

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, 2023

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.)

24275 Katy Freeway, Suite 600

Katy, Texas 77494

(Address of Principal Executive Offices) (Zip Code)

(281) 258-2170

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	SLCA	New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 Act). Yes No

As of April 21, 2023, 77,063,957 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, 2023

TABLE OF CONTENTS

		Page
PART I	Financial Information (Unaudited):	
<u>Item 1.</u>	<u>Financial Statements</u>	<u>2</u>
	<u>Condensed Consolidated Balance Sheets</u>	<u>2</u>
	<u>Condensed Consolidated Statements of Operations</u>	<u>3</u>
	<u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u>	<u>4</u>
	<u>Condensed Consolidated Statements of Stockholders' Equity</u>	<u>5</u>
	<u>Condensed Consolidated Statements of Cash Flows</u>	<u>6</u>
	<u>Notes to Condensed Consolidated Financial Statements</u>	<u>8</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>25</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>37</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>39</u>
PART II	Other Information:	
<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>40</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>40</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>41</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	<u>42</u>
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	<u>42</u>
<u>Item 5.</u>	<u>Other Information</u>	<u>42</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>42</u>
<u>Signatures</u>		<u>S-1</u>

PART I-FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

U.S. SILICA HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Uaudited; dollars in thousands except share information)

	March 31, 2023	December 31, 2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 139,494	\$ 280,845
Accounts receivable, net	226,395	208,631
Inventories, net	152,419	147,626
Prepaid expenses and other current assets	16,525	20,182
Total current assets	<u>534,833</u>	<u>657,284</u>
Property, plant and mine development, net	1,161,250	1,178,834
Lease right-of-use assets	39,818	42,374
Goodwill	185,649	185,649
Intangible assets, net	138,452	140,809
Other assets	9,921	9,630
Total assets	<u>\$ 2,069,923</u>	<u>\$ 2,214,580</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 178,738	\$ 216,239
Current portion of operating lease liabilities	19,101	19,773
Current portion of long-term debt	13,590	19,535
Current portion of deferred revenue	10,793	16,275
Income tax payable	4,436	128
Total current liabilities	<u>226,658</u>	<u>271,950</u>
Long-term debt, net	897,013	1,037,458
Deferred revenue	14,390	14,477
Liability for pension and other post-retirement benefits	30,476	30,911
Deferred income taxes, net	73,304	64,636
Operating lease liabilities	60,135	64,478
Other long-term liabilities	26,390	25,976
Total liabilities	<u>1,328,366</u>	<u>1,509,886</u>
Commitments and Contingencies (Note N)		
Stockholders' Equity:		
Preferred stock, \$ 0.01 par value, 10,000,000 shares authorized; zero issued and outstanding at March 31, 2023 and December 31, 2022	—	—
Common stock, \$ 0.01 par value, 500,000,000 shares authorized; 87,793,520 issued and 77,063,671 outstanding at March 31, 2023; 85,631,109 issued and 75,738,512 outstanding at December 31, 2022	876	854
Additional paid-in capital	1,238,098	1,234,834
Retained deficit	(306,436)	(351,084)
Treasury stock, at cost, 10,729,849 and 9,892,597 shares at March 31, 2023 and December 31, 2022, respectively	(196,116)	(186,196)
Accumulated other comprehensive loss	(2,448)	(1,723)
Total U.S. Silica Holdings, Inc. stockholders' equity	733,974	696,685
Non-controlling interest	7,583	8,009
Total stockholders' equity	<u>741,557</u>	<u>704,694</u>
Total liabilities and stockholders' equity	<u>\$ 2,069,923</u>	<u>\$ 2,214,580</u>

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,	
	2023	2022
Sales:		
Product	\$ 344,014	\$ 233,234
Service	98,226	71,653
Total sales	<u>442,240</u>	<u>304,887</u>
Cost of sales (excluding depreciation, depletion and amortization):		
Product	225,894	173,608
Service	67,239	53,261
Total cost of sales (excluding depreciation, depletion and amortization)	<u>293,133</u>	<u>226,869</u>
Operating expenses:		
Selling, general and administrative	29,163	40,110
Depreciation, depletion and amortization	35,386	37,749
Total operating expenses	<u>64,549</u>	<u>77,859</u>
Operating income	<u>84,558</u>	<u>159</u>
Other (expense) income:		
Interest expense	(24,061)	(17,173)
Other (expense) income, net, including interest income	(2,352)	1,531
Total other expense	<u>(26,413)</u>	<u>(15,642)</u>
Income (loss) before income taxes	<u>58,145</u>	<u>(15,483)</u>
Income tax (expense) benefit	<u>(13,573)</u>	<u>6,969</u>
Net income (loss)	<u>\$ 44,572</u>	<u>\$ (8,514)</u>
Less: Net loss attributable to non-controlling interest	<u>(76)</u>	<u>(121)</u>
Net income (loss) attributable to U.S. Silica Holdings, Inc.	<u>\$ 44,648</u>	<u>\$ (8,393)</u>
Earnings (loss) per share attributable to U.S. Silica Holdings, Inc.:		
Basic	\$ 0.58	\$ (0.11)
Diluted	\$ 0.57	\$ (0.11)
Weighted average shares outstanding:		
Basic	76,517	75,240
Diluted	78,292	75,240
Dividends declared per share	\$ —	\$ —

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

U.S. SILICA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited; dollars in thousands)

	Three Months Ended March 31,	
	2023	2022
Net income (loss)	\$ 44,572	\$ (8,514)
Other comprehensive income:		
Unrealized loss on derivatives (net of tax of \$(309) and \$ 0 for the three months ended March 31, 2023 and 2022, respectively)	(969)	—
Foreign currency translation adjustment (net of tax of \$ 71 and \$(98) for the three months ended March 31, 2023 and 2022, respectively)	222	(309)
Pension and other post-retirement benefits liability adjustment (net of tax of \$ 7 and \$ 1,084 for the three months ended March 31, 2023 and 2022, respectively)	22	3,462
Comprehensive income (loss)	\$ 43,847	\$ (5,361)
Less: Comprehensive loss attributable to non-controlling interest	(76)	(121)
Comprehensive income (loss) attributable to U.S. Silica Holdings, Inc.	<u>\$ 43,923</u>	<u>\$ (5,240)</u>

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

U.S. SILICA HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Uunaudited; dollars in thousands, except per share amounts)

	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other (Loss) Income	Total U.S. Silica Holdings Inc., Stockholders' Equity	Non-controlling Interest	Total Stockholders' Equity
Balance at December 31, 2022	\$ 854	\$ (186,196)	\$ 1,234,834	\$ (351,084)	\$ (1,723)	\$ 696,685	\$ 8,009	\$ 704,694
Net income (loss)	—	—	—	44,648	—	44,648	(76)	44,572
Unrealized loss on derivatives	—	—	—	—	(969)	(969)	—	(969)
Foreign currency translation adjustment	—	—	—	—	222	222	—	222
Pension and post-retirement liability	—	—	—	—	22	22	—	22
Distributions to non-controlling interest	—	—	—	—	—	—	(350)	(350)
Common stock-based compensation plans activity:								
Equity-based compensation	—	—	3,286	—	—	3,286	—	3,286
Tax payments related to shares withheld for vested restricted stock and stock units	22	(9,920)	(22)	—	—	(9,920)	—	(9,920)
Balance at March 31, 2023	\$ 876	\$ (196,116)	\$ 1,238,098	\$ (306,436)	\$ (2,448)	\$ 733,974	\$ 7,583	\$ 741,557
Balance at December 31, 2021	\$ 845	\$ (186,294)	\$ 1,218,575	\$ (429,260)	\$ 349	\$ 604,215	\$ 9,868	\$ 614,083
Net loss	—	—	—	(8,393)	—	(8,393)	(121)	(8,514)
Foreign currency translation adjustment	—	—	—	—	(309)	(309)	—	(309)
Pension and post-retirement liability	—	—	—	—	3,462	3,462	—	3,462
Cash dividends	—	—	—	12	—	12	—	12
Distributions to non-controlling interest	—	—	—	—	—	—	(353)	(353)
Common stock-based compensation plans activity:								
Equity-based compensation	—	—	4,382	—	—	4,382	—	4,382
Proceeds from options exercised	—	254	(171)	—	—	83	—	83
Tax payments related to shares withheld for vested restricted stock and stock units	6	(2,052)	(6)	—	—	(2,052)	—	(2,052)
Balance at March 31, 2022	\$ 851	\$ (188,092)	\$ 1,222,780	\$ (437,641)	\$ 3,502	\$ 601,400	\$ 9,394	\$ 610,794

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

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

	Three Months Ended		
	March 31,	2023	2022
Operating activities:			
Net income (loss)	\$ 44,572	\$ (8,514)	
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation, depletion and amortization	35,386	37,749	
Debt issuance amortization	1,131	1,253	
Original issue discount amortization	220	255	
Deferred income taxes	8,899	(15,312)	
Deferred revenue	(5,569)	(873)	
Loss (gain) on disposal of property, plant and equipment	264	(375)	
Equity-based compensation	3,286	4,382	
Allowance for credit losses, net of recoveries	(186)	286	
Other	8,024	8,329	
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(17,578)	4,088	
Inventories	(4,763)	(7,882)	
Prepaid expenses and other current assets	3,657	3,493	
Income taxes	4,308	7,666	
Accounts payable and accrued expenses	(32,709)	(5,197)	
Operating lease liabilities	(6,503)	(7,518)	
Liability for pension and other post-retirement benefits	(433)	(4,740)	
Other noncurrent assets and liabilities	(1,104)	(2,011)	
Net cash provided by operating activities	<u>40,902</u>	<u>15,079</u>	
Investing activities:			
Capital expenditures	(18,929)	(7,030)	
Capitalized intellectual property costs	(107)	(67)	
Proceeds from sale of property, plant and equipment	105	714	
Net cash used in investing activities	<u>(18,931)</u>	<u>(6,383)</u>	
Financing activities:			
Dividends paid	(1)	(151)	
Proceeds from options exercised	—	83	
Tax payments related to shares withheld for vested restricted stock and stock units	(9,920)	(2,052)	
Payments on short-term debt	(2,814)	(2,212)	
Payments on long-term debt	(109,062)	(3,338)	
Financing fees paid	(40,949)	—	
Distributions to non-controlling interest	(350)	(353)	
Principal payments on finance lease obligations	(226)	(330)	
Net cash used in financing activities	<u>(163,322)</u>	<u>(8,353)</u>	
Net (decrease) increase in cash and cash equivalents	(141,351)	343	
Cash and cash equivalents, beginning of period	<u>280,845</u>	<u>239,425</u>	
Cash and cash equivalents, end of period	<u>\$ 139,494</u>	<u>\$ 239,768</u>	

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

	Three Months Ended March 31,	
	2023	2022
Supplemental cash flow information:		
Cash paid (received) during the period for:		
Interest	\$ 21,401	\$ 15,702
Taxes, net of refunds	\$ 354	\$ (20,403)
Non-cash items:		
Accrued capital expenditures	\$ 4,793	\$ 121

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

U.S. SILICA HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited; dollars in thousands, except per share amounts)

NOTE A—ORGANIZATION AND BASIS OF PRESENTATION

Organization

U.S. Silica Holdings, Inc. ("Holdings," and together with its subsidiaries "we," "us" or the "Company") is a global performance materials company and a leading producer of commercial silica used in the oil and gas industry and in a wide range of industrial applications. In addition, through our subsidiary EP Minerals, LLC ("EPM"), we are an industry leader in the production of industrial minerals, including diatomaceous earth, clay (calcium bentonite and calcium montmorillonite) and perlite. During our 123 -year history, we have developed core competencies in mining, processing, logistics and materials science that enable us to produce and cost-effectively deliver products to customers across our end markets. Our operations are organized into two reportable segments based on end markets served: (1) Oil & Gas Proppants and (2) Industrial & Specialty Products. See Note T - Segment Reporting for more information on our reportable segments.

Basis of Presentation and Consolidation

The accompanying unaudited Condensed Consolidated Financial Statements for the quarter ended March 31, 2023 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, 2022; therefore, the unaudited Condensed Consolidated Financial Statements should be read in conjunction with that Annual Report on Form 10-K. Operating results for the three-month period ended March 31, 2023 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2023. In the opinion of management, all adjustments necessary for a fair presentation have been included. Such adjustments are of a normal, recurring nature.

The unaudited Condensed Consolidated Financial Statements include the accounts of Holdings and its direct and indirect wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Throughout this report we refer to (i) our unaudited Condensed Consolidated Balance Sheets as our "Balance Sheets," (ii) our unaudited Condensed Consolidated Statements of Operations as our "Income Statements," and (iii) our unaudited Condensed Consolidated Statements of Cash Flows as our "Cash Flows."

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with GAAP requires management 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The areas requiring the use of management estimates and assumptions relate to the 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 credit losses; estimates of fair value for certain reporting units and asset impairments (including impairments of goodwill, intangible assets 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. 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.

New Accounting Pronouncements Recently Adopted

None.

New Accounting Pronouncements Not Yet Adopted

In March 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting followed by ASU 2021-01, Reference Rate Reform (Topic 848): Scope, issued in January 2021 to provide clarifying guidance regarding the scope of Topic 848. ASU 2020-04 was issued to provide optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. Generally, the guidance is to be applied as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, up to the date that the financial statements are available to be issued. ASU 2020-04 and ASU 2021-01 are effective for all entities through December 31, 2022. In April 2022, the FASB proposed to extend the effective date through December 31, 2024 and affirmed this decision in December 2022. Upon execution of the Fourth Amendment to our Credit Agreement, we have transitioned from LIBOR. See Note I - Debt for discussion of the Fourth Amendment to the Credit Agreement. See Note I - Debt for discussion of the Fourth Amendment to the Credit Agreement.

NOTE C—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.

Diluted net earnings per share assumes the conversion of contingently convertible securities and stock options under the treasury stock method, if dilutive. Contingently convertible securities and stock options are excluded from the calculation of fully diluted earnings per share if they are anti-dilutive, including when we incur a loss from continuing operations.

