

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

June 30, 2023

Commission File Number 1-12984



EAGLE MATERIALS INC.

(Exact name of registrant as specified in its charter)

Delaware (State of Incorporation)

75-2520779 (I.R.S. Employer Identification No.)

5960 Berkshire Lane, Suite 900, Dallas, Texas 75225 (Address of principal executive offices)

(214) 432-2000 (Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (par value \$.01 per share)	EXP	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 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, 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 Exchange Act.)
Yes No

As of July 24, 2023, the number of outstanding shares of common stock was:

Class	Outstanding Shares
Common Stock, \$.01 Par Value	35,431,981

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EAGLE MATERIALS INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF EARNINGS (unaudited)

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands, except share and per share data)	
Revenue	\$ 601,521	\$ 561,387
Cost of Goods Sold	425,526	410,521
Gross Profit	175,995	150,866
Equity in Earnings of Unconsolidated Joint Venture	3,159	5,098
Corporate General and Administrative Expense	(11,679)	(11,820)
Other Non-Operating Income (Expense)	213	(635)
Interest Expense, net	(12,239)	(7,330)
Earnings before Income Taxes	155,449	136,179
Income Taxes	(34,600)	(31,174)
Net Earnings	\$ 120,849	\$ 105,005
EARNINGS PER SHARE		
Basic	\$ 3.43	\$ 2.76
Diluted	3.40	2.75
AVERAGE SHARES OUTSTANDING		
Basic	35,274,753	37,982,580
Diluted	35,532,284	38,222,949
CASH DIVIDENDS PER SHARE	\$ 0.25	\$ 0.25

See Notes to Unaudited Consolidated Financial Statements.

EAGLE MATERIALS INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (unaudited)

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Net Earnings	\$ 120,849	\$ 105,005
Net Actuarial Change in Defined Benefit Plans		
Amortization of Net Actuarial Loss	63	30
Tax Expense	(15)	(7)
Comprehensive Earnings	\$ 120,897	\$ 105,028

See Notes to Unaudited Consolidated Financial Statements.

EAGLE MATERIALS INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (unaudited)

	June 30, 2023	March 31, 2023
	(dollars in thousands)	
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 53,149	\$ 15,242
Accounts and Notes Receivable, net	248,647	195,052
Inventories	302,525	291,882
Income Tax Receivable	1,410	16,267
Prepaid and Other Assets	10,310	3,060
Total Current Assets	616,041	521,503
Property, Plant, and Equipment, net	1,679,919	1,662,061
Notes Receivable	—	7,382
Investment in Joint Venture	89,770	89,111
Operating Lease Right-of-Use Assets	25,155	20,759
Goodwill and Intangible Assets, net	490,828	466,043
Other Assets	14,533	14,143
Total Assets	\$ 2,916,246	\$ 2,781,002
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	\$ 118,026	\$ 110,408
Accrued Liabilities	75,186	86,472
Operating Lease Liabilities	8,181	6,009
Income Tax Payable	18,304	—
Current Portion of Long-term Debt	10,000	10,000
Total Current Liabilities	229,697	212,889
Long-term Debt	1,141,848	1,079,032
Noncurrent Operating Lease Liabilities	26,549	24,940
Other Long-term Liabilities	40,585	41,603
Deferred Income Taxes	239,156	236,844
Total Liabilities	1,677,835	1,595,308
Stockholders' Equity		
Preferred Stock, Par Value \$0.01; Authorized 5,000,000 Shares; None Issued	—	—
Common Stock, Par Value \$0.01; Authorized 100,000,000 Shares; Issued and Outstanding 35,446,312 and 35,768,376 Shares, respectively	354	358
Capital in Excess of Par Value	—	—
Accumulated Other Comprehensive Losses	(3,499)	(3,547)
Retained Earnings	1,241,556	1,188,883
Total Stockholders' Equity	1,238,411	1,185,694
	\$ 2,916,246	\$ 2,781,002

See Notes to Unaudited Consolidated Financial Statements.

EAGLE MATERIALS INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Earnings	\$ 120,849	\$ 105,005
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities, Net of Effect of Noncash Activity		
Depreciation, Depletion, and Amortization	36,682	34,229
Deferred Income Tax Provision	2,312	2,547
Stock Compensation Expense	6,457	5,146
Equity in Earnings of Unconsolidated Joint Venture	(3,159)	(5,098)
Distributions from Joint Venture	2,500	4,500
Changes in Operating Assets and Liabilities		
Accounts and Notes Receivable	(46,213)	(51,478)
Inventories	4,166	9,085
Accounts Payable and Accrued Liabilities	(5,100)	(6,389)
Other Assets	(9,577)	(1,109)
Income Taxes Payable (Receivable)	31,570	28,364
Net Cash Provided by Operating Activities	<u>140,487</u>	<u>124,802</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property, Plant, and Equipment	(35,999)	(14,914)
Acquisition Spending	(55,053)	(121,162)
Net Cash Used in Investing Activities	<u>(91,052)</u>	<u>(136,076)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in Credit Facility	65,000	(19,000)
Proceeds from Term Loan	—	200,000
Repayment of Term Loan	(2,500)	—
Dividends Paid to Stockholders	(8,995)	(9,642)
Purchase and Retirement of Common Stock	(74,058)	(109,612)
Proceeds from Stock Option Exercises	10,385	667
Payment of Debt Issuance Costs	—	(777)
Shares Redeemed to Settle Employee Taxes on Stock Compensation	(1,360)	(1,497)
Net Cash Provided by (Used in) Financing Activities	<u>(11,528)</u>	<u>60,139</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,907	48,865
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,242	19,416
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ <u>53,149</u>	\$ <u>68,281</u>

See Notes to Unaudited Consolidated Financial Statements.

