. Subject to Section 5 hereof, the Participant shall not have the rights of a stockholder in respect of the shares underlying this Award until such shares are delivered to the Participant in accordance with Section 4 hereof.

3. **Vesting**.

(i) The Restricted Stock subject to this grant shall become unrestricted and vested as follows, provided that the Participant has not incurred a Termination prior to each such vesting date:

[[ALLVESTSEGS]]

There shall be no proportionate or partial vesting in the periods prior to each vesting date and all vesting shall occur only on the appropriate vesting date, subject to the Participant's continued service with the Company or any of its Subsidiaries on each applicable vesting date.

(ii) Termination due to death or Disability, without Cause or due to Retirement. Subject to the provisions of Sections 3(c) and 3(d) hereof, in the event of the Participant's Termination as a result of death or Disability, by the Company without Cause or due to the Participant's "Retirement" (as defined below), the unvested shares of Restricted Stock that would have become vested at the vesting date immediately following such Termination as provided in Section 3(a) hereof shall become vested on a pro rata basis (determined by multiplying the number of such unvested shares of Restricted Stock by a fraction, the numerator of which is the number of calendar days in the period beginning with, if prior to the first vesting date as set forth in Section 3(a) hereof, the Grant Date or, if after the first vesting date as set forth in Section 3(a) hereof, the vesting date immediately preceding the date of such Termination as set forth in Section 3(a) hereof and ending on the date of such Termination, and the denominator of which is three hundred sixty five (365)), and unrestricted shares shall be delivered in respect thereof as provided in Section 4 hereof.

For purposes hereof, the term "Retirement" shall mean the Participant's voluntary Termination of Employment at or after age sixty-five (65) or such earlier date after age fifty (50), in either case, as may be approved by the Committee in its sole discretion with regard to the Participant.

(iii) Change in Control. Notwithstanding the provisions of Sections 3(a) and 3(b) hereof, in the event of the Participant's Termination as a result of death or Disability, by the Company without Cause or as a result of the Participant's Retirement, in any case, at any time upon or following a Change in Control, the unvested shares of Restricted Stock shall become fully vested, and unrestricted shares shall be delivered in respect thereof, as provided in Section 4 hereof.

(iv) Committee Discretion to Accelerate Vesting. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide for accelerated vesting of the shares of Restricted Stock at any time and for any reason.

(v) Effect of Detrimental Activity. The provisions of Section 10.4 of the Plan regarding Detrimental Activity shall apply to the Restricted Stock.

(vi) Forfeiture. Subject to the provisions of Sections 3(b) through 3(d) hereof, all unvested shares of Restricted Stock shall be immediately forfeited upon the Participant's Termination for any reason.

4. **Period of Restriction; Delivery of Unrestricted Shares**. During the Period of Restriction, the Restricted Stock shall bear a legend as described in Section 8.2(c) of the Plan. When shares of Restricted Stock awarded by this Agreement become vested, the Participant shall be entitled to receive unrestricted shares and if the Participant's stock certificates contain legends restricting the transfer of such shares, the Participant shall be entitled to receive new stock certificates free of such legends (except any legends requiring compliance with securities laws).

5. **Dividends and Other Distributions; Voting**. Participants holding Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to such shares, provided that any such dividends or other distributions will be subject to the same vesting requirements as the underlying Restricted Stock and shall be paid in cash and without interest at the time the Restricted Stock becomes vested pursuant to Section 3 hereof. If any dividends or distributions are paid in shares, the shares shall be deposited with the Company and shall be subject to the same restrictions on transferability and forfeitability as the Restricted Stock with respect to which they were paid. The Participant may exercise full voting rights with respect to the Restricted Stock granted hereunder.