The following table shows the computation of basic and diluted earnings per share:

<i>In thousands, except per share amounts</i>	Three Months Ended March 31,	
	2023	2022
Numerator:		
Net income (loss) attributable to U.S. Silica Holdings, Inc.	\$ 44,648	\$ 8,393)
Denominator:		
Weighted average shares outstanding	76,517	75,240
Diluted effect of stock awards	1,775	—
Weighted average shares outstanding assuming dilution	78,292	75,240
Earnings (loss) per share attributable to U.S. Silica Holdings, Inc.:		
Basic earnings (loss) per share	\$ 0.58	\$)
Diluted earnings (loss) per share	\$ 0.57	\$)

Potentially dilutive shares are excluded from the calculation of diluted weighted average shares outstanding and diluted earnings per share if we are in a net loss position. 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. Such potentially dilutive shares and stock awards excluded from the calculation of diluted earnings per common share were as follows:

In thousands	Three Months Ended March 31,	
	2023	2022
Potentially dilutive shares excluded	—	1,808
Stock options excluded	445	541
Restricted stock and performance share unit awards excluded	50	12

NOTE D—ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income (loss) consists of fair value adjustments associated with accumulated adjustments for net experience losses and prior service costs related to employee benefit plans and foreign currency translation adjustments, net of tax. The following table presents the changes in accumulated other comprehensive income (loss) by component (in thousands):

	For the Three Months Ended March 31, 2023				Total
	Unrealized loss on natural gas swaps	Foreign currency translation adjustments	Pension and other post-retirement benefits liability		
			\$	(1,262)	\$
Beginning Balance	\$ (2,342)	\$ (1,262)	\$	1,881	\$ (1,723)
Other comprehensive (loss) income before reclassifications	(969)	222		511	(236)
Amounts reclassified from accumulated other comprehensive income	—	—		(489)	(489)
Ending Balance	\$ (3,311)	\$ (1,040)	\$	1,903	\$ (2,448)

Any amounts reclassified from accumulated other comprehensive income (loss) related to pension and other post-retirement benefits are included in the computation of net periodic benefit costs at their pre-tax amounts.

NOTE E—ACCOUNTS RECEIVABLE

Accounts receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of our accounts receivable, net of the allowance for credit losses, represents their estimated net realizable value. Accounts receivable (in thousands) consisted of the following:

	March 31, 2023		December 31, 2022	
	\$		\$	
Trade receivables	\$ 227,488		\$ 209,683	
Less: Allowance for credit losses	(5,445)		(5,691)	
Net trade receivables	222,043		203,992	
Other receivables	4,352		4,639	
Total accounts receivable	\$ 226,395		\$ 208,631	

We classify our trade receivables into the following portfolio segments: Oil & Gas Proppants and Industrial & Specialty Products, which also aligns with our reporting segments. We estimate the allowance for credit losses based on historical collection trends, the age of outstanding receivables, risks attributable to specific customers, such as credit history, bankruptcy or other going concern issues, and current economic and industry conditions. If events or circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due balances are written off when we have exhausted our internal and external collection efforts and have been unsuccessful in collecting the amount due.

The following table reflects the change of the allowance for credit losses (in thousands):

	Oil & Gas Proppants	Industrial & Specialty Products	Total
Beginning balance, December 31, 2022	\$ 4,028	\$ 1,663	\$ 5,691
Allowance for credit losses	—	(186)	(186)
Write-offs	—	(60)	(60)
			5,445
Ending balance, March 31, 2023	<u>\$ 4,028</u>	<u>\$ 1,417</u>	<u>\$</u>

Our ten largest customers accounted for 45 % and 40 % of total sales for the three months ended March 31, 2023 and 2022, respectively. No customers accounted for 10% or more of our total sales for the three months ended March 31, 2023 or 2022. At March 31, 2023 and December 31, 2022, none of our customers' accounts receivable represented 10% or more of our total trade accounts receivable.

NOTE F—INVENTORIES

Inventories (in thousands) consisted of the following:

	March 31, 2023	December 31, 2022
Supplies	\$ 59,743	\$ 54,805
Raw materials and work in process	49,563	47,042
Finished goods	43,113	45,779
Total inventories	<u>\$ 152,419</u>	<u>\$ 147,626</u>

NOTE G—PROPERTY, PLANT AND MINE DEVELOPMENT

Property, plant and mine development (in thousands) consisted of the following:

	March 31, 2023	December 31, 2022
Mining property and mine development	\$ 790,532	\$ 789,601
Asset retirement cost	8,869	8,869
Land	53,128	53,128
Land improvements	83,060	76,456
Buildings	76,321	73,151
Machinery and equipment	1,232,641	1,217,933
Furniture and fixtures	3,922	3,922
Construction-in-progress	43,389	55,696
	2,291,862	2,278,756
Accumulated depreciation, depletion, amortization and impairment charges	(1,130,612)	(1,099,922)
Total property, plant and mine development, net	<u>\$ 1,161,250</u>	<u>\$ 1,178,834</u>

Depreciation, depletion, and amortization expense related to property, plant and mine development was \$ 32.3 million and \$ 34.8 million for the three months ended March 31, 2023 and 2022, respectively.

NOTE H—GOODWILL AND INTANGIBLE ASSETS

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

	Oil & Gas Proppants Segment	Industrial & Specialty Products Segment	Total
Balance at December 31, 2022	\$ —	\$ 185,649	\$ 185,649
Impairment loss	—	—	—
Balance at March 31, 2023	<u>\$ —</u>	<u>\$ 185,649</u>	<u>\$ 185,649</u>

Goodwill and trade names are evaluated for impairment annually as of October 31, or more frequently when indicators of impairment exist. We evaluated events and circumstances since the date of our last qualitative assessment, including macroeconomic conditions, industry and market conditions, and our overall financial performance. There were no triggering events during the first three months of 2023, therefore, no impairment charges were recorded related to goodwill or trade names for the three months ended March 31, 2023.

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

	March 31, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Technology and intellectual property	\$ 71,718	\$ (31,214)	\$ 40,504	\$ 71,651	\$ (29,990)	\$ 41,661
Customer relationships	66,999	(33,991)	33,008	66,999	(32,791)	34,208
Total definite-lived intangible assets:	<u>\$ 138,717</u>	<u>\$ (65,205)</u>	<u>\$ 73,512</u>	<u>\$ 138,650</u>	<u>\$ (62,781)</u>	<u>\$ 75,869</u>
Trade names	64,240	—	64,240	64,240	—	64,240
Other	700	—	700	700	—	700
Total intangible assets:	\$ 203,657	\$ (65,205)	\$ 138,452	\$ 203,590	\$ (62,781)	\$ 140,809

Estimated useful life of technology and intellectual property is 15 years. Estimated useful life of customer relationships is a range of 13 - 20 years.

Amortization expense was \$ 2.4 million for both the three months ended March 31, 2023 and 2022.

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

2023 (remaining nine months)	\$ 7,277
2024	\$ 9,702
2025	\$ 9,701
2026	\$ 9,701
2027	\$ 9,701

NOTE I—DEBT

Debt (in thousands) consisted of the following:

	March 31, 2023	December 31, 2022
Senior secured credit facility:		
Revolver expiring March 23, 2028 (9.63 % at March 31, 2023 and 8.44 % at December 31, 2022)	\$ —	\$ —
Term Loan—final maturity March 23, 2030 (9.63 % at March 31, 2023 and 8.44 % at December 31, 2022)	950,000	1,059,062
Less: Unamortized original issue discount	(29,510)	(2,035)
Less: Unamortized debt issuance cost	(15,729)	(8,922)
Insurance financing notes payable	2,814	5,628
Finance leases (See Note P - Leases)	3,028	3,260
Total debt	910,603	1,056,993
Less: current portion	(13,590)	(19,535)
Total long-term portion of debt	\$ 897,013	\$ 1,037,458

Senior Secured Credit Facility

On March 23, 2023, we entered into a Fourth Amended and Restated Credit Agreement (the "Credit Agreement"), by entering into a new \$ 1.1 billion senior secured credit facility, consisting of a \$ 950 million Term Loan (the "Term Loan") and a \$ 150 million revolving credit facility (the "Revolver") (collectively the "Credit Facility") that may also be used for swingline loans or letters of credit, and we may elect to increase the term loan or the revolving credit facility in accordance with the terms of the Credit Agreement. Borrowings under the Credit Agreement will bear interest at variable rates as determined at our election, based on the Term Secured Overnight Financing Rate ("SOFR") or a base rate, in each case, plus an applicable margin. In addition, under the Credit Agreement, we are required to pay a per annum commitment fee to revolving lenders and fees for letters of credit. The Credit Agreement is secured by substantially all of our assets and our domestic subsidiaries' assets and a pledge of the equity interests in such entities. The Term Loan matures on March 23, 2030, and the Revolver expires March 23, 2028. We capitalized \$ 45.2 million in debt issuance costs and original issue discount as a result of the Credit Agreement. Additionally, as a result of the exit of certain lending parties, a portion of debt issuance and original discount costs were written off which resulted in additional expense of approximately \$ 4.3 million. This was recorded as a loss on the extinguishment of debt, which was recorded in Other (expense) income, net, including interest income in the Condensed Consolidated Statements of Operations.

The Credit Facility contains covenants that, among other things, limit our ability, and certain of our subsidiaries' abilities, to create, incur or assume indebtedness and liens, to make acquisitions or investments, to sell assets and to pay dividends. The Credit Agreement also requires us to maintain a consolidated leverage ratio of no more than 4.00 :1.00 as of the last day of any fiscal quarter whenever usage of the Revolver (other than certain undrawn letters of credit) exceeds 2.85 :1.00, or 35 %, of the Revolver commitment. These covenants are subject to a number of important exceptions and qualifications. The Credit Agreement includes events of default and other affirmative and negative covenants that are usual for facilities and transactions of this type. As of March 31, 2023 and December 31, 2022, we were in compliance with all covenants in accordance with our senior secured Credit Facility.

Term Loan

At March 31, 2023, contractual maturities of our Term Loan (in thousands) are as follows:

2023 (remaining nine months)	\$	7,125
2024		9,500
2025		9,500
2026		9,500
2027		9,500
Thereafter		904,875
Total	\$	950,000

Prior to the execution of the Fourth Amendment to the Credit Agreement, we repurchased outstanding debt under the Term Loan in the amount of \$ 109 million. A proportionate share of debt issuance and original discount costs were written off in conjunction with this repurchase which resulted in additional expense of approximately \$ 1.0 million. As a result, we recorded a loss on extinguishment of debt in the amount of \$ 1.0 million. The loss on extinguishment was recorded in Other (expense) income, net, including interest income in the Condensed Consolidated Statements of Operations.

Revolving Line-of-Credit

We have a \$ 150.0 million Revolver with zero drawn and \$ 21.3 million allocated for letters of credit as of March 31, 2023, leaving \$ 128.7 million available under the Revolver.

Based on our consolidated leverage ratio of 2.14 :1.00 as of March 31, 2023, we may draw up to approximately \$ 52.6 million without the consent of our lenders. With the consent of our lenders, we have access to the full availability of the Revolver.

Insurance Financing Notes Payable

During the third quarter of 2022, we renewed our insurance policies and financed the payments through notes payable with a stated interest rate of 6.0 %. These payments will be made in installments throughout a nine-month period and, as such, have been classified as current debt. As of March 31, 2023, the notes payable had a balance of \$ 2.8 million.

NOTE J—ASSET RETIREMENT OBLIGATIONS

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 such site at the expected abandonment date. 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. Liabilities related to our asset retirement obligations are reflected in other long-term liabilities on our balance sheets. Changes in the asset retirement obligations (in thousands) are as follows:

	Three Months Ended March 31,	
	2023	2022
Beginning balance	\$ 20,732	\$ 32,049
Accretion	512	374
Additions and revisions of estimates	—	(3,126)
Payments	(14)	—
Ending balance	<u>\$ 21,230</u>	<u>\$ 29,297</u>

NOTE K—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 approximated their reported carrying values, therefore we have classified our cash equivalents as Level 1 of the fair value hierarchy.

Long-Term Debt, Including Current Maturities

The fair values of our long-term debt, including current maturities, approximated their carrying values based on their effective interest rates compared to current market rates, therefore we have classified our long-term debt as Level 1 of the fair value hierarchy.

Derivative Instruments

The estimated fair value of our derivative instruments is recorded at each reporting period and is determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets. Therefore, we have classified these swap agreements as Level 2 of the fair value hierarchy.

NOTE L—DERIVATIVE INSTRUMENTS

Cash Flow Hedges of Natural Gas Price Risk

Natural gas is the primary fuel source used for drying in the commercial silica production process. In the past, the price of natural gas has been volatile, and we believe this volatility may continue. In order to manage our exposure to natural gas price increases, we entered into natural gas swaps. The derivative instruments are recorded on the balance sheet within other current or long-term assets or liabilities based on maturity dates at their fair values. As of March 31, 2023, the fair value of our natural gas swaps was a liability of \$ 4.3 million, of which \$ 3.5 million was classified within accounts payable and accrued liabilities on our balance sheet and \$ 0.8 million was classified within other long-term obligations on our balance sheet. At December 31, 2022, the fair value of our natural gas swaps was a liability of \$ 3.1 million, of which \$ 2.3 million was classified within accounts payable and accrued liabilities on our balance sheet and \$ 0.8 million was classified within other long-term obligations on our balance sheet.

We designated the natural gas swap agreements as qualified cash flow hedges. Accordingly, the effective portion of the gain or loss on the derivative instrument was 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.

The following table summarizes the fair values of our derivative instruments (in thousands, except contract/notional amount). See Note K - Fair Value Accounting for more information regarding the estimated fair values of our derivative instruments.