EAGLE MATERIALS INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (unaudited)

	Common Stock	Capital in Excess of Par Value	Retained Earnings (dollars in thousands)	Accumulated Other Comprehensive Losses	Total
Balance at March 31, 2022	\$ 387	\$ —	\$ 1,136,344	\$ (3,175)	\$ 1,133,556
Net Earnings	—	—	105,005	—	105,005
Stock Compensation Expense	—	5,146	—	—	5,146
Stock Option Exercises and Restricted Share Issuances	1	666	—	—	667
Shares Redeemed to Settle Employee Taxes	—	(1,497)	—	—	(1,497)
Purchase and Retirement of Common Stock	(9)	(4,315)	(105,288)	—	(109,612)
Dividends to Shareholders	—	—	(9,507)	—	(9,507)
Unfunded Pension Liability, net of tax	—	—	—	23	23
Balance at June 30, 2022	\$ 379	\$ —	\$ 1,126,554	\$ (3,152)	\$ 1,123,781

	Common Stock	Capital in Excess of Par Value	Retained Earnings (dollars in thousands)	Accumulated Other Comprehensive Losses	Total
Balance at March 31, 2023	\$ 358	\$ —	\$ 1,188,883	\$ (3,547)	\$ 1,185,694
Net Earnings	—	—	120,849	—	120,849
Stock Compensation Expense	—	6,457	—	—	6,457
Stock Option Exercises and Restricted Share Issuances	2	10,383	—	—	10,385
Shares Redeemed to Settle Employee Taxes	(1)	(1,359)	—	—	(1,360)
Purchase and Retirement of Common Stock	(5)	(15,481)	(59,313)	—	(74,799)
Dividends to Shareholders	—	—	(8,863)	—	(8,863)
Unfunded Pension Liability, net of tax	—	—	—	48	48
Balance at June 30, 2023	\$ 354	\$ —	\$ 1,241,556	\$ (3,499)	\$ 1,238,411

See Notes to Unaudited Consolidated Financial Statements.

Eagle Materials Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(A) BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements as of and for the three-month period ended June 30, 2023, include the accounts of Eagle Materials Inc. and its majority-owned subsidiaries (collectively, the Company, us, or we) and have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 19, 2023.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although we believe that the disclosures are adequate to make the information presented not misleading. In our opinion, all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the information in the following unaudited consolidated financial statements of the Company have been included. The results of operations for interim periods are not necessarily indicative of the results for the full year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

There have been no recent accounting pronouncements that are expected to materially affect the Company.

(B) SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information is as follows:

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Cash Payments		
Interest	\$ 14,993	\$ 1,005
Income Taxes	636	271
Operating Cash Flows Used for Operating Leases	2,391	2,135
Noncash Financing Activities		
Excise Tax on Share Repurchases	\$ 1,479	\$ —
Right-of-Use Assets Acquired for Capitalized Operating Leases	4,166	—

(C) ACQUISITION

On May 3, 2023, we purchased the assets of a cement import terminal in Stockton, California (the Stockton Terminal Acquisition), which was accounted for under the acquisition method. The purchase price of the Stockton Terminal Acquisition was approximately \$55.1 million. The purchase price allocation has not yet been finalized. The purchase price was funded through borrowings under our revolving credit facility. Operations related to the Stockton Terminal Acquisition are included in the Cement business in our segment reporting from May 3, 2023 through June 30, 2023.

The following table summarizes the preliminary allocation of the purchase price to the fair value of assets acquired and liabilities assumed (based on Level 3 inputs) as of June 30, 2023:

	Estimated Fair Value
Inventory	\$ 14,809
Prepaid and Other Current Assets	179
Property, Plant, and Equipment	14,099
Lease Right-of-Use Assets	1,646
Intangible Assets	12,550
Lease Obligations	(1,646)
Other Long-term Liabilities	(630)
Goodwill	14,046
Total Estimated Purchase Price	\$ 55,053

The estimated useful lives assigned to Property, Plant, and Equipment range from 5 to 30 years, while the estimated useful lives assigned to Intangible Assets range from 2 to 15 years. All goodwill generated from the Stockton Terminal Acquisition is deductible for income tax purposes.

The following table presents the Revenue and Operating Loss related to the Stockton Terminal Acquisition that has been included in our Consolidated Statement of Earnings from May 3, 2023 through June 30, 2023.

	(dollars in thousands)
Revenue	\$ 6,468
Operating Loss	\$ (1,920)

Included in Operating Loss shown above is approximately \$0.5 million and \$2.8 million related to depreciation and amortization and the recording of acquired inventories at fair value, respectively.