6. **Non-Transferability**. The shares of Restricted Stock, and any rights and interests with respect thereto, issued under this Agreement and the Plan shall not, prior to vesting, be sold, exchanged, transferred, assigned or otherwise disposed of in any way by the Participant (or any beneficiary of the Participant), other than by testamentary disposition by the Participant or the laws of descent and distribution. Any attempt to sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of or hypothecate in any way any of the Restricted Stock, or the levy of any execution, attachment or similar legal process upon the Restricted Stock, contrary to the terms and provisions of this Agreement and/or the Plan shall be null and void and without legal force or effect.

7. **Governing Law**. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the choice of law principles thereof.

8. **Withholding of Tax**. The Company shall have the power and the right to deduct or withhold, or require the Participant to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Participant's FICA and SDI obligations) which the Company, in its sole discretion, deems necessary

to be withheld or remitted to comply with the Code and/or any other applicable law, rule or regulation with respect to the Restricted Stock and, if the Participant fails to do so, the Company may otherwise refuse to issue or transfer any shares of Common Stock otherwise required to be issued pursuant to this Agreement. Any statutorily required withholding obligation with regard to the Participant may be satisfied by reducing the amount of cash or shares of Common Stock otherwise deliverable to the Participant hereunder.

9. **Section 83(b)**. The Participant's execution of this agreement will constitute the Participant's waiver to make an election under Section 83(b) of the Code with respect to the Participant's Award. This waiver means that the Participant will not have the option of electing to be taxed on the Restricted Stock on the Grant Date. Instead, the Participant will be taxed on the Restricted Stock as it becomes vested on each vesting date.

10. **Legend**. All certificates representing the Restricted Stock shall have endorsed thereon the legend set forth in Section 8.2(c) of the Plan. Notwithstanding the foregoing, in no event shall the Company be obligated to deliver to the Participant a certificate representing the Restricted Stock prior to the vesting dates set forth above.

11. **Securities Representations**. The shares of Restricted Stock are being issued to the Participant and this Agreement is being made by the Company in reliance upon the following express representations and warranties of the Participant. The Participant acknowledges, represents and warrants that:

(a) The Participant has been advised that the Participant may be an "affiliate" within the meaning of Rule 144 under the Securities Act and in this connection the Company is relying in part on the Participant's representations set forth in this Section 11.

(b) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the shares of Restricted Stock must be held indefinitely unless an exemption from any applicable resale restrictions is available or the Company files an additional registration statement (or a "re-offer prospectus") with regard to the shares of Restricted Stock and the Company is under no obligation to register the shares of Restricted Stock (or to file a "re-offer prospectus").

(c) If the Participant is deemed an affiliate within the meaning of Rule 144 of the Securities Act, the Participant understands that (i) the exemption from registration under Rule 144 will not be available unless (A) a public trading market then exists for the Common Stock of the Company, (B) adequate information concerning the Company is then available to the public, and (C) other terms and conditions of Rule 144 or any exemption therefrom are complied with, and (ii) any sale of the shares of vested Restricted Stock hereunder may be made only in limited amounts in accordance with the terms and conditions of Rule 144 or any exemption therefrom.

12. **Restrictive Covenants**. Participant agrees and understands the primary consideration for Participant's receipt of the shares of Restricted Stock under this Agreement is Participant's compliance with the restrictive covenants in this Section 11.

Participant further understands that the restrictive covenants stated in this Section are independent of and severable from one another.

(a) Definitions. See **Addendum A**.

(b) Non-Competition During Employment. Participant acknowledges that employment creates a relationship of trust and confidence between Participant and the Company. During the Employment Period, Participant shall not directly or indirectly, in any Capacity: (i) engage in a Competing Business and/or preparations for engaging in a Competing Business; provided however, that nothing herein shall prohibit Participant from holding or being beneficially interested in less than 5% of the outstanding equity securities of any publicly reporting company; or (ii) engage in any other activity, interest or association that is hostile or adverse to the interests of the Company.

(c) Non-Competition Post-Employment. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity, engage in Restricted Activities for a Competing Business within the Geographic Area.