	March 31, 2023				December 31, 2022			
	Maturity Date	Contract/Notional Amount (MMBtu)	Carrying Amount	Fair Value	Maturity Date	Contract/Notional Amount (MMBtu)	Carrying Amount	Fair Value
Natural Gas - W.								
Texas								
(WAHA) - Inside FERC	2023	1,200,000	\$ 2,113)	\$ 2,113)	2023	1,200,000	\$ 1,887)	\$ 1,887)
Natural Gas - W.								
Texas								
(WAHA) - Inside FERC	2024	870,000	\$ 932)	\$ 932)	2024	870,000	\$ 656)	\$ 656)
Natural Gas - W.								
Texas								
(WAHA) - Inside FERC	2024	750,000	\$ 481)	\$ 481)	N/A	N/A	\$ —	\$ —
Natural Gas - Henry								
Hub - NYMEX	2023	300,000	\$ 618)	\$ 618)	2023	300,000	\$ 425)	\$ 425)
Natural Gas - Henry								
Hub - NYMEX	2024	120,000	\$ 167)	\$ 167)	2024	120,000	\$ 85)	\$ 85)
Natural Gas - Henry								
Hub - NYMEX	2025	90,000	\$ 54)	\$ 54)	2025	90,000	\$ 35)	\$ 35)

During the three months ended March 31, 2023, we had no ineffectiveness for the natural gas swap derivatives.

The following table summarizes the effect of derivative instruments (in thousands) on our income statements and our consolidated statements of comprehensive income:

	Three Months Ended March 31,	
	2023	2022
Deferred losses from derivatives in OCI, beginning of period	\$ (2,342)	\$ —
Loss recognized in OCI from derivative instruments	(969)	—
Deferred losses from derivatives in OCI, end of period	\$ (3,311)	\$ —

NOTE M—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

effective May 2015, amended and restated effective February 1, 2020, amended and restated effective May 13, 2021 and amended and restated effective May 12, 2022. 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. 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, 2023:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years
Outstanding at December 31, 2022	508,523	\$ 36.22	2.0 years
Granted	—	\$ —	
Exercised	—	\$ —	
Forfeited	(48,857)	\$ 37.65	
Expired	(15,000)	\$ 23.06	
Outstanding at March 31, 2023	<u>444,666</u>	\$ 36.51	1.8 years
Exercisable at March 31, 2023	<u>444,666</u>	\$ 36.51	1.8 years

There were no grants of stock options during the three months ended March 31, 2023 and 2022.

The following table summarizes stock option exercise activity:

	Three months ended March 31,	
	2023	2022
Options exercised (in actual shares)	—	7,500
Intrinsic value of options exercised (in thousands)	\$ —	\$ 25
Cash received from options exercised (in thousands)	\$ —	\$ 83
Tax benefit realized from options exercised (in thousands)	\$ —	\$ 6

As of March 31, 2023 and 2022, there was no unrecognized compensation expense related to these options. 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, 2023:

	Number of Shares	Grant Date Weighted Average Fair Value
Unvested, December 31, 2022	1,438,386	\$ 9.37
Granted	493,934	\$ 11.97
Vested	(613,378)	\$ 8.25
Forfeited	(74,446)	\$ 7.13
Unvested, March 31, 2023	<u>1,244,496</u>	\$ 11.09

We granted 493,934 and 588,492 restricted stock and restricted stock unit awards during the three months ended March 31, 2023 and 2022, respectively. The fair value of the awards was based on the market price of our stock at date of grant.

We recognized \$ 1.6 million of equity-based compensation expense related to restricted stock and restricted stock units during both the three months ended March 31, 2023 and 2022. As of March 31, 2023, there was \$ 11.9 million of unrecognized compensation expense related to these restricted stock and restricted stock units, which is expected to be recognized over a weighted-average period of 2.2 years.

We also granted cash awards during the three months ended March 31, 2020. These awards vested over a period of three years and were settled in cash. As such, these awards were classified as liability instruments. We recognized \$ 0.3 million of

expense related to these awards for both the three months ended March 31, 2023 and 2022. The liability for these awards was included in accounts payable and other accrued expenses on our balance sheets. These awards were remeasured at fair value each reporting period with resulting changes reflected in our income statements. As of March 31, 2023, there was no unrecognized expense related to these awards.

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, 2023:

	Number of Shares	Grant Date Weighted Average Fair Value
Unvested, December 31, 2022	2,292,751	\$ 9.51
Granted	1,289,980	\$ 9.53
Vested	(1,549,033)	\$ 6.60
Forfeited/Cancelled	(60,210)	\$ 11.21
Unvested, March 31, 2023	<u>1,973,488</u>	<u>\$ 11.75</u>

We granted 1,289,980 and 920,681 performance share unit awards during the three months ended March 31, 2023 and 2022, respectively. A portion of these awards was measured against total shareholder return ("TSR"), and a portion was measured against adjusted free cash flow ("ACF") targets. The grant date weighted average fair value of these awards was estimated to be \$ 9.53 and \$ 11.79 for the three months ended March 31, 2023 and 2022, respectively.

The number of TSR measured units that will vest will depend on the percentage ranking of our TSR compared to the TSR for each of the companies in the peer group over the three year period from January 1, 2023 through December 31, 2025 for the 2023 grant, January 1, 2022 through December 31, 2024 for the 2022 grant, and January 1, 2021 through December 31, 2023 for the 2021 grant. The number of ACF measured units that will vest will be based on ACF achievement versus target. The ACF targets are set annually and are approved by the Board of Directors. The related compensation expense is recognized on a straight-line basis over the vesting period.

The grant date fair value for the TSR awards was estimated using a Monte Carlo simulation model. The Monte Carlo simulation model requires the use of highly subjective assumptions. Our key assumptions in the model included the price and the expected volatility of our common stock and our self-determined peer group companies' stock, risk-free rate of interest, dividend yields and cross-correlations between our common stock and our self-determined peer group companies' stock.

We recognized \$ 1.7 million and \$ 2.8 million of compensation expense related to performance share unit awards during the three months ended March 31, 2023 and 2022, respectively. As of March 31, 2023, there was \$ 14.3 million of unrecognized compensation expense related to these performance share unit awards, which is expected to be recognized over a weighted-average period of 2.2 years.

We also granted cash awards during the three months ended March 31, 2020. These awards vested over a period of three years and were settled in cash. As such, these awards were classified as liability instruments. We recognized \$ 0.1 million and \$ 0.2 million of expense related to these awards for the three months ended March 31, 2023 and 2022, respectively. The liability for these awards was included in accounts payable and other accrued expenses on our balance sheets. These awards were remeasured at fair value each reporting period with resulting changes reflected in our income statements. As of March 31, 2023, there was no unrecognized expense related to these awards.

NOTE N—COMMITMENTS AND CONTINGENCIES

Future Minimum Annual Commitments at March 31, 2023 (in thousands):

	Minimum Purchase Commitments
2023 (remaining nine months)	\$ 7,450
2024	4,784
2025	3,375
2026	2,293
2027	1,867
Thereafter	7,484
Total future purchase commitments	\$ 27,253

Minimum Purchase Commitments

We enter into service agreements with our transload 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 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, 2023, no new claims were brought against U.S. Silica. As of March 31, 2023, there were 42 active silica-related product 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 liabilities as well as estimated recoveries under the indemnity agreement and an estimate of future recoveries under insurance in other assets on our consolidated balance sheets. For both March 31, 2023 and December 31, 2022, other non-current assets included zero for insurance for third-party product liability claims. As of March 31, 2023 and December 31, 2022 other long-term liabilities included \$ 0.7 million and \$ 0.8 million, respectively, for third-party product liability claims.

Obligations under Guarantees

We have indemnified our insurers against any loss they may incur in the event that holders of surety bonds, issued on our behalf, execute the bonds. As of March 31, 2023, there was \$ 42.6 million in bonds outstanding, of which \$ 38.6 million related 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 licenses, permits, and tax collection.

NOTE O—PENSION AND POST-RETIREMENT BENEFITS

We maintain a single-employer noncontributory defined benefit pension plan covering certain employees. The plan is 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 obligations. 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.

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. In general, retiree health benefits are paid as covered expenses are incurred. Expenses incurred other than service costs are reported in Other (expense) income in our Condensed Consolidated Statements of Operations.

Net pension benefit cost (in thousands) consisted of the following:

	Three Months Ended March 31,	
	2023	2022
Service cost	\$ 573	\$ 689
Interest cost	1,248	689
Expected return on plan assets	(1,519)	(1,418)
Net amortization and deferral	(2)	499
Net pension benefit costs	\$ 300	\$ 459

Net post-retirement benefit cost (in thousands) consisted of the following:

	Three Months Ended March 31,	
	2023	2022
Service cost	\$ 4	\$ 6
Interest cost	80	36
Unrecognized prior service cost	(516)	(516)
Unrecognized net (gain)/loss	(131)	(34)
Net post-retirement benefit income	(563)	(508)

We made no contributions to the qualified pension plan for the three months ended March 31, 2023 and 2022. Our best estimates of expected contributions to the pension and post-retirement medical benefit plans for the 2023 fiscal year are zero and \$ 1.0 million, respectively.

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 for the three months ended March 31, 2023 and 2022. Additionally, our contributions to multiemployer post-retirement benefit plans were immaterial for all periods presented in the accompanying condensed consolidated financial statements.

We also sponsor a defined contribution plan covering certain employees. We contribute to the plan in two ways. For certain employees not covered by the defined benefit plan, we make a contribution equal to 4 % of their salary. For all other eligible employees, we make a contribution up to 6 % of eligible earnings. Contributions were \$ 2.1 million and \$ 1.8 million for the three months ended March 31, 2023 and 2022, respectively.

NOTE P—LEASES

We lease railroad cars, office space, mining property, mining/processing equipment and transportation and other equipment. The majority of our leases have remaining lease terms of approximately one year to 20 years. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. We have lease agreements with lease and non-lease components, the latter of which are generally accounted for separately.

Supplemental balance sheet information related to leases was as follows (in thousands, except lease term and discount rate):

Leases	Classification	March 31, 2023	December 31, 2022
Assets			
Operating	Lease right-of-use assets	\$ 36,733	\$ 39,088
Finance	Lease right-of-use assets	3,085	3,286
Total leased assets		\$ 39,818	\$ 42,374
Liabilities			
Current			
Operating	Current portion of operating lease liabilities	\$ 19,101	\$ 19,773
Finance	Current portion of long-term debt	1,276	1,107
Non-current			
Operating	Operating lease liabilities	60,135	64,478
Finance	Long-term debt, net	1,752	2,153
Total lease liabilities		\$ 82,264	\$ 87,511
Lease Term and Discount Rate			
Weighted average remaining lease term:			
Operating		6.2 years	6.4 years
Finance		4.5 years	4.4 years
Weighted average discount rate:			
Operating		5.8 %	5.7 %
Finance		5.3 %	5.1 %

The components of lease expense (in thousands) were as follows:

Lease Costs	Classification	Three Months Ended	Three Months Ended
		March 31, 2023	March 31, 2022
Operating lease costs ⁽¹⁾	Cost of sales	\$ 10,443	\$ 7,628
Operating lease costs ⁽²⁾	Selling, general and administrative	595	354
Total⁽³⁾		\$ 11,038	\$ 7,982

⁽¹⁾ Included short-term operating lease costs of \$ 6.8 million and \$ 4.7 million for the three months ended March 31, 2023 and 2022, respectively.

⁽²⁾ Included short-term operating lease costs of \$ 0.3 million and \$ 0.1 million for the three months ended March 31, 2023 and 2022, respectively.

⁽³⁾ Not included were expenses for finance leases of \$ 0.2 million and \$ 0.4 million for the three months ended March 31, 2023 and 2022, respectively.

Supplemental cash flow information (in thousands) related to leases was as follows:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 6,503	\$ 7,518
Financing cash flows for finance leases	\$ 268	\$ 330
Right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	\$ 472	\$ 1,188
Finance leases	\$ —	\$ 2,102
Maturities of lease liabilities (in thousands) as of March 31, 2023:		
	Operating leases	Finance leases
2023 (remaining nine months)	\$ 17,860	\$ 978
2024	20,350	1,123
2025	14,878	842
2026	11,919	271
2027	8,389	33
Thereafter	23,702	—
Total lease payments	\$ 97,098	\$ 3,247
Less: Interest	15,657	219
Less: Other operating expenses	2,205	—
Total	\$ 79,236	\$ 3,028

NOTE Q—INCOME TAXES

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.

For the three months ended March 31, 2023, we had tax expense of \$ 13.6 million. For the three months ended March 31, 2022, we had a tax benefit of \$ 7.0 million. The effective tax rates were 23 % and 45 % for the three months ended March 31, 2023 and 2022, respectively. Without discrete items, which primarily consist of tax expense related to equity compensation and non-US income taxes, the effective tax rates for the three months ended March 31, 2023 and 2022 would have been 26 % and 48 %, respectively.

During the three months ended March 31, 2023 and 2022, we recorded a tax benefit of \$ 2.3 million and tax expense of \$ 0.3 million, respectively, related to equity compensation.

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. For the quarter ended March 31, 2023, the benefit received from statutory percentage depletion allowances was offset by nondeductible executive compensation and state income taxes.

NOTE R—REVENUE

We consider sales disaggregated at the product and service level by business 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 (in thousands):

Category	Three Months Ended March 31, 2023			Three Months Ended March 31, 2022		
	Oil & Gas Proppants	Industrial & Specialty Products	Total Sales	Oil & Gas Proppants	Industrial & Specialty Products	Total Sales
Product	201,787	142,227	344,014	104,591	128,643	233,234
Service	\$ 98,226	—	\$ 98,226	\$ 71,653	—	\$ 71,653
Total Sales	\$ 300,013	142,227	\$ 442,240	\$ 176,244	128,643	\$ 304,887

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, 2023 and 2022 (in thousands):

	Unbilled Receivables	
	March 31, 2023	March 31, 2022
Beginning Balance	\$ —	\$ 1,957
Reclassifications to billed receivables	—	(1,957)
Revenues recognized in excess of period billings	—	2,500
Ending Balance	\$ —	\$ 2,500

	Deferred Revenue	
	March 31, 2023	March 31, 2022
Beginning Balance	\$ 30,752	\$ 20,741
Revenues recognized from balances held at the beginning of the period	(5,569)	(1,653)
Revenues deferred from period collections on unfulfilled performance obligations	—	450
Revenues recognized from period collections	—	(404)
Ending Balance	\$ 25,183	\$ 19,134

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.