(D) REVENUE

We earn Revenue primarily from the sale of products, which include cement, concrete, aggregates, gypsum wallboard, and recycled paperboard. The vast majority of Revenue from the sale of concrete, aggregates, and gypsum wallboard is originated by purchase orders from our customers, who are mostly third-party contractors and suppliers. Revenue from the sale of cement is recognized at the point-of-sale to customers under sales orders. Revenue from our Recycled Paperboard segment is generated mainly through long-term supply agreements. These agreements do not have a stated maturity date, but may be terminated by either party with a two to three-year notice period. We invoice customers upon shipment, and our collection terms range from 30 to 75 days. Revenue from the sale of cement, concrete, aggregates, and gypsum wallboard not related to long-term supply agreements is recognized upon shipment of the related products to customers, which is when title and ownership are transferred, and the customer is obligated to pay.

Revenue from sales under our long-term supply agreements is also recognized upon transfer of control to the customer, which generally occurs at the time the product is shipped from the production facility or terminal location. Our long-term supply agreements with customers define, among other commitments, the volume of product that we must provide and the volume that the customer must purchase by the end of the defined periods. Pricing structures under our agreements are generally market-based, but are subject to certain contractual adjustments. Shortfall amounts, if applicable under these arrangements, are constrained and not recognized as Revenue until an agreement is reached with the customer and, therefore, are not subject to the risk of reversal.

The Company offers certain of its customers, including those with long-term supply agreements, rebates and incentives, which we treat as variable consideration. We adjust the amount of Revenue recognized for the variable consideration using the most likely amount method based on past history and projected volumes in the rebate and incentive period. Any amounts billed to customers for taxes are excluded from Revenue.

The Company has elected to treat freight and delivery charges we pay for the delivery of goods to our customers as a fulfillment activity rather than a separate performance obligation. When we arrange for a third party to deliver products to customers, fees for shipping and handling billed to the customer are recorded as Revenue, while costs we incur for shipping and handling are recorded as expenses and included in Cost of Goods Sold.

Other Non-Operating Income includes lease and rental income, asset sale income, non-inventoried aggregates sales income, distribution center income, and trucking income, as well as other miscellaneous revenue items and costs that have not been allocated to a business segment.

See Footnote (N) to the Unaudited Consolidated Financial Statements for disaggregation of revenue by segment.

(E) ACCOUNTS AND NOTES RECEIVABLE

Accounts Receivable are shown net of the allowance for doubtful accounts totaling \$6.9 million at both June 30, 2023, and March 31, 2023, respectively. We perform ongoing credit evaluations of our customers' financial condition and generally require no collateral from our customers. The allowance for non-collection of receivables is based upon analysis of economic trends in the construction industry, detailed analysis of the expected collectability of accounts receivable that are past due, and the expected collectability of overall receivables. We have no significant credit risk concentration among our diversified customer base.

(F) INVENTORIES

Inventories are stated at the lower of average cost (including applicable material, labor, depreciation, and plant overhead) or net realizable value. Raw Materials and Materials-in-Progress include clinker, which is an intermediary product before it is ground into cement powder. Quantities of Raw Materials and Materials-in-Progress, Aggregates, and Coal inventories, are based on measured volumes, subject to estimation based on the size and location of the inventory piles, and are converted to tonnage using standard inventory density factors. Inventories consist of the following:

	June 30, 2023	March 31, 2023
	(dollars in thousands)	
Raw Materials and Materials-in-Progress	\$ 98,997	\$ 96,880
Finished Cement	51,122	46,364
Aggregates	10,933	8,309
Gypsum Wallboard	5,200	4,244
Paperboard	8,282	8,651
Repair Parts and Supplies	110,962	112,885
Fuel and Coal	17,029	14,549
	\$ 302,525	\$ 291,882

(G) ACCRUED EXPENSES

Accrued Expenses consist of the following:

	June 30, 2023	March 31, 2023
	(dollars in thousands)	
Payroll and Incentive Compensation	\$ 22,395	\$ 32,742
Benefits	16,209	16,130
Dividends	9,054	9,186
Interest	4,092	7,163
Property Taxes	8,479	6,671
Power and Fuel	2,885	3,051
Freight	3,455	1,663
Legal and Professional	1,775	1,691
Sales, Use, and Excise Taxes	3,123	1,452
Other	3,719	6,723
	<u>\$ 75,186</u>	<u>\$ 86,472</u>

(H) LEASES

We lease certain real estate, buildings, and equipment. Certain of these leases contain escalations of rent over the term of the lease, as well as options for us to extend the term of the lease at the end of the original term. These extensions range from periods of one to 20 years. Our lease agreements do not contain material residual value guarantees or material restrictive covenants. In calculating the present value of future minimum lease payments, we use the rate implicit in the lease if it can be determined. Otherwise, we use our incremental borrowing rate in effect at the commencement of the lease to determine the present value of the future minimum lease payments. Additionally, we lease certain equipment under short-term leases with initial terms of less than 12 months, which are not recorded on the balance sheet.