(d) Customer Non-Solicitation. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity, induce, encourage or solicit, or attempt to induce, encourage or solicit any Customer (regardless of whether Participant initiates contact for such purposes) to: (i) do business with a Competing Business; or (ii) divert, reduce, restrict or terminate business or business relationships with the Company and/or any other Company Party.

(e) Participant/Contractor Non-Solicitation & No-Hire. During the Restricted Period, Participant shall not directly or indirectly, in any Capacity: (i) attempt to or actually recruit or solicit any employee or independent contractor of the Company and/or any other Company Party, to work or provide services to a Person other than the Company or a Company Party, or to terminate employment with or otherwise cease work for the Company and/or any other Company Party, regardless of whether Participant initiates contact for such purposes; or (ii) employ and/or establish an independent contractor relationship with any Person who is or was an employee or independent contractor of the Company and/or any other Company Party at any time during the Reference Period. Nothing in this Section should be construed to affect any responsibility Participant may have as an employee of the Company, with respect to the bona fide hiring and firing of Company personnel.

(f) Media Nondisclosure. At all times, during and after the Employment Period, Participant shall not directly or indirectly disclose to the Media any information relating to any aspect of Participant employment or termination from employment with the Company and/or any other Company Party, any non-public information related to the business of the Company and/or any other Company Party, and/or any aspect of any Dispute.

(g) Non-Disparagement. At all times, during and after the Employment Period, Participant shall not make any communications in any form to any Media or Customer that would constitute libel, slander or disparagement of the Company and/or any other Company Party and its/their current or future officers, employees, directors, and agents; provided, however, that the terms

of this Section shall not apply to communications by Participant that are privileged as a matter of law. Participant shall not in any way solicit any such communications from others.

(h) Acknowledgements. Participant acknowledges that: (i) Participant's experiences and capabilities are such that Participant can seek gainful employment after the Termination Date without violating this Agreement; (ii) the restrictive covenants set forth in this Agreement will continue in force even in the event of change in Participant's job title, position, or duties, unless the Parties sign a new agreement to replace this Agreement; (iii) the non-competition provisions of this Agreement are reasonable in duration, territory and scope of activity; and (iv) Participant's engaging in any service or activity contrary to the promises in Sections 11(b), (c) or (d) would jeopardize the Company's Intellectual Property, Proprietary Information, other intellectual property and/or customer goodwill.

(i) Notice & Extension. Upon the Termination Date and during the Restricted Period, Participant shall keep the Company apprised of Participant's correct address and the name and address of Participant's employer, and of any changes in same. The Restricted Period will be extended by one day for each day that Participant is determined to be in violation of any restrictive covenant stated in Sections 11(b), (c) or (d) as determined by a court of competent jurisdiction.

(j) Equitable Remedies. Participant acknowledges that (1) Participant's services to the Company are of a special, unique and extraordinary character, (2) Participant's position with the Company will place Participant in a position of confidence and trust with respect to the operations of the Company, (3) Participant will benefit from continued employment with the Company, (4) the nature and periods of restrictions imposed by the covenants contained in this Section are fair, reasonable and necessary to protect the Company, (5) the Company would sustain immediate and irreparable loss and damage if Participant were to breach any of such covenants, and (6) the Company's remedy at law for such a breach will be inadequate. Accordingly, Participant agrees and consents that the Company, in addition to the recovery of damages and all other remedies available to it, at law or in equity, shall be entitled to, without posting a bond, seek both temporary, preliminary and permanent injunctions to prevent and/or halt a breach or threatened breach by Participant of any covenant contained in this Section.

(k) Clawback for Breach of Restrictive Covenants. If the Company determines that Participant has breached or has threatened to breach any of Participant's obligations under this Section, then any outstanding shares of Restricted Stock shall terminate and be cancelled effective immediately without payment, unless terminated or cancelled sooner by operation of another term or condition of this Agreement or the Plan.