Foreign Operations

The following table includes information related to our foreign operations (in thousands):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Total Sales	\$ 29,932	\$ 25,254
Pre-tax income	\$ 6,902	\$ 4,813
Net income	\$ 5,452	\$ 3,802

Foreign operations constituted approximately \$ 36.9 million and \$ 34.2 million of consolidated assets as of March 31, 2023 and 2022, respectively.

NOTE S—RELATED PARTY TRANSACTIONS

There were no related party transactions during the three months ended March 31, 2023 or 2022.

NOTE T—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 600 product types 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 selling, general, and administrative costs, depreciation, depletion and amortization, corporate costs, plant capacity expansion expenses, and facility closure costs. We believe that segment contribution margin, as defined above, is an appropriate measure for evaluating the operating performance of our segments. However, segment contribution margin is a non-GAAP measure and 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 GAAP. The other accounting policies of each of the two reportable segments are the same as those in Note B - Summary of Significant Accounting Policies to the Consolidated Financial Statements in Item 8 of our 2022 Annual Report on Form 10-K.

The following table presents sales and segment contribution margin (in thousands) for the reportable segments and other operating results not allocated to the reportable segments:

	Three Months Ended March 31,	
	2023	2022
Sales:		
Oil & Gas Proppants	300,013	176,244
	\$	\$
Industrial & Specialty Products	142,227	128,643
Total sales	442,240	304,887
Segment contribution margin:		
Oil & Gas Proppants	109,897	44,753
Industrial & Specialty Products	42,929	37,834
Total segment contribution margin	152,826	82,587
Operating activities excluded from segment cost of sales	(3,719)	(4,569)
Selling, general and administrative	(29,163)	(40,110)
Depreciation, depletion and amortization	(35,386)	(37,749)
Interest expense	(24,061)	(17,173)
Other (expense) income, net, including interest income	(2,352)	1,531
Income tax (expense) benefit	(13,573)	6,969
Net income (loss)	44,572	(8,514)
	\$	\$
Less: Net loss attributable to non-controlling interest	(76)	(121)
Net income (loss) attributable to U.S. Silica Holdings, Inc.	44,648	(8,393)
	\$	\$

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 both March 31, 2023 and December 31, 2022, goodwill of \$ 185.6 million has been allocated to these segments with zero allocated to Oil & Gas Proppants and \$ 185.6 million to Industrial & Specialty Products.

NOTE U—SUBSEQUENT EVENTS

We evaluated subsequent events through the date the consolidated financial statements were available for issuance and did not identify any events requiring disclosure.

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 unaudited 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, 2022 (the "2022 Annual Report").

Adjusted EBITDA and segment contribution margin as used herein are non-GAAP measures. For a detailed description of Adjusted EBITDA and segment contribution margin and reconciliations to their most comparable GAAP measures, please see the discussion below under "How We Evaluate Our Business."

Forward Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 27A of the Securities Act of 1933, as amended. 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. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "could," "can have," "likely" and other words and terms of similar meaning.

For example, all statements we make relating to our estimated and projected costs and cost reduction programs; the impact on our costs of heightened levels of inflation and rising interest rates; reserve and finished products estimates; demand for our products; the strategies of our customers; anticipated expenditures, cash flows, growth rates and financial results; our plans and objectives for future operations, growth or initiatives; strategies and their anticipated effect on our performance and liquidity; and 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 expect, including but not limited to: global economic conditions; fluctuations in demand for commercial silica, diatomaceous earth, perlite, clay and cellulose; fluctuations in demand for frac sand or the development of either effective alternative proppants or new processes to replace hydraulic fracturing; changes in production spending by companies in the oil and gas industry and changes in the level of oil and natural gas exploration and development; general economic, political and business conditions in key regions of the world including the ongoing conflict between Russia and Ukraine; ongoing effects of the COVID-19 pandemic on our customers and end users of our products; pricing pressure; weather and seasonal factors; the cyclical nature of our customers' business; our inability to meet our financial and performance targets and other forecasts or expectations; our substantial indebtedness and pension obligations, including restrictions on our operations imposed by our indebtedness; operational modifications, delays or cancellations; prices for electricity, natural gas and diesel fuel; our ability to maintain our transportation network; changes in government regulations and regulatory requirements, including those related to mining, explosives, chemicals, and oil and gas production; silica-related health issues and corresponding litigation; and other risks and uncertainties detailed in this Quarterly Report on Form 10-Q and our most recent Forms 10-K, 10-Q, and 8-K filed with or furnished to the U.S. Securities and Exchange Commission ("SEC").

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 the known factors described above, and it is impossible for us to anticipate all factors that could affect our actual results. As a result, forward-looking statements are not guarantees of future performance, and you should not place undue reliance on any forward-looking statements we make. If one or more of the risks described above or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. The forward-looking statements

included in this Quarterly Report on Form 10-Q are made only as of the date hereof. We disclaim any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise. 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, and our other public communications.

Overview

We are a global performance materials company and a leading producer of commercial silica used in the oil and gas industry and in a wide range of industrial applications. In addition, through our subsidiary EP Minerals, LLC ("EPM"), we are an industry leader in the production of industrial minerals, including diatomaceous earth, clay (calcium bentonite and calcium montmorillonite) and perlite.

During our 123-year history, we have developed core competencies in mining, processing, logistics and materials science that enable us to produce and cost-effectively deliver over 600 diversified product types to customers across our end markets. As of March 31, 2023, we had 27 operating mines and processing facilities and two additional exploration stage properties across the United States. We control 462 million tons of reserves of commercial silica, which we believe can be processed to make 180 million tons of finished products that meet API frac sand specifications, and 82 million tons of reserves of diatomaceous earth, perlite, and clays.

Our operations are organized into two reportable segments based on end markets served and the manner in which we analyze our operating and financial performance: (1) Oil & Gas Proppants and (2) Industrial & Specialty Products. We believe our segments are complementary because our ability to sell to a wide range of customers across end markets in these segments allows us to maximize recovery rates in our mining operations and optimize our asset utilization.

Recent Trends and Outlook

Oil and gas proppants end market trends

Our operations in our Oil & Gas Proppants segment are materially dependent on the levels of activity in natural gas and oil exploration, development and production, which are affected by trends in natural gas and oil prices. In recent years, natural gas and oil prices and, therefore, the level of exploration, development and production activity, have experienced significant volatility.

During 2020, the COVID-19 pandemic and related economic repercussions, coupled with an inadequate supply response and exacerbated by the lack of global storage capacity, resulted in a precipitous decline in crude oil prices. Demand for our proppant and logistics services declined as our customers reduced their capital spending budgets and drilling and completion operations in response to lower oil prices. Crude oil prices began to rebound from 2020 levels, with the West Texas Intermediate price of crude oil increasing 55% during 2021 and as much as 52% during 2022, though prices have declined slightly during 2023. This resulted in strong well completion activity and improved pricing for our Oil & Gas Proppants segment. Strong customer demand and favorable pricing in this segment have continued during 2023, offset in part by higher transportation and other costs.

The conflict between Russia and Ukraine has increased the disruption, instability and volatility in global markets and industries. As our operations are significantly U.S. based, we have not been, to date, materially impacted by this conflict. We continue to monitor the uncertainty surrounding the extent and duration of this ongoing conflict and the impact that it may have on the global economy and on our business.

Heightened levels of inflation present risk for us in terms of increased labor costs, transportation costs and energy costs that may not be able to be passed on to customers through increased pricing. In addition, rising interest rates will increase our borrowing costs on new and existing debt.

Sales increased by 10% or \$26.3 million in our Oil & Gas Proppants segment during the three months ended March 31, 2023 compared to the three months ended December 31, 2022. This was due primarily to higher energy prices and a rebound in overall well completion activity. Our results for the three month period ended March 31, 2023 in this segment are not necessarily indicative of the results that may be expected for the full year ending December 31, 2023.

Oil & Gas Proppants	Amounts in thousands, except per ton data		Three Months Ended		Percentage Change			
			March 31, 2023	December 31, 2022	March 31, 2023 vs. December 31, 2022			
	Sales	\$ 300,013	\$ 273,717	10 %	Tons Sold	3,921	3,568	10 %
Average Selling Price per Ton	\$ 76.51	\$ 76.71	— %					

If oil and gas drilling and completion activity is not sustained, or if frac sand supply remains greater than demand, then we may sell fewer tons, sell 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, and we could incur material asset impairments. If these events occur, we may evaluate further actions to reduce cost and improve liquidity.

Industrial and specialty products end market trends

Demand in the industrial and specialty products end markets has been relatively stable in recent years and is primarily influenced by key macroeconomic drivers such as the housing market, population growth, light vehicle sales, beer and wine production, repair and remodel activity and industrial production. The primary end markets served by our Industrial & Specialty Products segment are building and construction products, fillers and extenders, filtration, glassmaking, absorbents, foundry, and sports and recreation. We have been increasing our value-added product offerings in the industrial and specialty products end markets organically as well as through acquisitions, such as White Armor and EPM. Additionally, we have increased our focus on the alternative energy markets and products necessary for the supply chains of solar panels, renewable diesel and wind turbines. Sales of these new higher margin products have increased our Industrial & Specialty Products segment's profitability.

Heightened levels of inflation present risk for us in terms of increased labor costs, transportation costs and energy costs that may not be able to be passed on to customers through increased pricing. In addition, rising interest rates will increase our borrowing costs on new and existing debt. Additionally, we continue to monitor the uncertainty surrounding the extent and duration of the Russia and Ukraine conflict on our business as discussed above.

Our Business Strategy

The key drivers of our growth strategy include:

- increasing our presence and new product development in specialty products end markets;
- optimizing our product mix and further developing value-added capabilities to maximize margins;
- effectively positioning our Oil & Gas Proppants facilities to optimally serve our customers;
- optimizing our supply chain network and leveraging our logistics capabilities to meet our customers' needs;
- evaluating both Greenfield and Brownfield expansion opportunities and other acquisitions; and
- maintaining financial strength and flexibility.

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 the price of the product, transportation, surcharges, and 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.

Services

We derive our service sales 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 customer utilized our labor services in the billing period. We typically invoice our customers weekly or bi-weekly; however, some customers receive invoices monthly or upon well-site operation completion, depending on terms established in contracts or work orders. Standard collection terms are net 30 days, although extended terms are offered in competitive situations.

Our ten largest customers accounted for 45% and 40% of total sales for the three months ended March 31, 2023 and 2022, respectively. No customers accounted for 10% or more of our total sales for the three months ended March 31, 2023 or 2022. At March 31, 2023 and December 31, 2022, none of our customers' accounts receivable represented 10% or more of our total trade 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, particularly in volatile market conditions. When these negotiations occur, we may deliver sand at prices or at volumes below the requirements in our existing supply agreements. 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 2022 Annual Report, 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, 2023, we had 12 minimum purchase supply agreements in the Oil & Gas Proppants segment with initial terms expiring between 2023 and 2034. As of March 31, 2022, we had seven minimum purchase supply agreements in the Oil & Gas Proppants segment with initial terms expiring between 2022 and 2034. Collectively, sales to customers with minimum purchase supply agreements accounted for 54% and 31% of Oil & Gas Proppants segment sales during the three months ended March 31, 2023 and 2022, respectively.

In the industrial and specialty products 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. Our operating costs can vary significantly based on the volume of product produced and current economic conditions. 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 limits royalty payments.

Additionally, we incur expenses related to our corporate operations, including costs for sales and marketing; research and development; and the finance, legal, human resources, information technology, and 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 operating metrics. We evaluate the performance of our two 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 our business as a whole, including total tons sold, average selling price, total 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, and we believe the

presentation of these metrics provides useful information to our investors regarding our financial condition and results of operations for the same reasons.

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 selling, general, and administrative costs, corporate costs, plant capacity expansion expenses, and facility closure costs.

Segment contribution margin is not a measure of our financial performance under GAAP and should not be considered as an alternative or superior to measures derived in accordance with GAAP. Our measure of segment contribution margin is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the methods of calculation. For more information about segment contribution margin, including a reconciliation of this measure to its most directly comparable GAAP financial measure, net income (loss), see Note T - Segment Reporting to our Condensed Consolidated 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.

Adjusted EBITDA is not a measure of our financial performance or liquidity under GAAP and should not be considered as an alternative or superior to net income (loss) 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 charges that may recur in the future. 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:

(amounts in thousands)	Three Months Ended	
	March 31,	
	2023	2022
Net income (loss) attributable to U.S. Silica Holdings, Inc.	\$ 44,648	\$ (8,393)
Total interest expense, net of interest income	21,568	17,153
Provision for taxes	13,573	(6,969)
Total depreciation, depletion and amortization expenses	35,386	37,749
EBITDA	115,175	39,540
Non-cash incentive compensation ⁽¹⁾	3,335	4,657
Post-employment expenses (excluding service costs) ⁽²⁾	(839)	(701)
Merger and acquisition related expenses ⁽³⁾	224	1,868
Plant capacity expansion expenses ⁽⁴⁾	66	46
Contract termination expenses ⁽⁵⁾	—	6,500
Business optimization projects ⁽⁶⁾	956	11
Facility closure costs ⁽⁷⁾	81	490
Other adjustments allowable under the Credit Agreement ⁽⁸⁾	5,637	492
Adjusted EBITDA	\$ 124,635	\$ 52,903

- (1) Reflects equity-based and other equity-related 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 because 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 O - Pension and Post-Retirement Benefits to our Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information.
- (3) Merger and acquisition related expenses include legal fees, professional fees, bank fees, severance costs, and other employee related costs. 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 if we continue to pursue future plant capacity expansions.
- (5) Reflects contract termination expenses related to strategically exiting a supplier 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 costs incurred related to business optimization projects within our corporate center, which aim to measure and improve the efficiency, productivity and performance of our organization. While these costs are not operational in nature and are not expected to continue for any singular project on an ongoing basis, similar types of expenses may recur in the future.
- (7) Reflects costs incurred related to idled sand facilities and closed corporate offices, including severance costs and remaining contracted costs such as office lease costs, maintenance, and utilities. While these costs are not operational in nature and are not expected to continue for any singular event on an ongoing basis, similar types of expenses may recur in the future.
- (8) Reflects miscellaneous adjustments permitted under the Credit Agreement, such as recruiting fees and relocation costs. The three months ended March 31, 2023 also included costs related to severance restructuring of \$0.8 million, an adjustment to non-controlling interest of \$0.2 million and \$5.3 million related to the loss on extinguishment of debt, offset by an insurance recovery of \$0.8 million. The three months ended March 31, 2022 also included costs related to weather events and supplier and logistical issues of \$0.8 million, severance restructuring of \$0.1 million, an adjustment to non-controlling interest of \$0.1 million, partially offset by proceeds of the sale of assets of \$0.5 million.