Lease expense for our operating and short-term leases is as follows:

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Operating Lease Cost	\$ 2,274	\$ 1,727
Short-term Lease Cost	223	149
Total Lease Cost	<u>\$ 2,497</u>	<u>\$ 1,876</u>

The Right-of-Use Assets and Lease Liabilities are reflected on our Balance Sheet as follows:

	June 30, 2023	March 31, 2023
	(dollars in thousands)	
Operating Leases		
Operating Lease Right-of-Use Assets	\$ 25,155	\$ 20,759
Current Operating Lease Liabilities	\$ 8,181	\$ 6,009
Noncurrent Operating Lease Liabilities	26,549	24,940
Total Operating Lease Liabilities	<u>\$ 34,730</u>	<u>\$ 30,949</u>

Future payments for operating leases are as follows (dollars in thousands):

Fiscal Year	Amount
2023 (remaining nine months)	\$ 6,941
2024	8,708
2025	4,834
2026	3,712
2027	2,877
Thereafter	15,896
Total Lease Payments	\$ 42,968
Less: Imputed Interest	(8,238)
Present Value of Lease Liabilities	\$ 34,730
Weighted-Average Remaining Lease Term (in years)	9.5
Weighted-Average Discount Rate	4.16 %

(I) SHARE-BASED EMPLOYEE COMPENSATION

On August 7, 2013, our stockholders approved the Eagle Materials Inc. Amended and Restated Incentive Plan (the Plan), which increased the shares we are authorized to issue as awards by 3,000,000 (1,500,000 of which may be stock awards). Under the terms of the Plan, we can issue equity awards, including stock options, restricted stock units, restricted stock, and stock appreciation rights, to employees of the Company and members of the Board of Directors. The Compensation Committee of our Board of Directors specifies grant terms for awards under the Plan.

Long-Term Compensation Plans

OPTIONS

In May 2023, the Compensation Committee of the Board of Directors approved the granting to certain officers and key employees an aggregate of 2,296 performance-vesting stock options that will be earned only if certain performance conditions are satisfied (the Fiscal 2024 Employee Performance Stock Option Grant). The performance criteria for the Fiscal 2024 Employee Performance Stock Option Grant are based upon the achievement of certain levels of return on equity (as defined in the option agreements), ranging from 10.0% to 20.0%, for the fiscal years ending March 31, 2024, through March 31, 2026. All stock options in each performance period will be earned if the return on equity is 20.0% or greater, and the percentage of stock options earned in such period will be reduced proportionately to approximately 66.7% if the return on equity is 10.0%. If the Company does not achieve a return on equity of at least 10.0% during the performance period, all stock option awards for that performance period will be forfeited. The stock option performance periods are as follows:

	Options	Performance Period	Vesting Date
One-Year Performance Shares	574	April 1, 2023 to March 31, 2024	May 2024
Two-Year Performance Shares	574	April 1, 2023 to March 31, 2025	May 2025
Three-Year Performance Shares	1,148	April 1, 2023 to March 31, 2026	May 2026

The stock options have a term of 10 years from the grant date. The Compensation Committee also approved the granting of 1,914 time-vesting stock options to the same officers and key employees, which vest ratably over three years (the Fiscal 2024 Employee Time-Vesting Stock Option Grant).

The Fiscal 2024 Employee Performance Stock Option Grant and the Fiscal 2024 Employee Time-Vesting Stock Option Grant were valued at their grant date using the Black-Scholes option pricing model. The weighted-average assumptions used in the Black-Scholes model to value the option awards for fiscal 2024 are as follows:

Dividend Yield	0.8%
Expected Volatility	38.8%
Risk-Free Interest Rate	3.6%
Expected Life	6.0 years

In addition to the stock options described above, we issue stock options to certain employees from time to time. Any options issued are valued using the Black-Scholes options pricing model on the grant date, and expensed over the vesting period.

Stock option expense for all outstanding stock option awards totaled approximately \$0.5 million and \$0.8 million for the three months ended June 30, 2023 and 2022, respectively. At June 30, 2023, there was approximately \$3.1 million of unrecognized compensation cost related to outstanding stock options, which is expected to be recognized over a weighted-average period of 2.2 years.

The following table represents stock option activity for the three months ended June 30, 2023:

	Number of Shares	Weighted-Average Exercise Price
Outstanding Options at March 31, 2023	436,949	\$ 89.69
Granted	4,210	\$ 166.75
Exercised	(117,715)	\$ 166.25
Cancelled	(1,000)	\$ 73.37
Outstanding Options at June 30, 2023	322,444	\$ 91.28
Options Exercisable at June 30, 2023	228,808	
Weighted-Average Fair Value of Options Granted During the Year	\$ 67.01	

The following table summarizes information about stock options outstanding at June 30, 2023:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number of Shares Outstanding	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Number of Shares Outstanding	Weighted-Average Exercise Price
\$59.32 - \$81.28	118,049	6.28	\$ 62.64	75,645	\$ 63.83
\$87.37 - \$106.24	134,018	5.04	\$ 95.87	130,302	\$ 95.83
\$118.27 - \$166.75	70,377	8.82	\$ 130.59	22,861	\$ 130.82
	322,444	6.32	\$ 91.28	228,808	\$ 88.74

At June 30, 2023, the aggregate intrinsic value for the outstanding and exercisable options was approximately \$30.7 million and \$22.3 million, respectively. The total intrinsic value of options exercised during the three months ended June 30, 2023, was approximately \$9.2 million.