13. **Entire Agreement; Amendment**. This Agreement, together with the Plan, contains the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes all prior agreements or prior understandings, whether written or oral, between the parties relating to such subject matter. The Committee shall have the right, in its sole discretion, to modify or amend this Agreement from time to time in accordance with and as provided in the Plan. This Agreement may also be modified or amended by a writing signed by both the Company

and the Participant. The Company shall give written notice to the Participant of any such modification or amendment of this Agreement as soon as practicable after the adoption thereof.

14. **Notices**. Any notice hereunder by the Participant shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof by the General Counsel of the Company. Any notice hereunder by the Company shall be given to the Participant in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Participant may have on file with the Company.

15. **Acceptance**. As required by Section 8.2 of the Plan, the Participant shall forfeit the Restricted Stock if the Participant does not execute this Agreement within a period of sixty (60) days from the date that the Participant receives this Agreement (or such other period as the Committee shall provide).

16. **No Right to Employment**. Any questions as to whether and when there has been a Termination and the cause of such Termination shall be determined in the sole discretion of the Committee. Nothing in this Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries or Affiliates to terminate the Participant's employment or service at any time, for any reason and with or without Cause.

17. **Transfer of Personal Data**. The Participant authorizes, agrees and unambiguously consents to the transmission by the Company (or any Subsidiary) of any personal data information related to the Restricted Stock awarded under this Agreement for legitimate business purposes (including, without limitation, the administration of the Plan). This authorization and consent is freely given by the Participant.

18. **Compliance with Laws**. The issuance of the Restricted Stock or unrestricted shares pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any foreign and U.S. federal and state securities laws, rules and regulations (including, without limitation, the provisions of the Securities Act, the Exchange Act and in each case any respective rules and regulations promulgated thereunder) and any other law or regulation applicable thereto. The Company shall not be obligated to issue the Restricted Stock or any of the shares pursuant to this Agreement if any such issuance would violate any such requirements.

19. **Section 409A**. Notwithstanding anything herein or in the Plan to the contrary, the shares of Restricted Stock are intended to be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed and interpreted in accordance with such intent.

20. **Binding Agreement; Assignment**. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the Company and its successors and assigns. The Participant shall not assign (except in accordance with Section 6 hereof) any part of this Agreement without the prior express written consent of the Company.

21. **Headings**. The titles and headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

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

23. **Further Assurances**. Each party hereto shall do and perform (or shall cause to be done and performed) all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as either party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the Plan and the consummation of the transactions contemplated thereunder.

24. **Severability**. The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

25. **Acquired Rights**. The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the award of Restricted Stock made under this Agreement is completely independent of any other award or grant and is made at the sole discretion of the Company; (c) no past grants or awards (including, without limitation, the Restricted Stock awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) any benefits granted under this Agreement are not part of the Participant's ordinary salary, and shall not be considered as part of such salary in the event of severance, redundancy or resignation.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

U.S. SILICA HOLDINGS, INC.

By: 

Name: Bryan A. Shinn

Title: President and Chief Executive Officer

PARTICIPANT

Name: [[FIRSTNAME]] [[LASTNAME]]

ADDENDUM A
Restrictive Covenant Definitions

1. "Capacity" means, on Participant's own behalf and/or on behalf of any other Person, owning, investing or otherwise taking a financial interest in, managing, operating, controlling, being employed by, being associated or affiliated with, providing services as a consultant or independent contractor to, and/or participating in the ownership, management, operation or control of; provided, however, that this definition does not preclude ownership of less than 1% of the outstanding equity securities of any publicly reporting company.

2. "Company Party(ies)" means the Company and all other Persons controlled by, controlling, or under common control with, the Company, together with their respective successors in interest. The term Company Party(ies) specifically includes Coated Sand Solutions, LLC, a wholly-owned subsidiary of Company, and all other affiliated entities of GGC USS Holdings, LLC and U.S. Silica Holdings, Inc. as the equity owners of U.S. Silica Company.