Adjusted EBITDA-Trailing Twelve Months

Our revolving credit facility (the "Revolver") contains a consolidated total net leverage ratio of no more than 4.00:1.00 that, unless we have the consent of our lenders, 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 2.85:1.00, or 35%, of the Revolver commitment. This ratio is calculated based on our Adjusted EBITDA for the trailing twelve months. Noncompliance with this financial ratio covenant could result in the acceleration of our obligations to repay all amounts outstanding under the Revolver and the term loan (the "Term Loan") (collectively the "Credit Facility"). 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 for the trailing twelve months.

See the description under "Adjusted EBITDA" above for certain important information about Adjusted EBITDA-trailing twelve months, including certain limitations and management's use of this metric in light of its status as a non-GAAP measure.

As of March 31, 2023, we were in compliance with all covenants under our Credit Facility, and our Revolver usage was zero (not including \$21.3 million allocated for letters of credit). Since the Revolver usage did not exceed 2.85:1.00, or 35%, of the Revolver commitment, the consolidated leverage ratio covenant did not apply. Based on our consolidated leverage ratio of 2.14:1.00 as of March 31, 2023, we may draw up to approximately \$52.6 million without the consent of our lenders. With the consent of our lenders, we have access to the full availability of the Revolver. The calculation of the consolidated leverage ratio incorporates the Adjusted EBITDA-trailing twelve months as follows:

<i>(All amounts in thousands, except calculated ratio)</i>	<i>March 31, 2023</i>
Total debt	\$ 907,575
Finance leases	3,028
Total consolidated debt	<u><u>\$ 910,603</u></u>
Adjusted EBITDA-trailing twelve months	\$ 425,290
Pro forma Adjusted EBITDA including impact of acquisitions ⁽¹⁾	—
Other adjustments for covenant calculation ⁽²⁾	253
Total Adjusted EBITDA-trailing twelve months for covenant calculation	<u><u>\$ 425,543</u></u>
Consolidated leverage ratio ⁽³⁾	2.14

(1) Covenant calculation allows for the Adjusted EBITDA-trailing twelve months to include the impact of acquisitions on a pro forma basis.

(2) Covenant calculation excludes activity at legal entities above the operating company, which is mainly interest income offset by public company operating expenses.

(3) Calculated by dividing total consolidated debt by total Adjusted EBITDA-trailing twelve months for covenant calculation.

Results of Operations for the Three Months Ended March 31, 2023 and 2022

Sales

(In thousands except per ton data)	Three Months Ended March 31,		Percent Change	
			2023	2022
				2023 vs. 2022
Sales:				
Oil & Gas Proppants	\$ 300,013	\$ 176,244	70	%
Industrial & Specialty Products	142,227	128,643	11	%
Total sales	\$ 442,240	\$ 304,887	45	%
Tons:				
Oil & Gas Proppants	3,921	3,060	28	%
Industrial & Specialty Products	1,013	1,074	(6)	%
Total Tons	4,934	4,134	19	%
Average Selling Price per Ton:				
Oil & Gas Proppants	\$ 76.51	\$ 57.60	33	%
Industrial & Specialty Products	\$ 140.40	\$ 119.78	17	%
Overall Average Selling Price per Ton	\$ 89.63	\$ 73.75	22	%

Total sales increased 45% for the three months ended March 31, 2023 compared to the three months ended March 31, 2022, driven by a 19% increase in total tons sold and a 22% increase in overall average selling price.

The increase in total sales was mainly driven by Oil & Gas Proppants sales, which increased 70% for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. Oil & Gas Proppants average selling price increased 33% and tons sold increased 28%. This increase is due to higher energy prices and a rebound in overall well completion activity.

The increase in total sales was also partially driven by Industrial & Specialty Products sales, which increased 11% for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. Industrial & Specialty Products tons sold decreased 6% and average selling price increased by 17%. The overall increase is due to improved market conditions and pricing increases implemented throughout the prior year.

Cost of Sales (excluding depreciation, depletion, and amortization)

Cost of sales increased by \$66.2 million, or 29%, to \$293.1 million for the three months ended March 31, 2023 compared to \$226.9 million for the three months ended March 31, 2022. These changes resulted from the main components of cost of sales as discussed below. As a percentage of sales, cost of sales represented 66% for the three months ended March 31, 2023 compared to 74% for the same period in 2022.

We incurred \$144.6 million and \$100.3 million of transportation and related costs for the three months ended March 31, 2023 and 2022, respectively. The \$44.3 million increase was mainly due to increased volumes, increased carrier costs for SandBox and increased rail car and barge rates. As a percentage of sales, transportation and related costs represented 33% for both the three months ended March 31, 2023 and 2022.

We incurred \$46.4 million and \$39.9 million of operating labor costs for the three months ended March 31, 2023 and 2022, respectively. The \$6.5 million increase in labor cost was mainly due to increased headcount to support increased production and merit increases. As a percentage of sales, operating labor costs represented 10% and 13% for the three months ended March 31, 2023 and 2022, respectively.

We incurred \$18.9 million and \$18.6 million of electricity and drying fuel (principally natural gas) costs for the three months ended March 31, 2023 and 2022, respectively. The \$0.3 million increase in electricity and drying fuel costs was mainly

due to increased volumes produced and increased natural gas prices. As a percentage of sales, electricity and drying fuel costs represented 4% and 6% for the three months ended March 31, 2023 and 2022, respectively.

We incurred \$25.2 million and \$19.6 million of maintenance and repair costs for the three months ended March 31, 2023 and 2022, respectively. The \$5.6 million increase in maintenance and repair costs is mainly due to an increase in maintenance projects as production increased. As a percentage of sales, maintenance and repair costs represented 6% for both the three months ended March 31, 2023 and 2022.

Segment Contribution Margin

Industrial & Specialty Products contribution margin increased by \$5.1 million to \$42.9 million for the three months ended March 31, 2023 compared to \$37.8 million for the three months ended March 31, 2022, driven by a \$13.6 million increase in revenue offset by an \$8.5 million increase in cost of sales.

Oil & Gas Proppants contribution margin increased by \$65.1 million to \$109.9 million for the three months ended March 31, 2023 compared to \$44.8 million for the three months ended March 31, 2022, driven by a \$123.8 million increase in sales offset by a \$58.6 million increase in cost of sales.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased by \$10.9 million, or 27%, to \$29.2 million for the three months ended March 31, 2023 compared to \$40.1 million for the three months ended March 31, 2022. The decrease was primarily due to costs associated with fees related to the termination of a supplier contract and expenses related to the strategic review of our Industrial & Specialty Products segment not recurring in 2023.

In total, our selling, general and administrative expenses represented approximately 7% and 13% of our sales for the three months ended March 31, 2023 and 2022, respectively.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization expense decreased by \$2.3 million, or 6%, to \$35.4 million for the three months ended March 31, 2023 compared to \$37.7 million for the three months ended March 31, 2022 primarily due to certain assets fully depreciating during 2022. Depreciation, depletion and amortization expense represented approximately 8% and 12% of our sales for the three months ended March 31, 2023 and 2022, respectively.

Goodwill and Other Asset Impairments

During the three months ended March 31, 2023 and 2022, no asset impairment charges were recorded.

Operating Income (Loss)

Operating income for the three months ended March 31, 2023 was \$84.6 million compared to operating income of \$0.2 million for the three months ended March 31, 2022. The change was mainly driven by a 45% increase in sales, a 6% decrease in depreciation, depletion and amortization expense and a 27% decrease in selling, general and administrative expenses, partially offset by a 29% increase in cost of sales.

Interest Expense

Interest expense increased by \$6.9 million, or 40%, to \$24.1 million for the three months ended March 31, 2023 compared to \$17.2 million for the three months ended March 31, 2022 primarily due to higher interest rates.

Other Income (Expense), Net, Including Interest Income

Other income (expense), net, decreased by \$3.9 million, to other expense of \$2.4 million for the three months ended March 31, 2023 compared to other income of \$1.5 million for the three months ended March 31, 2022, due primarily to the loss related to extinguishment of debt offset by an increase in interest income.

Provision for Income Taxes

For the three months ended March 31, 2023 and 2022, we had tax expense of \$13.6 million and a tax benefit of \$7.0 million, respectively. The effective tax rates were 23% and 45% for the three months ended March 31, 2023 and 2022, respectively. Without discrete items, which primarily consist of tax expense related to equity compensation and non-US income taxes, the effective tax rates for the three months ended March 31, 2023 and 2022 would have been 26% and 48%, respectively.

During the three months ended March 31, 2023 and 2022, we recorded a tax benefit of \$2.3 million and tax expense of \$0.3 million, respectively, related to equity compensation.

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. For the quarter ended March 31, 2023, the benefit received from statutory percentage depletion allowances was offset by nondeductible executive compensation and state income taxes.

Net Income (Loss)

Net income (loss) attributable to U.S. Silica Holdings, Inc., was net income of \$44.6 million and a net loss of \$8.4 million for the three months ended March 31, 2023 and 2022, respectively. The year over year changes were 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 pay for 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, borrowings under our credit facilities, or 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, 2023, our working capital was \$308.2 million and we had \$128.7 million of availability under the Revolver. Based on our consolidated leverage ratio of 2.14:1.00 as of March 31, 2023, we may draw up to approximately \$52.6 million without the consent of our lenders. With the consent of our lenders, we have access to the full availability of the Revolver.

On March 23, 2023, we entered into a Fourth Amended and Restated Credit Agreement (the "Credit Agreement"), by entering into a new \$1.1 billion senior secured credit facility, consisting of a \$950 million Term Loan and a \$150 million revolving credit facility that may also be used for swingline loans or letters of credit, and we may elect to increase the term loan or the revolving credit facility in accordance with the terms of the Credit Agreement. Borrowings under the Credit Agreement will bear interest at variable rates as determined at our election, based on the Term Secured Overnight Financing Rate ("SOFR") or a base rate, in each case, plus an applicable margin.

Management and our Board of Directors remain committed to evaluating additional ways of creating shareholder value. Any determination to pay dividends or other distributions in cash, stock, or property in the future or otherwise return capital to our stockholders, including decisions about existing or new share repurchase programs, will be at the discretion of our Board of Directors and will be dependent on then-existing conditions, including industry and market conditions, our financial condition, results of operations, liquidity and 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. During the second quarter of 2020, our Board of Directors determined that it was not in the best interest of our shareholders to issue a dividend and we have not issued dividends subsequently. We do not have plans to resume issuing dividends.

Net Debt (non-GAAP measure)

Net debt is a non-GAAP measure and is included in this report because we believe it is meaningful to investors as we consider net debt and its components to be important indicators of liquidity and financial position. Net debt may not be computed the same as similarly titled measures used by other companies. We define net debt as total debt less cash and cash equivalents. Net debt should not be considered as an alternative or superior to other performance measures derived in accordance with GAAP.

The following table provides net debt (in thousands):

	March 31, 2023	December 31, 2022
Total Debt	\$ 910,603	\$ 1,056,993
Less:		
Cash and cash equivalents	139,494	280,845
Net Debt	\$ 771,109	\$ 776,148

Total Debt:

Total debt was \$910.6 million and \$1.06 billion as of March 31, 2023 and December 31, 2022, respectively. The decrease was primarily due to the repurchase of \$109 million of debt and the capitalization of \$45.2 million of costs associated with the execution of the Fourth Amendment to the Credit Agreement.

Cash and Cash Equivalents:

Cash and cash equivalents were \$139.5 million and \$280.8 million as of March 31, 2023 and December 31, 2022, respectively. The decrease was primarily due to the repurchase of \$109 million of debt and \$40.9 million of financing fees paid associated with the execution of the Fourth Amendment to the Credit Agreement.

Cash Flow Analysis

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

	Three Months Ended	
	March 31,	2023
Net cash provided by (used in):		
Operating activities	\$ 40,902	\$ 15,079
Investing activities	(18,931)	(6,383)
Financing activities	(163,322)	(8,353)

Net Cash Provided by / Used in Operating Activities

Operating activities consist primarily of net income (loss) adjusted for certain non-cash and working capital items. Adjustments to net income or loss for non-cash items include depreciation, depletion and amortization, deferred revenue, deferred income taxes, equity-based compensation and allowance for credit losses. 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 \$40.9 million for the three months ended March 31, 2023. This was mainly due to \$44.6 million of net income adjusted for non-cash items, including \$35.4 million in depreciation, depletion and amortization, \$8.9 million in deferred income taxes, \$3.3 million in equity-based compensation, \$5.6 million in deferred revenue, and \$9.5 million in other miscellaneous non-cash items. Also contributing to the change was a \$17.6 million increase in accounts receivable, a \$4.8 million increase in inventories, a \$3.7 million decrease in prepaid expenses and other current assets, a \$32.7 million decrease in accounts payable and accrued liabilities, \$6.5 million payments on lease liabilities, and a \$2.8 million change in other operating assets and liabilities.

Net cash provided by operating activities was \$15.1 million for the three months ended March 31, 2022. This was mainly due to an \$8.5 million net loss adjusted for non-cash items, including \$37.7 million in depreciation, depletion and amortization, \$15.3 million in deferred income taxes, \$4.4 million in equity-based compensation, \$0.9 million in deferred revenue, and \$9.7 million in other miscellaneous non-cash items. Also contributing to the change was a \$4.1 million decrease in

accounts receivable, a \$7.9 million increase in inventories, a \$3.5 million decrease in prepaid expenses and other current assets, a \$5.2 million decrease in accounts payable and accrued liabilities, \$7.5 million payments on lease liabilities, and a \$0.9 million change in other operating assets and liabilities.