RESTRICTED STOCK

In May 2023, the Compensation Committee approved the granting to certain officers and key employees an aggregate of 45,693 shares of performance-vesting restricted stock that will be earned if certain performance conditions are satisfied (the Fiscal 2024 Employee Restricted Stock Performance Award). The performance criteria for the Fiscal 2024 Employee Restricted Stock Performance Award are based upon the achievement of certain levels of return on equity (as defined in the award agreement), ranging from 10.0% to 20.0%, for the fiscal

years ending March 31, 2024, through March 31, 2026. All restricted shares in each performance period will be earned if the return on equity is 20.0% or greater, and the percentage of shares earned in such period will be reduced proportionately to approximately 66.7% if the return on equity is 10.0%. If the Company does not achieve a return on equity of at least 10.0% during the performance period, all awards for that performance period will be forfeited. The restricted share performance periods as follows:

	Shares	Performance Period	Vesting Date
One-Year Performance Shares	11,424	April 1, 2023 to March 31, 2024	May 2024
Two-Year Performance Shares	11,424	April 1, 2023 to March 31, 2025	May 2025
Three-Year Performance Shares	22,845	April 1, 2023 to March 31, 2026	May 2026

The Compensation Committee also approved the granting of 38,072 shares of time-vesting restricted stock to the same officers and key employees, which vest ratably over four years (the Fiscal 2024 Employee Restricted Stock Time-Vesting Award). The Fiscal 2024 Employee Restricted Stock Performance Award and the Fiscal 2024 Employee Restricted Stock Time-Vesting Award were valued at the closing price of the stock on the grant date and are being expensed over a three year period.

In addition to the restricted stock described above, from time to time we issue restricted stock to certain employees. These awards are valued at the closing price of the stock on the grant date, and expensed over the vesting period.

The fair value of restricted stock is based on the stock price on the grant date. The following table summarizes the activity for nonvested restricted shares during the three months ended June 30, 2023:

	Number of Shares	Weighted-Average Grant Date Fair Value
Nonvested Restricted Stock at March 31, 2023	219,084	\$ 96.54
Granted	85,415	\$ 166.75
Vested	(22,257)	\$ 160.48
Forfeited	(3,000)	\$ 139.03
Nonvested Restricted Stock at June 30, 2023	279,242	\$ 116.92

Expense related to restricted shares was approximately \$6.0 million and \$4.3 million for the three months ended June 30, 2023, and 2022, respectively. At June 30, 2023, there was approximately \$27.1 million of unearned compensation from restricted stock, which will be recognized over a weighted-average period of 2.2 years.

The number of shares available for future grants of stock options, restricted stock units, stock appreciation rights, and restricted stock under the Plan was 3,211,864 at June 30, 2023.

The Plan expires on August 7, 2023. On May 17, 2023, the Board approved the Eagle Materials Inc. 2023 Equity Incentive Plan (2023 Plan), subject to stockholder approval at the annual meeting of stockholders, which is scheduled to occur on August 3, 2023. If approved, the 2023 Plan will reserve 1,425,000 shares for future grants of stock options, restricted stock units, stock appreciation rights, and restricted stock under the 2023 Plan.

(J) COMPUTATION OF EARNINGS PER SHARE

The calculation of basic and diluted common shares outstanding is as follows:

	For the Three Months Ended June 30,	
	2023	2022
Weighted-Average Shares of Common Stock Outstanding	35,274,753	37,982,580
Effect of Dilutive Shares		
Assumed Exercise of Outstanding Dilutive Options	320,261	428,779
Less Shares Repurchased from Proceeds of Assumed Exercised Options	(173,894)	(311,790)
Restricted Stock	111,164	123,380
Weighted-Average Common Stock and Dilutive Securities Outstanding	35,532,284	38,222,949
Shares Excluded Due to Anti-Dilution Effects	58,288	32,656

(K) PENSION AND EMPLOYEE BENEFIT PLANS

We sponsor several single-employer defined benefit plans and defined contribution plans, which together cover substantially all our employees. Benefits paid under the single-employer defined benefit plans covering certain hourly employees were historically based on years of service and the employee's qualifying compensation over the last few years of employment. Over the last several years, these plans have been frozen to new participants and new benefits, with the last plan becoming frozen during fiscal 2020. Our defined benefit plans are all fully funded, with plan assets exceeding the benefit obligation at March 31, 2023. Due to the frozen status and current funding of the single-employer pension plans, our expected pension expense for fiscal 2024 is less than \$0.2 million.

(L) INCOME TAXES

Income Taxes for the interim periods presented have been included in the accompanying financial statements on the basis of an estimated annual effective tax rate. In addition to the amount of tax resulting from applying the estimated annual effective tax rate to pre-tax income, we will include, when appropriate, certain items treated as discrete events to arrive at an estimated overall tax amount. The effective tax rate for the three months ended June 30, 2023 was approximately 22%, which was lower than the effective tax rate of 23% for the three months ended June 30, 2022. The effective tax rate was higher than the U.S. Statutory rate of 21% mainly due to state income taxes, partially offset by a benefit recognized related to percentage depletion.