3. "Competing Business" means the business of research, development, design, training, testing, manufacture, production, marketing, licensing, supply and/or sales, as applicable, of products and/or services that are the same or substantially similar to the products and/or services that the Company or any other Company Party supplied, manufactured, produced, designed, sold and/or marketed during the Reference Period. The term Competing Business includes without limitation, research, development, design, training, testing, manufacture, production, marketing, licensing, supply and/or sales relating to silica, kaolin, aplite, florisil and related products, including without limitation, resin coated sand proppants for oil and gas well fracing. The term Competing Business also includes, without limitation, the Competing Business entities listed in **Addendum B** to this Agreement, if any.

4. "Customer" means (a) any Person in a business relationship with any Company Party for which Participant, or any employees working under Participant's direct supervision, had responsibility during the Reference Period; (b) any Person in a business relationship with any Company Party about which Participant learned Proprietary Information as a result of employment with any Company Party during the Reference Period; and/or (c) any Person that has purchased or licensed products or services from any Company Party of the kind produced or provided with the use of Participant's specialized knowledge during the Reference Period. The term Customer also includes, without limitation, the Customer entities listed in **Addendum B** to this Agreement, if any.

5. "Dispute(s)" means any controversies or claims (including all claims pursuant to common and/or statutory law) between the Parties, including without limitation, any controversies and/or claims arising from and/or relating to: (a) the subject matter of this Agreement; (b) Participant's employment with and/or termination from the Company and/or any other Company Party; and/or (c) the Parties' relationship.

6. "Employment Period" means the Participant's term of employment, from the first day of Participant's work for the Company or any other Company Party through the last day of Participant's work for the Company or any other Company Party. The Employment Period is not dependent on the date of this Agreement.

7. "Geographic Area" means the counties, cities, states or other territories within the United States, as applicable: (a) encompassed by Participant's job duties, responsibilities and actual job activities for the Company and/or any other Company Party during the Reference Period; (b) encompassing the office(s) of the Company or any other Company Party where Participant worked, was based, was supported and/or for which the Participant was responsible, during the Reference Period; and (c) where the Company and/or any other Company Party sells products or services of the kind produced or provided with the use of Participant's specialized knowledge during the Reference Period, including without limitation, resin coated sand proppants for oil and gas well fracing. The term Geographic Area includes, without limitation, the named Geographic Areas listed in **Addendum B** to this Agreement, if any.

8. "Intellectual Property" means all Work Product that is directly or indirectly written, conceived, discovered, reduced to practice, developed and/or made, whether in oral, written, tangible or intangible form: (a) by Participant, alone or with others in the course of Participant's employment with or services to the Company and/or any other Company Party (including without limitation, the Employment Period and employment or services prior to the Effective Date); (b) using any equipment, supplies, facilities, assets, information (including without limitation Proprietary Information), or resources of, owned, leased or controlled by the Company and/or any other Company Party; (c) relating to or resulting from Participant's work for, duties with and/or tasks assigned to Participant by, the Company; and/or (d) relating to or resulting from the Company's and/or any other Company Party's actual or planned business, products, services and/or research and development. Intellectual Property does not include Work Product that fails to meet one or more of the foregoing requirements.

9. "Media" means any station, publication, show, website, web log (blog), bulletin board, social networking site, chat room, program and/or news organization (past, present and/or future), whether published through the means of print, radio, television, email, text message, the Internet or otherwise, and any member, representative, agent and/or employee of the same.