Net Cash Used in / Provided by 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 \$18.9 million for the three months ended March 31, 2023. This was due to capital expenditures of \$18.9 million offset by \$0.1 million in proceeds from the sale of property, plant and equipment. Capital expenditures for the three months ended March 31, 2023 were primarily related to growth projects, facility improvement and maintenance projects, and other environmental and health and safety projects.

Net cash used in investing activities was \$6.4 million for the three months ended March 31, 2022. This was mainly due to capital expenditures of \$7.0 million offset by \$0.7 million in proceeds from the sale of property, plant and equipment.

Subject to our continuing evaluation of market conditions, we anticipate that our capital expenditures in 2023 will be approximately \$50 million to \$60 million, which will primarily be associated with maintenance, cost improvement capital projects, and various growth 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 Used in / Provided by Financing Activities

Financing activities consist primarily of equity issuances, dividend payments, share repurchases, borrowings and repayments related to the Revolver and Term Loan, as well as fees and expenses paid in connection with our credit facilities.

Net cash used in financing activities was \$163.3 million for the three months ended March 31, 2023. This was mainly due to \$2.8 million of short-term debt payments, \$109.1 million of long-term debt payments, \$40.9 million in financing fees paid, \$0.4 million of distributions to a non-controlling interest, \$0.2 million of principal payments on finance leases, and \$9.9 million of tax payments related to shares withheld for vested restricted stock and stock units.

Net cash used in financing activities was \$8.4 million for the three months ended March 31, 2022. This was mainly due to \$2.2 million of short-term debt payments, \$3.3 million of long-term debt payments, \$0.3 million of distributions to a non-controlling interest, \$0.3 million of principal payments on finance leases, and \$2.1 million of tax payments related to shares withheld for vested restricted stock and restricted stock units.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have a current material effect or are reasonably 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 of 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 2022 Annual Report. For more details on future minimum annual purchase commitments and operating leases commitments, please see accompanying Note N - Commitments and Contingencies and Note P - Leases to our Consolidated 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, 2023, we had \$21.2 million accrued for future reclamation costs, as compared to \$20.7 million as of December 31, 2022.

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 2022 Annual Report.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported revenues and expenses during the reporting periods. We evaluate these estimates and assumptions on an ongoing basis and base our estimates on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Our actual results may materially differ from these estimates.

A summary of our significant accounting policies, including certain critical accounting policies and estimates, are included in Note B - Summary of Significant Accounting Policies to the Consolidated Financial Statements in Item 8 of our 2022 Annual Report on Form 10-K. Management believes that the application of these policies on a consistent basis enables us to provide the users of the Consolidated Financial Statements with useful and reliable information about our operating results and financial condition.

Recent Accounting Pronouncements

New accounting pronouncements that have been recently adopted are described in Note B - Summary of Significant Accounting Policies to our Consolidated 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" — "Financial Information" on our home page, we make available free of charge our annual reports 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 Sections 13(a) or 15(d) of the Exchange Act 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 available on its website at <http://www.sec.gov>.

Stockholders may also request a free copy of these documents from: U.S. Silica Holdings, Inc., attn.: Investor Relations, 24275 Katy Freeway, Suite 600, Katy, Texas 77494.

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 "Recent Trends and Outlook" and "How We Generate Our Sales" in Item 2. of this Quarterly Report on Form 10-Q.

Interest Rate Risk

We are exposed to interest rate risk arising from adverse changes in interest rates. As of March 31, 2023, we had \$950.0 million of debt outstanding under the Credit Agreement. Assuming SOFR 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 \$9.5 million per year.

Upon execution of the Fourth Amendment to our Credit Agreement, we have transitioned from LIBOR to SOFR. See Note I - Debt for discussion of the Fourth Amendment of the Credit Agreement.

We use natural gas swaps in order to manage our exposure to the volatility of natural gas prices. We do not use derivatives for trading or speculative purposes. As of March 31, 2023, the fair value of our natural gas swaps was a liability of \$4.3 million. As of December 31, 2022, the fair value of our natural gas swaps was a liability of \$3.1 million. For more information see Note L - Derivative Instruments to our Consolidated Financial Statements in Part I, Item 1. of this Quarterly Report on Form 10-Q.

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' creditworthiness, 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, 2023. 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, 2023, 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 existing 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, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. **LEGAL PROCEEDINGS**

In addition to the matters described below, we are subject to various legal proceedings, claims, and governmental inspections, audits or investigations incidental to our business, which can cover general commercial, governmental regulations, antitrust and trade regulations, product liability, environmental, intellectual property, employment and other matters. Although the outcomes of these ordinary 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 one new silicosis cases filed in 2022, 2021, and 2020, respectively. During the three months ended March 31, 2023, no new claims were brought against U.S. Silica. As of March 31, 2023, there were 42 active silica-related product 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 a material liability to us. However, we may continue to have silica-related product liability claims filed against us, including claims that allege silica exposure for periods for which we do not have insurance coverage. 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.

For more information regarding silica-related litigation, see Part I, Item 1A. Risk Factors of our 2022 Annual Report on Form 10-K.

ITEM 1A. **RISK FACTORS**

There have been no material changes from the risk factors disclosed in Item 1A. Risk Factors in our 2022 Annual Report on Form 10-K.

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 repurchased during the first quarter of 2023, the average price paid per share, the number of shares that we repurchased as part of our share repurchase program, and the approximate dollar value of shares that still could have been repurchased at the end of the applicable fiscal period pursuant to our share repurchase program:

Period	Total Number of Shares Withheld ⁽²⁾	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⁾
			Program ⁽¹⁾	Under the Program ⁽¹⁾
January 1, 2023 - January 31, 2023	22,311	\$ 11.68	—	126,540,060
February 1, 2023 - February 28, 2023	814,941	\$ 11.85	—	126,540,060
March 1, 2023 - March 31, 2023	—	\$ —	—	126,540,060
Total	837,252	\$ 11.85	—	126,540,060

(1) In May 2018, our Board of Directors authorized and announced the repurchase of up to \$200 million of our common stock from time to time on the open market or in privately negotiated transactions. 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. As of March 31, 2023, we have repurchased a total of 5,036,139 shares of our common stock at an average price of \$14.59.

(2) Shares withheld by U.S. Silica to pay taxes due upon the vesting of employee restricted stock and restricted stock units for the months ended January 31, February 28, and March 31, 2023, respectively.

We did not repurchase any shares of common stock under our share repurchase program during the three months ended March 31, 2023.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Safety is one of our core values and we strive to achieve a workplace free of injuries and occupational illnesses. 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

None.

ITEM 6. EXHIBITS

Incorporated by Reference

Exhibit Number	Description	Form	File No.	Exhibit	Filing Date
<u>3.1</u>	<u>Third Amended and Restated Certificate of Incorporation of U.S. Silica Holdings, Inc., effective May 4, 2017.</u>	8-K	001-35416	3.1	May 10, 2017
<u>3.2</u>	<u>Third Amended and Restated Bylaws of U.S. Silica Holdings, Inc., effective May 4, 2017.</u>	8-K	001-35416	3.2	May 10, 2017
10.1	Fourth Amended and Restated Credit Agreement, dated as of March 23, 2023, by and among USS Holdings, Inc., as guarantor, U.S. Silica Company, as borrower, certain of U.S. Silica Company's subsidiaries as additional guarantors, the lenders named therein and BNP Paribas, as administrative agent for the lenders	8-K	001-35416	10.1	March 23, 2023
<u>10.2 + *</u>	<u>Form of Restricted Stock Unit Agreement Pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan</u>				
<u>10.3 + *</u>	<u>Form of Performance Share Unit Agreement (Relative TSR) Pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan</u>				
<u>10.4 + *</u>	<u>Form of Performance Share Unit Agreement (Adjusted Cash Flow) Pursuant to the Amended and Restated U.S. Silica Holdings, Inc. 2011 Incentive Compensation Plan</u>				
<u>31.1*</u>	<u>Rule 13a-14(a)/15(d)-14(a) Certification by Bryan A. Shinn, Chief Executive Officer.</u>				
<u>31.2*</u>	<u>Rule 13a-14(a)/15(d)-14(a) Certification by Donald A. Merrill, Chief Financial Officer.</u>				
<u>32.1#</u>	<u>Section 1350 Certification by Bryan A. Shinn, Chief Executive Officer.</u>				
<u>32.2#</u>	<u>Section 1350 Certification by Donald A. Merrill, Chief Financial Officer.</u>				
<u>95.1*</u>	<u>Mine Safety Disclosure.</u>				
101*	101.INS XBRL Instance - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document 101.SCH Inline XBRL Taxonomy Extension Schema 101.CAL Inline XBRL Taxonomy Extension Calculation 101.LAB Inline XBRL Taxonomy Extension Labels 101.PRE Inline XBRL Taxonomy Extension Presentation 101.DEF Inline XBRL Taxonomy Extension Definition				
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)				

- + Management contract or compensatory plan/arrangement
- * Filed herewith
- # Furnished herewith

We will furnish to any of our stockholders a copy of any of the above exhibits upon the written request of such stockholder.

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 28th day of April 2023.

U.S. Silica Holdings, Inc.

/s/ DONALD A. MERRIL

Name: Donald A. Merrill

Executive Vice President & Chief Financial
Officer (Authorized Signatory and Principal
Financial Officer)

Title:

**RESTRICTED STOCK UNIT AGREEMENT
PURSUANT TO THE
AMENDED AND RESTATED U.S. SILICA HOLDINGS, INC.
2011 INCENTIVE COMPENSATION PLAN**

Participant:

Grant Date:

Number of Restricted Stock Units Granted:

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 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 (including Addendum A hereto) 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:

<u>Vesting Date</u>	<u>Number of RSUs</u>
[]	[]
[]	[]
[]	[]

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 Affiliates 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, by the Participant for "Good Reason" (as defined below) 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. For purposes hereof, the term "Good Reason" shall mean (i) a material reduction in the Participant's annual base salary rate of compensation; (ii) a required relocation of more than 50 miles from the Participant's primary place of employment with the Company or its Affiliates; or (iii) a material, adverse change in the Participant's title, reporting relationship, authority, duties or responsibilities; provided, however, that to invoke a Termination for Good Reason, (A) the Participant must provide written notice to the Company within thirty (30) days of the event the Participant believes constitutes Good Reason, (B) the Company must fail to cure such event within thirty (30) days of the receipt of such written notice and (C) the Participant must terminate employment within five (5) days following the expiration of the Company's cure period described above.

(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 minimum 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; provided, however, that, at the Participant's discretion, the number of shares of Common Stock otherwise deliverable to the Participant may be further reduced in an amount up to the maximum individual tax rate in the Participant's particular jurisdiction, and only if the Company has a statutory obligation to withhold taxes on the Participant's behalf, in such case only if such reduction would not result in adverse financial accounting treatment, as determined by the Company (and in particular in connection with the effectiveness of the amendments to FASB Accounting Standards Codification Topic 718, Compensation – Stock Compensation, as amended by FASB Accounting Standards Update No. 2016-09, Improvements to Employee Share-Based Payment Accounting).

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 Participants 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, loyalty, 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) Employee/Independent 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 unless permitted or required by law.

(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 services to the Company are of a special, unique, and extraordinary character; (ii) Participant's position with the Company will place Participant in a position of confidence, loyalty, and trust with respect to the operations of the Company; (iii) Participant will benefit from continued employment with the Company; (iv) Participant's experiences and capabilities are such that Participant can seek gainful employment after the Termination Date without violating this Agreement; (v) 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; (vi) the non-competition and non-solicitation provisions of this Agreement are fair and reasonable in duration, territory, and scope of activity; (vii) the non-competition and non-solicitation provisions of this Agreement are necessary to protect the Company's legitimate business and economic interests, including its Intellectual Property, Proprietary Information, and customer goodwill; and (viii) Participant's engaging in any service or activity contrary to the promises in Section 11(b), (c), (d), (e), (f), or (g) would jeopardize the Company's Intellectual Property, Proprietary Information, 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 Section 11(b), (c), (d), (e), (f), or (g) as determined by a court of competent jurisdiction.

(j) Equitable Remedies. Participant acknowledges that (i), the Company would sustain immediate and irreparable loss and damage if Participant were to breach any of such covenants, and (ii) 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.

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 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: _____

Title: _____

PARTICIPANT

—
Name: _____

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, florasil 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 and 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 A

ADDENDUM B
Restrictive Covenant References

1. Competing Businesses
(all entities listed shall include affiliates of such entities)

Addendum B

- Active Minerals
- Alpine Materials, LLC
- Alpine Silica
- Antero Resources Corporation
- Atlas Sand Company, LLC
- Badger Mining Corporation
- Black Mountain Sand, LLC
- Canadian Sand and Proppants, Inc.
- Capital Sand Company Inc.
- Carbo Ceramics Inc.
- Chemviron/Calgon Carbon Corporation
- Chesapeake Minerals
- Clariant Specialty Chemicals
- Covia Holdings Corp.
- Dicalite Management Group, Inc.
- EOG Resources, Inc.
- Explore Group, LLC / Explore Logistics
- Grit Energy Solutions, LLC
- Grit Energy, LLC
- Hi-Crush Inc. and Subsidiaries (Pronghorn, Encore, etc.)
- Imerys S.A.
- Liberty Materials Inc.
- Liberty Oilfield Services and Subsidiaries like PropX
- NexTier
- Nomad Proppant Services, LLC
- Oil-Dri Corporation
- Performance Proppants
- Profrac Services
- Sand Revolution
- Sandcan
- Select Sands Corp.
- Showa Chemical Industry Co., Ltd.
- Sierra Frac Sand, LLC
- Signal Peak Energy, LLC
- Smart Sand, Inc.
- Solaris Oilfield Infrastructure
- Superior Silica Sands LLC
- TSS (Total Sand Solution)
- V SandCo, LLC d/b/a Vista Sand
- Vista Proppants and Logistics, Inc.
- Vorto A.I.