(M) LONG-TERM DEBT

Long-term Debt at June 30, 2023 was as follows:

	June 30, 2023	March 31, 2023
	(dollars in thousands)	
Revolving Credit Facility	\$ 222,000	\$ 157,000
2.500% Senior Unsecured Notes Due 2031	750,000	750,000
Term Loan	190,000	192,500
Total Debt	1,162,000	1,099,500
Less: Current Portion of Long-term Debt	(10,000)	(10,000)
Less: Unamortized Discounts and Debt Issuance Costs	(10,152)	(10,468)
Long-term Debt	\$ 1,141,848	\$ 1,079,032

Revolving Credit Facility

We have an unsecured \$750.0 million revolving credit facility (the Revolving Credit Facility). The Revolving Credit Facility includes a separate \$200.0 million term loan facility (the Term Loan) and also provides the Company the option to increase the borrowing capacity by up to \$375.0 million (for a total borrowing capacity of \$1,125 million), provided the existing lenders, or new lenders, agree to such increase. The Revolving Credit Facility includes a \$40.0 million letter of credit facility and a swingline loan sub-facility of \$25.0 million, and expires on May 5, 2027.

The Revolving Credit Facility contains customary covenants for an unsecured investment-grade facility, including covenants that restrict the Company's and/or its subsidiaries' ability to incur additional debt; encumber assets; merge with or transfer or sell assets to other persons; and enter into certain affiliate transactions. The Revolving Credit Facility also requires the Company to maintain at the end of each fiscal quarter a Leverage Ratio of 3.50:1.00 or less and an Interest Coverage Ratio (both ratios, as defined in the Revolving Credit Facility) equal to or greater than 2.50 to 1.00 (collectively, the Financial Covenants).

At the Company's option, outstanding loans under the Revolving Credit Facility bear interest, at a variable rate equal to either (i) the adjusted term SOFR rate (secured overnight financing rate), plus 10 basis points, plus an agreed spread (ranging from 100 to 162.5 basis points, which is established based on the Company's credit rating); (ii) in respect of any Revolving Loans (until such time as the then-existing Benchmark (as defined in the

Revolving Credit Facility) is replaced in accordance with the Revolving Credit Facility), the adjusted daily simple SOFR rate, plus 10 basis points, plus an agreed spread (ranging from 100 to 162.5 basis points, which is established based on the Company's credit rating) or (iii) an Alternate Base Rate (as defined in the Revolving Credit Facility), which is the highest of (a) the Prime Rate (as defined in the Revolving Credit Facility) in effect on any applicable day, (b) the NYFRB Rate (as defined in the Revolving Credit Facility) in effect on any applicable day, plus ½ of 1%, and (c) the Adjusted Term SOFR (as defined in the Revolving Credit Facility) for a one-month interest period on any applicable day, or if such day is not a business day, the immediately preceding business day, plus 1.0%, in each case plus an agreed upon spread (ranging from 0 to 62.5 basis points), which is established quarterly based on the Company's credit rating. The Company is also required to pay a facility fee on unused available borrowings under the Revolving Credit Facility ranging from 9 to 22.5 basis points, which is established based on the Company's then credit rating.

The Company pays each lender a participation fee with respect to such lender's participations in letters of credit, which fee accrues at the same Applicable Rate (as defined in the Revolving Credit Facility) used to determine the interest rate applicable to Eurodollar Revolving Loans (as defined in the Revolving Credit Facility), plus a fronting fee for each letter of credit issued by the issuing bank in an amount equal to 12.5 basis points per annum on the daily maximum amount then available to be drawn under such letter of credit. The Company also pays each issuing bank such bank's standard fees with respect to issuance, amendment or extensions of letters of credit and other processing fees, and other standard costs and charges relating to such issuing bank's letters of credit from time to time.

There was \$222.0 million of outstanding borrowings under the Revolving Credit Facility, plus \$8.3 million outstanding letters of credit as of June 30, 2023, leaving us with \$519.7 million of available borrowings under the Revolving Credit Facility, net of the outstanding letters of credit. We were in compliance with all Financial Covenants on June 30, 2023; therefore, the entire \$519.7 million is available for future borrowings.

Term Loan

On May 5, 2022, we borrowed the \$200.0 million Term Loan under the Revolving Credit Facility, and used these proceeds to, among other things, pay down a portion of the Revolving Credit Facility. The Term Loan requires quarterly principal payments of \$2.5 million, with any unpaid amounts due upon maturity on May 5, 2027. At the Company's option, principal amounts outstanding under the Term Loan bear interest as set forth in the Revolving Credit Facility (but not, for the avoidance of doubt, at a daily simple SOFR rate unless and until such time as the then-existing Benchmark (as defined in the Revolving Credit Facility) is replaced in accordance with the Revolving Credit Facility).