10. "Proprietary Information" means any and all information, material and/or data of, relating to, owned in whole or in part by, licensed to, assigned or conveyed to, and/or in the possession, custody or control of the Company or any other Company Party (and/or their Customers), regardless of media, format, or original source, that is confidential, proprietary and/or a trade secret: (a) by its nature; (b) based on how it is designated or treated by any Company Party (including any designations in this Agreement); (c) based on the significance of its existing or potential commercial value or business utility; (d) such that its retention, withholding, appropriation, use or disclosure would have a material adverse affect on the business or planned business of any Company Party; and/or (e) as a matter of law. Examples of Proprietary Information include the following, without limitation: (a) Intellectual Property; (b) Work for Hire; (c) any and all information, material and/or data related to the Company's and/or any Company Party's program(s) of research, development, training and/or production relating to silica, kaolin, aplite, florisil and related products, including without limitation, resin coated sand proppants for oil and gas well fracing; and (d) any and all other information, material and/or data about the Company's and/or any Company Party's products, processes, machines, services, research, development, manufacturing, purchasing, finance, data processing, engineering, marketing, merchandising, selling, and/or customers. Proprietary Information specifically includes, without limitation, any and all information, material and/or data that is referenced in the foregoing definition and examples of Proprietary Information, that is created, contributed by, discovered, known to, disclosed to, accessed by, and/or developed by Participant during the Employment Period, and/or that otherwise

comes within Participant's possession, custody or control as a result of Participant's employment with the Company. Proprietary Information does not include material, data and/or information that: (e) any Company Party has voluntarily and intentionally placed in the public domain for public disclosure; (f) has been lawfully and independently developed and publicly disclosed by third parties without any direct or indirect access to any Proprietary Information; and/or (g) otherwise enters the public domain through lawful means; provided, however, that the unauthorized retention, withholding, appropriation, use or disclosure of Proprietary Information by Participant, directly or indirectly, shall not affect the protection and relief afforded by this Agreement regarding such information.

11. "Reference Period" means the lesser of: (a) the Employment Period; or (b) the twenty-four (24) months prior to the Termination Date.

12. "Restricted Activities" means work activities, duties and/or responsibilities that are the same as, substantially similar to, or include, the kind of work activities, duties and/or responsibilities that Participant had with the Company and/or any other Company Party during the Reference Period. The Restricted Activities may include, without limitation, (a) engaging in or directly supporting the sale, licensing, or marketing of any resin coated sand proppants for oil and gas well fracing, (b) engaging in or directly supporting the servicing, supplying, training, consulting or development of relationships and goodwill with any customer or potential customer of the Company for any resin coated sand proppants for oil ahnd gas well fracing, and/or (c) engaging in or directly supporting the research, development, testing, manufacturing, or processing of any resin coated sand proppants for oil and gas well fracing.

13. "Restricted Period" means the Employment Period and the twenty-four (24) month period commencing on the Termination Date.

14. "Termination Date" means the last day of the Employment Period.

15. "Work for Hire" means all Work Product created or developed by Participant in whole or in part during the Employment Period that falls under the category of "work for hire" under the copyright laws of the United States, including without limitation works of authorship, computer software and related works. Work for Hire includes without limitation, all programs and other work or documentation written or created by Participant in the general areas of research and development being pursued by or under study by the Company.

16. "Work Product" means all patents and patent applications, all inventions (including without limitation all types of technical, artistic or commercial creative work), innovations, discoveries, creative works, works of authorship, improvements, research, developments, modifications, enhancements, software, computer programs, circuit and logic diagrams, circuit layouts, mask works, concepts, ideas, know-how, methods, methodologies, designs, formulae, formulations, drawings, processes, techniques, skills, algorithms, data, flow charts, sketches, schematics, drawings, blue prints, silk screens, models, plans, specifications, micro codes, lab books, documentation, research reports, analyses, all similar or related information (in each case whether patentable or not), all copyrights and copyrightable works, all trade secrets and confidential information, all trademarks, branding and service marks, and all other forms of intellectual property.