2. Customers:
(all entities listed shall include affiliates of such entities)

- Antero Resources
- Archer-Daniels-Midland Company
- BJ Services Company
- C.E.D. Greentech
- Caesarstone, Ltd.
- Cambria Company
- Cargill, Incorporated
- Elite Quartz Manufacturing
- Halliburton Company
- Heineken Holding N.V.
- Liberty Oilfield Services LLC
- LX Granite Inc.
- Molson Coors Beverage Company
- NexTier Oilfield Solutions
- Johns Manville
- Pioneer Natural Resources Company
- Short Mountain Silica Co.
- Sibelco

3. Geographic Area:

- Colorado
- Illinois
- Louisiana
- New Jersey
- New Mexico
- North Dakota
- Oklahoma
- Pennsylvania
- Texas
- West Virginia
- Wisconsin

Addendum B

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

* * * *

Participant:

Grant Date:

Number of Performance Share Units Granted at Target Performance:

Number of Performance Share Units Granted at Maximum Performance¹:

* * * *

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 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 and the Company’s Executive Compensation Clawback Policy (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 (including Exhibit A and Addendum A hereto) 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 the Executive Compensation Clawback Policy and that the Participant has read the Plan and the Executive Compensation Clawback Policy 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

¹ NTD: This number will equal 200% of the target number.

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.

3. **Vesting.**

(a) **Performance-Based Vesting.** Subject to the provisions of Sections 3(b) through 3(f) hereof, the PSUs subject to this grant shall become performance vested based on the Company's total shareholder return, or "TSR" (as defined in Exhibit A hereto) for the performance period beginning on January 1, 2023 and ending December 31, 2025 (the "Performance Period"), expressed as a percentile ranking (the "TSR Ranking") as compared to the TSR for the Performance Period of each of the companies in the "Peer Group" (as defined in Exhibit A hereto), in accordance with the following schedule, provided that (subject to the provisions of Sections 3(c) through 3(f) hereof), the Participant remains employed with the Company or its Affiliates through the end of the Performance Period:

TSR Ranking <u>January 1, 2023 through December 31, 2025</u>	Number of PSUs Vested as Percentage of Target
Less Than 30th percentile	0%
30th percentile	50% (Threshold)
55th 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 performance 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. In addition, the maximum number of PSUs that may become vested shall not exceed the number of PSUs set forth in the schedule above corresponding to performance at the 75th percentile of the Peer Group above if the absolute TSR of the Company is below zero.

Notwithstanding the foregoing, in the event that a Change in Control occurs prior to the last day of the Performance Period, the number of PSUs that will become performance vested hereunder will equal the number of PSUs that would have become performance vested in accordance with the schedule above based on (i) actual performance measured as of the date of such Change in Control (assuming for such purpose that such Change in Control had occurred on the last day of the Performance Period) or (ii) the Target level of performance set forth in the schedule above, whichever is greater. Following such Change in Control, the number of PSUs determined in accordance with the immediately preceding sentence will vest (x) on the last day of the Performance Period, if the Participant remains employed with the Company or its Affiliates through the end of the Performance Period, or (y) if applicable, in accordance with the provisions of Sections 3(b) and 3(c) hereof.

(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 vested, as provided in Section 4 hereof. For purposes of determining the pro rata 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, by the Participant for "Good Reason" (as defined below) 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 as of the date of such Termination to the extent that the TSR Ranking, as determined in accordance with Section 3(a), was achieved as of the date of such Change in Control, and shall be paid, to the extent so vested, as provided in Section 4 hereof. For purposes hereof, the term "Good Reason" shall mean (i) a material reduction in the Participant's annual base salary rate of compensation; (ii) a required relocation of more than 50 miles from the Participant's primary place of employment with the Company or its Affiliates; or (iii) a material, adverse change in the Participant's title, reporting relationship, authority, duties or responsibilities; provided, however, that to invoke a Termination for Good Reason, (A) the Participant must provide written notice to the Company within thirty (30) days of the event the Participant believes constitutes Good Reason, (B) the Company must fail to cure such event within thirty (30) days of the receipt of such written notice and (C) the Participant must terminate employment within five (5) days following the expiration of the Company's cure period described above.

(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 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 4(c) 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 PSU 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 PSUs 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 PSU 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 PSUs are delivered to the Participant in accordance with the provisions hereof. For clarity, no such cash or shares shall be paid to the Participant with respect to any PSUs that are not earned or are forfeited. 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 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 minimum 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; provided, however, that, at the Participant's discretion, the number of shares of Common Stock otherwise deliverable to the Participant may be further reduced in an amount up to the maximum individual tax rate in the Participant's particular jurisdiction, and only if the Company has a statutory obligation to withhold taxes on the Participant's behalf, in such case only if such reduction would not result in adverse financial accounting treatment, as determined by the Company (and in particular in connection with the effectiveness of the amendments to FASB Accounting Standards Codification Topic 718, Compensation – Stock Compensation, as amended by FASB Accounting Standards Update No. 2016-09, Improvements to Employee Share-Based Payment Accounting).

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 Participants 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, loyalty, 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) Employee/Independent 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 unless permitted or required by law.

(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 services to the Company are of a special, unique, and extraordinary character; (ii) Participant's position with the Company will place Participant in a position of confidence, loyalty, and trust with respect to the operations of the Company; (iii) Participant will benefit from continued employment with the Company; (iv) Participant's experiences and capabilities are such that Participant can seek gainful employment after the Termination Date without violating this Agreement; (v) 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; (vi) the non-competition and non-solicitation provisions of this Agreement are fair and reasonable in duration, territory, and scope of activity; (vii) the non-competition and non-solicitation provisions of this Agreement are necessary to protect the Company's legitimate business and economic interests, including its Intellectual Property, Proprietary Information, and customer goodwill; and (viii) Participant's engaging in any service or activity contrary to the promises in Section 11(b), (c), (d), (e), (f), or (g) would jeopardize the Company's Intellectual Property, Proprietary Information, 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 Section 11(b), (c), (d), (e), (f), or (g) as determined by a court of competent jurisdiction.

(j) Equitable Remedies. Participant acknowledges that (i), the Company would sustain immediate and irreparable loss and damage if Participant were to breach any of such covenants, and (ii) 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.

12. Entire Agreement; Amendment. This Agreement, together with the Plan and the Executive Compensation Clawback Policy, 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: _____

Title: _____

PARTICIPANT

—

Name:

Certain Definitions

“Beginning Stock Price” for the Company or a company in the Peer Group shall mean the average closing price on the applicable stock exchange of one share of Common Stock or the stock of such company, as applicable, for the sixty (60) days immediately prior to the first day of the Performance Period; provided that the Committee shall adjust equitably the Beginning Stock Price with respect to such share, as calculated in accordance with the preceding clause, to reflect any Section 4.2 Event or Other Extraordinary Event that occurs during such 60-day period and that affects such share if such adjustment is necessary or appropriate to prevent dilution or enlargement of benefits or potential benefits intended to be made available under this Agreement.

“Ending Stock Price” for the Company or a company in the Peer Group shall mean the average closing price on the applicable stock exchange of one share of Common Stock or the stock of such company, as applicable, for the sixty (60) days immediately prior to the earlier of (a) the last day of the Performance Period and (b) the date on which a Change in Control occurs; provided that the Committee shall adjust equitably the Ending Stock Price with respect to a share of the stock of any company in the Peer Group, as calculated in accordance with the preceding clause, to reflect any Section 4.2 Event or Other Extraordinary Event that occurs during the Performance Period and that affects such share if such adjustment is necessary or appropriate to prevent dilution or enlargement of benefits or potential benefits intended to be made available under this Agreement.

“Insolvency Event” shall mean, with respect to a company in the Peer Group, (x) that such company files a petition under chapter 7 or 11 of the U.S. Bankruptcy Code or (y) the Committee determines, in its sole discretion, that such company has become insolvent.

“Peer Group” shall mean the group of companies approved by the Committee as the TSR peer group companies for the Performance Period. Notwithstanding the foregoing, if a Section 4.2 Event or Other Extraordinary Event (for clarity, other than an Insolvency Event) occurs with respect to any such company and, thereafter, the shares of such company’s stock are not publicly traded, the Peer Group shall not include such company.

“TSR” shall mean total shareholder return for the Company or a company in the Peer Group, expressed as a percentage, determined by dividing (a) an amount equal to the sum of (i) the difference between the Beginning Stock Price (as defined above) and the Ending Stock Price (as defined above) and (ii) 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 (b) the Beginning Stock Price, as calculated in good faith by the Committee. Notwithstanding the foregoing or any other provision of this Agreement, in the event that, during the Performance Period, an Insolvency Event occurs with respect to a company in the Peer Group, the TSR of such company shall equal negative 100%.

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, florilis 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, florasil 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 and 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 A

ADDENDUM B
Restrictive Covenant References

1. Competing Businesses
(all entities listed shall include affiliates of such entities)

Addendum B

- Active Minerals
- Alpine Materials, LLC
- Alpine Silica
- Antero Resources Corporation
- Atlas Sand Company, LLC
- Badger Mining Corporation
- Black Mountain Sand, LLC
- Canadian Sand and Proppants, Inc.
- Capital Sand Company Inc.
- Carbo Ceramics Inc.
- Chemviron/Calgon Carbon Corporation
- Chesapeake Minerals
- Clariant Specialty Chemicals
- Covia Holdings Corp.
- Dicalite Management Group, Inc.
- EOG Resources, Inc.
- Explore Group, LLC / Explore Logistics
- Grit Energy Solutions, LLC
- Grit Energy, LLC
- Hi-Crush Inc. and Subsidiaries (Pronghorn, Encore, etc.)
- Imerys S.A.
- Liberty Materials Inc.
- Liberty Oilfield Services and Subsidiaries like PropX
- NexTier
- Nomad Proppant Services, LLC
- Oil-Dri Corporation
- Performance Proppants
- Profrac Services
- Sand Revolution
- Sandcan
- Select Sands Corp.
- Showa Chemical Industry Co., Ltd.
- Sierra Frac Sand, LLC
- Signal Peak Energy, LLC
- Smart Sand, Inc.
- Solaris Oilfield Infrastructure
- Superior Silica Sands LLC
- TSS (Total Sand Solution)
- V SandCo, LLC d/b/a Vista Sand
- Vista Proppants and Logistics, Inc.
- Vorto A.I.

2. Customers:
(all entities listed shall include affiliates of such entities)

- Antero Resources
- Archer-Daniels-Midland Company
- BJ Services Company
- C.E.D. Greentech
- Caesarstone, Ltd.
- Cambria Company
- Cargill, Incorporated
- Elite Quartz Manufacturing
- Halliburton Company
- Heineken Holding N.V.
- Liberty Oilfield Services LLC
- LX Granite Inc.
- Molson Coors Beverage Company
- NexTier Oilfield Solutions
- Johns Manville
- Pioneer Natural Resources Company
- Short Mountain Silica Co.
- Sibelco

3. Geographic Area:

- Colorado
- Illinois
- Louisiana
- New Jersey
- New Mexico
- North Dakota
- Oklahoma
- Pennsylvania
- Texas
- West Virginia
- Wisconsin

Addendum B

**PERFORMANCE SHARE UNIT AGREEMENT
(ADJUSTED CASH FLOW)
PURSUANT TO THE
AMENDED AND RESTATED U.S. SILICA HOLDINGS, INC.
2011 INCENTIVE COMPENSATION PLAN**

* * * * *

Participant:

Grant Date:

Number of Performance Share Units Granted at Target Performance:

Number of Performance Share Units Granted at Maximum Performance:

* * * * *

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 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 and the Company’s Executive Compensation Clawback Policy (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 (including Exhibit A and Addendum A hereto) 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 the Executive Compensation Clawback Policy and that the Participant has read the Plan and the Executive Compensation Clawback Policy 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.

3. **Vesting.**

(a) **Performance-Based Vesting.** Subject to the provisions of Sections 3(b) through 3(f) hereof, one-third of the PSUs subject to this grant (each such third, a "Tranche") shall become performance vested based on the level of achievement of the Performance Goal (as defined in Exhibit A hereto) for the applicable performance period set forth on Exhibit A hereto (each, a 'Performance Period"), in accordance with the schedule below andExhibit A hereto, provided that (subject to the provisions of Sections 3(c) and 3(d) hereof), the Participant remains employed with the Company or its Affiliates through the end of the third Performance Period:

<u>Performance Goal Achievement</u>	<u>Number of PSUs Vested as Percentage of Target</u>
Less Than Threshold Amount	0%
Threshold Amount	50% (Threshold)
Target Amount	100% (Target)
Equal to or Greater Than Maximum Amount	200% (Maximum)

To the extent that the actual level of achievement of the Performance Goal for a Performance Period hereunder is between any two levels provided in the table above, the number of PSUs to become performance vested with respect to the corresponding Tranche shall be determined on a pro rata basis using straight line interpolation; provided that no PSUs shall become vested with respect to a Tranche if the actual level of achievement of the Performance Goal for the corresponding 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 with respect to a Tranche 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.

Notwithstanding the foregoing, in the event that a Change in Control occurs prior to the last day of the third Performance Period, the number of PSUs that will become performance vested hereunder will be determined in accordance with this paragraph. For any Performance Period that ends on or prior to the date on which such Change in Control occurs, the number of PSUs that will become performance vested with respect to the corresponding Tranche will be determined in accordance with the schedule above based on the actual level of achievement of the corresponding Performance Goal. For any Performance Period that is in effect on the date on which such Change in Control occurs, the number of PSUs that will become performance vested with respect to the corresponding Tranche will equal the number of PSUs that would have become performance vested in accordance with the schedule above based on (i) the actual level of achievement of the corresponding Performance Goal as of the date of such Change in Control (assuming for such purpose that such Change in Control had occurred on the last day of the Performance Period) or (ii) the Target level of performance set forth in the schedule above, whichever is greater. For any Performance Period that was scheduled to commence after the date on which such Change in Control occurs, the number of PSUs that will become performance vested with respect to the corresponding Tranche will equal the number of PSUs that would have become performance vested in accordance with the schedule above based on the Target level of performance set forth in the schedule above. Following such Change in Control, the number of PSUs determined in accordance with the immediately preceding sentence will vest (x) on the last

day of the Performance Period, if the Participant remains employed with the Company or its Affiliates through the end of the third Performance Period, or (y) if applicable, in accordance with the provisions of Sections 3(b) and 3(c) hereof.