2.500% Senior Unsecured Notes Due 2031

On July 1, 2021, we issued \$750.0 million aggregate principal amount of 2.500% senior notes due July 2031 (the 2.500% Senior Unsecured Notes). The 2.500% Senior Unsecured Notes are senior unsecured obligations of the Company and are not guaranteed by any of our subsidiaries. The 2.500% Senior Unsecured Notes were issued net of original issue discount of \$6.3 million and have an effective interest rate of approximately 2.6%. The original issue discount is being amortized by the effective interest method over the 10-year term of the notes. The 2.500% Senior Unsecured Notes are redeemable prior to April 1, 2031, at a redemption price equal to 100% of the aggregate principal amount of the 2.500% Senior Unsecured Notes being redeemed, plus the present value of remaining scheduled payments of principal and interest from the applicable redemption date to April 1, 2031, discounted to the redemption date on a semi-annual basis at the Treasury rate plus 20 basis points. The 2.500% Senior Unsecured Notes are redeemable on or after April 1, 2031, at a redemption price equal to 100% of the aggregate principal amount of the 2.500% Senior Unsecured Notes being redeemed, plus accrued and unpaid interest to, but excluding, the applicable redemption date. If we experience certain change of control triggering events, we would be required to offer to repurchase the 2.500% Senior Unsecured Notes at a purchase price equal to 101% of the aggregate principal amount of the 2.500% Senior Unsecured Notes being repurchased, plus accrued and unpaid interest to, but excluding, the applicable redemption date. The indenture governing the

2.500% Senior Unsecured Notes contains certain covenants that limit our ability to create or permit to exist certain liens; enter into sale and leaseback transactions; and consolidate, merge, or transfer all or substantially all of our assets, and provides for certain events of default that, if any occurred, would permit or require the principal of and accrued interest on the 2.500% Senior Unsecured Notes to become or be declared due and payable.

(N) SEGMENT INFORMATION

Operating segments are defined as components of an enterprise that engage in business activities that earn revenue, incur expenses, and prepare separate financial information that is evaluated regularly by our chief operating decision maker in order to allocate resources and assess performance.

Our business is organized into two sectors within which there are four reportable business segments. The Heavy Materials sector includes the Cement and Concrete and Aggregates segments. The Light Materials sector includes the Gypsum Wallboard and Recycled Paperboard segments.

Our primary products are commodities that are essential in commercial and residential construction; public construction projects; and projects to build, expand, and repair roads and highways. Demand for our products is generally cyclical and seasonal, depending on economic and geographic conditions. We distribute our products throughout most of the United States, except the Northeast, which provides us with regional economic diversification. Our operations are conducted in the U.S. and include the mining of limestone for the manufacture, production, distribution, and sale of portland cement (a basic construction material that is the essential binding ingredient in concrete); the grinding and sale of slag; the mining of gypsum for the manufacture and sale of gypsum wallboard; the manufacture and sale of recycled paperboard to the gypsum wallboard industry and other paperboard converters; the sale of readymix concrete; and the mining and sale of aggregates (crushed stone, sand, and gravel).

We operate eight modern cement plants (one of which is operated through a joint venture located in Buda, Texas), one slag grinding facility, and over 30 cement distribution terminals. Our cement companies focus on the U.S. heartland and operate as an integrated network selling product primarily in California, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Missouri, Nebraska, Nevada, Ohio, Oklahoma, Tennessee, and Texas. We operate 30 readymix concrete batch plants and five aggregates processing plants in markets that are complementary to our cement network.

We operate five gypsum wallboard plants and a recycled paperboard mill. We distribute gypsum wallboard and recycled paperboard throughout the continental U.S., with the exception of the Northeast.

We account for intersegment sales at market prices. For segment reporting purposes only, we proportionately consolidate our 50% share of the Joint Venture Revenue and Operating Earnings, consistent with the way management reports the segments within the Company for making operating decisions and assessing performance.

The following table sets forth certain financial information relating to our operations by segment. We do not allocate interest or taxes at the segment level; these costs are disclosed at the consolidated company level.

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Revenue		
Cement	\$ 329,032	\$ 284,516
Concrete and Aggregates	70,453	61,618
Gypsum Wallboard	219,097	216,327
Paperboard	45,328	54,073
	<u>663,910</u>	<u>616,534</u>
Less: Intersegment Revenue	(35,266)	(28,832)
Less: Joint Venture Revenue	(27,123)	(26,315)
	<u>\$ 601,521</u>	<u>\$ 561,387</u>

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Intersegment Revenue		
Cement	\$ 10,137	\$ 6,291
Concrete and Aggregates	3,038	—
Paperboard	22,091	22,541
	<u>\$ 35,266</u>	<u>\$ 28,832</u>
Cement Sales Volume (M tons)		
Wholly Owned	1,848	1,805
Joint Venture	165	188
	<u>2,013</u>	<u>1,993</u>