ADDENDUM B
Restrictive Covenant References

1. **Competing Businesses**
   (all entities listed shall include affiliates of such entities)

   - Unimin Corporation
   - Fairmount Minerals/Santrol
   - Preferred Proppants, LLC
   - Badger Mining Corporation
   - Hi-Crush Proppants LLC
   - Emerge Energy Services LP
   - Superior Silica Sands LLC
   - EOG Resources, Inc.
   - Alpine Materials, LLC
   - Canadian Sand and Proppants, Inc.
   - Sierra Frac Sand, LLC
   - Grit Energy Solutions, LLC
   - Grit Energy, LLC
   - Proppant Express Solutions LLC
   - Arrows Up LLC
   - OmniTrax, Inc.

2. **Customers:**
   (all entities listed shall include affiliates of such entities)

   - Halliburton Energy Services, Inc.
   - Schlumberger Technology Corporation
   - C&J Well Services, Inc./Nabors Industries Ltd./C&J and Nabors affiliates
   - Weatherford International Ltd.
   - Baker Hughes Incorporated/BJ Services Company
   - Liberty Oilfield Services LLC

3. **Geographic Area:**

   - Colorado
   - Illinois
   - Louisiana
   - New Jersey
   - New Mexico
   - North Dakota
   - Oklahoma
   - Pennsylvania
   - Texas
   - West Virginia
   - Wisconsin

Exhibit 31.1

CERTIFICATION

I, Bryan A. Shinn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of U.S. Silica Holdings, Inc. (the "Company") for the quarter ended March 31, 2018;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 24, 2018

/s/ BRYAN A. SHINN

Name: Bryan A. Shinn

Title: Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Donald A. Merril, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U.S. Silica Holdings, Inc. (the "Company") for the quarter ended March 31, 2018;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: April 24, 2018

/s/ DONALD A. MERRIL

Name: Donald A. Merril

Title: Chief Financial Officer

Exhibit 32.1

SECTION 1350 CERTIFICATION

I, Bryan A. Shinn, Chief Executive Officer, U.S. Silica Holdings, Inc. (the "Company"), hereby certify, on the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

i. The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

ii. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 24, 2018

/s/ BRYAN A. SHINN

Name: Bryan A. Shinn

Title: Chief Executive Officer

A signed copy of this original statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff on request.

Exhibit 32.2

SECTION 1350 CERTIFICATION

I, Donald A. Merril, Chief Financial Officer, U.S. Silica Holdings, Inc. (the "Company"), hereby certify, on the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

i. The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

ii. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 24, 2018

/s/ DONALD A. MERRIL

Name: Donald A. Merril

Title: Chief Financial Officer

A signed copy of this original statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff on request.

Exhibit 95.1

Mine Safety Disclosure

The following disclosures are provided pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and Item 104 of Regulation S-K, which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the "Mine Act").

Mine Safety Information. Whenever the Federal Mine Safety and Health Administration ("MSHA") believes a violation of the Mine Act, any health or safety standard or any regulation has occurred, it may issue a citation which describes the alleged violation and fixes a time within which the U.S. mining operator must abate the alleged violation. In some situations, such as when MSHA believes that conditions pose a hazard to miners, MSHA may issue an order removing miners from the area of the mine affected by the condition until the alleged hazards are corrected. When MSHA issues a citation or order, it generally proposes a civil penalty, or fine, as a result of the alleged violation, that the operator is ordered to pay. Citations and orders can be contested and appealed, and as part of that process, are often reduced in severity and amount, and are sometimes dismissed. The number of citations, orders and proposed assessments vary depending on the size and type (underground or surface) of the mine as well as by the MSHA inspector(s) assigned.