(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 third Performance Period, the requirement that the Participant remain in the continued employment of the Company or its Subsidiaries through the end of the third 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 actual level of achievement of the Performance Goal for the third 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 vested, as provided in Section 4 hereof. For purposes of determining the pro rata 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 all three Performance Periods 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 first 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, by the Participant for "Good Reason" (as defined below) 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 third Performance Period, the PSUs shall become vested as of the date of such Termination to the extent that the Performance Goals for the Performance Periods, as determined in accordance with Section 3(a), were achieved as of the date of such Change in Control, and shall be paid, to the extent so vested, as provided in Section 4 hereof. For purposes hereof, the term "Good Reason" shall mean (i) a material reduction in the Participant's annual base salary rate of compensation; (ii) a required relocation of more than 50 miles from the Participant's primary place of employment with the Company or its Affiliates; or (iii) a material, adverse change in the Participant's title, reporting relationship, authority, duties or responsibilities; provided, however, that to invoke a Termination for Good Reason, (A) the Participant must provide written notice to the Company within thirty (30) days of the event the Participant believes constitutes Good Reason, (B) the Company must fail to cure such event within thirty (30) days of the receipt of such written notice and (C) the Participant must terminate employment within five (5) days following the expiration of the Company's cure period described above.

(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(e) hereof, all unvested PSUs shall be immediately forfeited upon the Participant's Termination for any reason.

4. **Settlement of PSUs; Payment.**

(a) **General.** Subject to the provisions of Sections 4(b) and 4(c) hereof, 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 amounts that would otherwise be distributed to the Participant hereunder (the "Deferred PSUs"), consistent with the requirements of Section 409A of the Code. Upon the vesting of PSUs that have been so deferred, the Deferred PSUs shall be credited to a bookkeeping account established on the Participant's behalf (the "Account"). Subject to Section 5 hereof, the Deferred PSUs credited to the Participant's Account shall be settled and paid 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; No Rights as Stockholder.** Cash dividends on shares of Common Stock underlying the PSUs shall be credited to a dividend book entry account on behalf of the Participant with respect to each PSU 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 payment for the PSUs vested under Section 4(a) hereof is made 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 PSU granted to the Participant, provided that such stock dividends shall be paid in cash at the same time that the payment for the PSUs vested under Section 4(a) hereof is made to the Participant in accordance with the provisions hereof. For clarity, no such cash shall be paid to the Participant with respect to any PSUs that are not earned or are forfeited. The Participant shall have no rights as a stockholder with respect to the PSUs.

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.

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 minimum 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; provided, however, that, at the Participant's discretion, the number of shares of Common Stock otherwise deliverable to the Participant may be further reduced in an amount up to the maximum individual tax rate in the Participant's particular jurisdiction, and only if the Company has a statutory obligation to withhold taxes on the Participant's behalf, in such case only if such reduction would not result in adverse financial accounting treatment, as determined by the Company (and in particular in connection with the effectiveness of the amendments to FASB Accounting Standards Codification Topic 718, Compensation – Stock Compensation, as amended by FASB Accounting Standards Update No. 2016-09, Improvements to Employee Share-Based Payment Accounting)..

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 Participants 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, loyalty, 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) Employee/Independent 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 unless permitted or required by law.

(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 services to the Company are of a special, unique, and extraordinary character; (ii) Participant's position with the Company will place Participant in a position of confidence, loyalty, and trust with respect to the operations of the Company; (iii) Participant will benefit from continued employment with the Company; (iv) Participant's experiences and capabilities are such that Participant can seek gainful employment after the Termination Date without violating this Agreement; (v) 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; (vi) the non-competition and non-solicitation provisions of this Agreement are fair and reasonable in duration, territory, and scope of activity; (vii) the non-competition and non-solicitation provisions of this Agreement are necessary to protect the Company's legitimate business and economic interests, including its Intellectual Property, Proprietary Information, and customer goodwill; and (viii) Participant's engaging in any service or activity contrary to the promises in Section 11(b), (c), (d), (e), (f), or (g) would jeopardize the Company's Intellectual Property, Proprietary Information, 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 Section 11(b), (c), (d), (e), (f), or (g) as determined by a court of competent jurisdiction.

(j) Equitable Remedies. Participant acknowledges that (i), the Company would sustain immediate and irreparable loss and damage if Participant were to breach any of such covenants, and (ii) 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.

12. Entire Agreement; Amendment. This Agreement, together with the Plan and the Executive Compensation Clawback Policy, 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 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 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: _____

Title: _____

PARTICIPANT

—

Name:

1. **Performance Periods.** The Performance Periods are as follows:

- (a) The first Performance Period is the 2023 calendar year;
- (b) The second Performance Period is the 2024 calendar year; and
- (c) The third Performance Period is the 2025 calendar year.

2. **Performance Goal.** The Performance Goal for each Performance Period is Adjusted Cash Flow.

(a) **Adjusted Cash Flow** means Adjusted EBITDA, *minus* Capital Expenditures, *plus or minus* the change in Working Capital, *plus or minus* Other Adjustments (as each such term is defined below).

(b) **Adjusted EBITDA** means Adjusted EBITDA as reported in the Company's Management's Discussion & Analysis set forth in the Company's Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission (the "Form 10-K"); provided, however, that if the Form 10-K does not set forth Adjusted EBITDA, "Adjusted EBITDA" shall mean Adjusted EBITDA as reported in the Company's press release announcing full year financial results for the applicable year.

(c) **Capital Expenditures** means "Capital expenditures" as set forth in the Company's year-end Consolidated Statements of Cash Flows as reported in the Company's Form 10-K.

(d) **Other Adjustments** means other adjustments impacting the Company's cash flows approved by the Committee, which were not anticipated or budgeted for by the Company in the Company's annual budget for the particular year, including, without limitation, adjustments relating to the impact from asset sales; mergers & acquisition activities (including the impact of assumption of post-closing liabilities); unanticipated insurance proceeds or settlements; unanticipated legal expenses and judgments; cash incentive compensation paid to the Company's employees; non-recurring items as determined in accordance with U.S. generally accepted accounting principles ("GAAP"); changes in accounting standards; changes in pension costs and discontinued operations; changes in currency exchange rates; changes in interest rates; and extraordinary items as determined in accordance with GAAP.

(e) **Working Capital** means the change in net trade payables *plus* net trade accounts receivable, *plus* net inventory, in each case of the Company and its Subsidiaries.

3. **Establishment of Threshold, Target and Maximum Amounts.** The Committee will establish the amounts of Adjusted Cash Flow that must be achieved for each Performance Period in order for the PSUs to become performance vested at the percentages corresponding to the Threshold Amount, Target Amount and Maximum Amount in the schedule set forth in Section 3(a) of the Agreement, no later than March 31st of such Performance Period.

4. **Determination of Achievement of Performance Goal.** The Committee will certify the level of achievement of the Performance Goal for each Performance Period within 60 days after the end of such Performance Period (or the date on which a Change in Control occurs, if applicable); provided that, if a Change in Control occurs prior to the last day of a Performance Period, the Committee will certify the level of achievement of the Performance Goal for such Performance Period, no later than 30 days after the date of such Change in Control.

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, florasil 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 and 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 A

ADDENDUM B
Restrictive Covenant References

1. Competing Businesses
(all entities listed shall include affiliates of such entities)

Addendum B

- Active Minerals
- Alpine Materials, LLC
- Alpine Silica
- Antero Resources Corporation
- Atlas Sand Company, LLC
- Badger Mining Corporation
- Black Mountain Sand, LLC
- Canadian Sand and Proppants, Inc.
- Capital Sand Company Inc.
- Carbo Ceramics Inc.
- Chemviron/Calgon Carbon Corporation
- Chesapeake Minerals
- Clariant Specialty Chemicals
- Covia Holdings Corp.
- Dicalite Management Group, Inc.
- EOG Resources, Inc.
- Explore Group, LLC / Explore Logistics
- Grit Energy Solutions, LLC
- Grit Energy, LLC
- Hi-Crush Inc. and Subsidiaries (Pronghorn, Encore, etc.)
- Imerys S.A.
- Liberty Materials Inc.
- Liberty Oilfield Services and Subsidiaries like PropX
- NexTier
- Nomad Proppant Services, LLC
- Oil-Dri Corporation
- Performance Proppants
- Profrac Services
- Sand Revolution
- Sandcan
- Select Sands Corp.
- Showa Chemical Industry Co., Ltd.
- Sierra Frac Sand, LLC
- Signal Peak Energy, LLC
- Smart Sand, Inc.
- Solaris Oilfield Infrastructure
- Superior Silica Sands LLC
- TSS (Total Sand Solution)
- V SandCo, LLC d/b/a Vista Sand
- Vista Proppants and Logistics, Inc.
- Vorto A.I.

2. Customers:
(all entities listed shall include affiliates of such entities)

- Antero Resources
- Archer-Daniels-Midland Company
- BJ Services Company
- C.E.D. Greentech
- Caesarstone, Ltd.
- Cambria Company
- Cargill, Incorporated
- Elite Quartz Manufacturing
- Halliburton Company
- Heineken Holding N.V.
- Liberty Oilfield Services LLC
- LX Granite Inc.
- Molson Coors Beverage Company
- NexTier Oilfield Solutions
- Johns Manville
- Pioneer Natural Resources Company
- Short Mountain Silica Co.
- Sibelco

3. Geographic Area:

- Colorado
- Illinois
- Louisiana
- New Jersey
- New Mexico
- North Dakota
- Oklahoma
- Pennsylvania
- Texas
- West Virginia
- Wisconsin

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, 2023;
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 28, 2023

/s/ BRYAN A. SHINN

Name: Bryan A. Shinn

Title: Chief Executive Officer

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, 2023;
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 28, 2023

/s/ DONALD A. MERRIL

Name: Donald A. Merril

Title: Executive Vice President and Chief
Financial Officer

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, 2023 (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 28, 2023

/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.

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, 2023 (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 28, 2023

/s/ DONALD A. MERRIL

Name: Donald A. Merril

Title: Executive Vice President and 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 District's approach to enforcement. Due to timing and other factors, the data below may not agree with the mine data retrieval system maintained by the MSHA at www.MSHA.gov

The following table details the citations and orders issued and civil penalties assessed to us by MSHA during the quarter ended March 31, 2023:

(whole dollars)													
Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Assessments Proposed (1)	Total Number of Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period	Legal Actions Initiated During Period	Legal Actions Resolved During Period	
Berkley Springs, WV / 4602805	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Celatom Mine, OR / 3503237	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Celatom Plant, OR / 3503236	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Cheto Mine, AZ / 0200103	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Clark, NV / 2600677	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Columbia, SC / 3800138	0	0	0	0	0	\$0.00*	0	No	No	0	0	0	
Crane, TX / 4105331	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Dubberly, LA / 1600489	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Fernley, NV / 2601950	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Festus, MO / 2302377	1	0	0	0	0	\$1,585.00	0	No	No	0	0	0	
Fowlkes Mine, MS / 2200460	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Hazen Mine, NV/ 2600679	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Hurtsboro, AL / 100617	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Jackson, MS / 2200415	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Jackson, TN / 4002937	0	0	0	0	0	\$0.00	0	No	No	0	0	0	
Kosse, TX / 4100262	0	0	0	0	0	\$0.00	0	No	No	0	0	0	

Lamesa, TX / 4105363	0	0	0	0	0	\$0.00*	0	No	No	0	0	0
Lovelock (Colado Plant) / 2600680	0	0	0	0	0	\$0.00	0	No	No	27	0	0
Lovelock, NV (Colado Mine) / 2600672	0	0	0	0	0	\$0.00*	0	No	No	0	0	0
Mapleton, PA / 3603122	0	0	0	0	0	\$0.00	0	No	No	0	0	0
Mauricetown, NJ / 2800526	1	0	0	0	0	\$572.00	0	No	No	0	0	0
Middletown, TN / 4002968	0	0	0	0	0	\$429.00	0	No	No	0	0	0
Mill Creek Mine, OK / 3400836	0	0	0	0	0	\$0.00	0	No	No	0	0	0
Mill Creek Plant, OK / 3400377	0	0	0	0	0	\$0.00	0	No	No	0	0	0
Millen, GA / 0901232	0	0	0	0	0	\$0.00	0	No	No	0	0	0
Montpelier, VA / 4402829	0	0	0	0	0	\$0.00	0	No	No	0	0	0
Ottawa, IL / 1101013	6	0	0	0	0	\$15,728.00	0	No	No	0	0	0
Pacific, MO / 2300544	18	0	0	0	0	\$30,541.00	0	No	No	0	0	0
Popcorn Mine, NV / 2602236	0	0	0	0	0	\$0.00	0	No	No	0	0	0
Port Elizabeth, NJ / 2800510	0	0	0	0	0	\$0.00	0	No	No	0	0	0
Rockwood, MI / 2000608	2	0	0	0	0	\$0.00*	0	No	No	0	0	0
Sparta, WI / 4703644	0	0	0	0	0	\$0.00	0	No	No	0	0	0
Tyler, TX / 4104182	0	0	0	0	0	\$0.00	0	No	No	0	0	0
Utica, IL / 1103268	0	0	0	0	0	\$0.00	0	No	No	0	0	0

(1) Amounts included are the total dollar value of proposed assessments received from MSHA from January 1, 2023 through March 31, 2023, regardless of whether the assessment has been challenged or appealed. Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and sometimes dismissed. The number of citations, orders, and proposed assessments vary by the MSHA District's approach to enforcement and vary depending on the size and type of the operation

* As of March 31, 2023, MSHA had not yet proposed an assessment for 6 non-S&S citations at the Columbia Plant, SC.

* As of March 31, 2023, MSHA had not yet proposed an assessment for 5 non-S&S citations at the Lamesa Mine, TX.

* As of March 31, 2023, MSHA had not yet proposed an assessment for 2 non-S&S citations at the Lovelock Mine, NV.

* As of March 31, 2023, MSHA had not yet proposed an assessment for 4 non-S&S citations and 2 S&S citation at the Rockwood Plant, MI.