Mine Safety Data. The following provides additional information about references used in the table below to describe the categories of violations, orders or citations issued by MSHA under the Mine Act:

- *Section 104 S&S Citations:* Citations received from MSHA under section 104 of the Mine Act for violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard.
- *Section 104(b) Orders:* Orders issued by MSHA under section 104(b) of the Mine Act, which represents a failure to abate a citation under section 104(a) within the period of time prescribed by MSHA. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines that the violation has been abated.
- *Section 104(d) Citations and Orders:* Citations and orders issued by MSHA under section 104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.
- *Section 110(b)(2) Violations:* Flagrant violations issued by MSHA under section 110(b)(2) of the Mine Act.
- *Section 107(a) Orders:* Orders issued by MSHA under section 107(a) of the Mine Act for situations in which MSHA determined an "imminent danger" (as defined by MSHA) existed.

The following table details the violations, citations and orders issued to us by MSHA during the quarter ended March 31, 2018:

Mine(a)	Section 104 S&S Citations(#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Proposed Assessments(b) ($, amounts in dollars)	Mining Related Fatalities (#)
Ottawa, IL	—	—	—	—	—	—	
Mill Creek, OK	—	—	—	—	—	—	—
Pacific, MO	—	—	—	—	—	118	—
Berkeley Springs, WV	2	—	—	—	—	—	—
Mapleton Depot, PA	—	—	—	—	—	118	—
Kosse, TX	—	—	—	—	—	—	—
Mauricetown, NJ	—	—	—	—	—	—	—
Columbia, SC	—	—	—	—	—	—	—
Montpelier, VA	—	—	—	—	—	—	—
Rockwood, MI	1	—	—	—	—	—	—
Jackson, TN	—	—	—	—	—	—	—
Dubberly, LA	—	—	—	—	—	118	—
Hurtsboro, AL	—	—	—	—	—	—	—
Sparta, WI	—	—	—	—	—	—	—
Voca, TX	—	—	—	—	—	—	—
Peru, IL	—	—	—	—	—	—	—
Utica, IL	7	—	3	—	—	2,631	—
Tyler, TX	—	—	—	—	—	—	—
Festus, MO	—	—	—	—	—	—	—
Seagraves, TX	2	—	—	—	—	—	—

(a) The definition of mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, tools and minerals preparation facilities. Unless otherwise indicated, any of these other items associated with a single mine have been aggregated in the totals for that mine. MSHA assigns an identification number to each mine and may or may not assign separate identification numbers to related facilities such as preparation facilities. We are providing the information in the table by mine rather than MSHA identification number because that is how we manage and operate our mining business and we believe this presentation will be more useful to investors than providing information based on MSHA identification numbers.

(b) Represents the total dollar value of proposed assessments from MSHA under the Mine Act relating to any type of citation or order issued during the quarter ended March 31, 2018.

Pattern or Potential Pattern of Violations. During the quarter ended March 31, 2018, none of the mines operated by us received written notice from MSHA of (a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under section 104(e) of the Mine Act or (b) the potential to have such a pattern.

Pending Legal Actions. There were 87 legal actions pending before the Federal Mine Safety and Health Review Commission (the Commission) as of March 31, 2018, each of which is a contest proceeding filed by us to challenge a citation or order issued by MSHA under the Mine Act and includes 33 contests challenging Section 104 S&S citations. During the quarter ended March 31, 2018, zero legal actions were instituted and 9 legal actions were resolved. The Commission is an independent adjudicative agency established by the Mine Act that provides administrative trial and appellate review of legal disputes arising under the Mine Act..

Exhibit 99.1

CONSENT OF IHS MARKIT.

We hereby consent to the references to our company's name in the Quarterly Report on Form 10-Q for the Quarterly Period Ended March 31, 2018 (the "Quarterly Report") of U.S. Silica Holdings, Inc. (the "Company") and the quotation by the Company in the Quarterly Report from the Proppant IQ Proppant Market Analysis 2018 Q1 release, published February 2018. We also hereby consent to the filing of this letter as an exhibit to the Quarterly Report.

IHS MARKIT

By: /s/ Pritesh Patel

Name: Pritesh Patel

Title: Director of Consulting

April 24, 2018