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Operating Earnings		
Cement	\$ 74,061	\$ 62,348
Concrete and Aggregates	7,034	5,732
Gypsum Wallboard	90,857	84,068
Paperboard	7,202	3,816
Sub-Total	179,154	155,964
Corporate General and Administrative Expense	(11,679)	(11,820)
Other Non-Operating Income (Loss)	213	(635)
Earnings Before Interest and Income Taxes	167,688	143,509
Interest Expense, net	(12,239)	(7,330)
Earnings Before Income Taxes	\$ 155,449	\$ 136,179
Cement Operating Earnings		
Wholly Owned	\$ 70,902	\$ 57,250
Joint Venture	3,159	5,098
	\$ 74,061	\$ 62,348
Capital Expenditures		
Cement	\$ 18,368	\$ 8,986
Concrete and Aggregates	3,220	652
Gypsum Wallboard	11,028	4,079
Paperboard	3,268	837
Corporate and Other	115	360
	\$ 35,999	\$ 14,914
Depreciation, Depletion, and Amortization		
Cement	\$ 21,679	\$ 20,053
Concrete and Aggregates	5,031	4,201
Gypsum Wallboard	5,461	5,563
Paperboard	3,719	3,717
Corporate and Other	792	695
	\$ 36,682	\$ 34,229

	June 30,	March 31,
	2023	2023
	(dollars in thousands)	
Identifiable Assets		
Cement	\$ 2,006,915	\$ 1,905,227
Concrete and Aggregates	241,746	234,767
Gypsum Wallboard	428,240	421,425
Paperboard	165,649	163,797
Other, net	73,696	55,786
	\$ 2,916,246	\$ 2,781,002

Segment Operating Earnings, including the proportionately consolidated 50% interest in the revenue and expenses of the Joint Venture, represent Revenue, less direct operating expenses, segment Depreciation, and segment Selling, General, and Administrative expenses. We account for intersegment sales at market prices. Corporate assets consist mainly of cash and cash equivalents, general office assets, and miscellaneous other assets.

The basis used to disclose Identifiable Assets; Capital Expenditures; and Depreciation, Depletion, and Amortization conforms with the equity method, and is similar to how we disclose these accounts in our Unaudited Consolidated Balance Sheets and Unaudited Consolidated Statements of Earnings.

The segment breakdown of Goodwill is as follows:

	June 30, 2023	March 31, 2023
	(dollars in thousands)	
Cement	\$ 229,857	\$ 215,781
Concrete and Aggregates	40,774	40,774
Gypsum Wallboard	116,618	116,618
Paperboard	7,538	7,538
	\$ 394,787	\$ 380,711

The increase in Goodwill in the Cement segment is related to the Stockton Terminal Acquisition. The purchase price allocation is still in progress, and may affect the recorded balance of Goodwill when completed.

Summarized financial information for the Joint Venture that is not consolidated is set out below. This summarized financial information includes the total amount for the Joint Venture and not our 50% interest in those amounts:

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Revenue	\$ 54,246	\$ 52,630
Gross Margin	\$ 8,538	\$ 12,026
Earnings Before Income Taxes	\$ 6,364	\$ 10,272

	June 30, 2023	March 31, 2023
	(dollars in thousands)	
Current Assets	\$ 90,831	\$ 88,562
Noncurrent Assets	\$ 127,081	\$ 124,503
Current Liabilities	\$ 32,811	\$ 29,434

(O) INTEREST EXPENSE

The following components are included in Interest Expense, net:

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Interest Income	\$ (158)	\$ (15)
Interest Expense	11,923	6,882
Other Expenses	474	463
Interest Expense, net	\$ 12,239	\$ 7,330

Interest Income includes interest earned on investments of excess cash. Components of Interest Expense include interest associated with the Revolving Credit Facility, Term Loan, Senior Unsecured Notes, and commitment fees based on the unused portion of the Revolving Credit Facility. Other Expenses include amortization of debt issuance costs and Revolving Credit Facility costs.

(P) COMMITMENTS AND CONTINGENCIES

We have certain deductible limits under our workers' compensation and liability insurance policies for which reserves are established based on the undiscounted estimated costs of known and anticipated claims. We have entered into standby letter of credit agreements relating to workers' compensation, auto, and general liability self-insurance. At June 30, 2023, we had contingent liabilities under these outstanding letters of credit of approximately \$8.3 million.

In the ordinary course of business, we execute contracts involving indemnifications that are both standard in the industry and specific to a transaction, such as the sale of a business. These indemnifications may include claims relating to any of the following: environmental and tax matters; intellectual property rights; governmental regulations and employment-related matters; customer, supplier, and other commercial contractual relationships; and construction contracts and financial matters. While the maximum amount to which the Company may be exposed under such agreements cannot be estimated, management believes these indemnifications will not have a material adverse effect on our consolidated financial position, results of operations, or cash flows. We currently have no outstanding guarantees.

We are currently contingently liable for performance under \$28.2 million in performance bonds required by certain states and municipalities, and their related agencies. The bonds are principally for certain reclamation obligations and mining permits. We have indemnified the underwriting insurance company against any exposure under the performance bonds. In our past experience, no material claims have been made against these financial instruments.

(Q) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of our long-term debt has been estimated based upon our current incremental borrowing rates for similar types of borrowing arrangements. The fair value of our 2.500% Senior Unsecured Notes at June 30, 2023, is as follows:

		Fair Value (dollars in thousands)
2.500% Senior Unsecured Notes Due 2031	\$	612,416

The estimated fair value of our long-term debt was based on quoted prices of similar debt instruments with similar terms that are publicly traded (level 1 input). The carrying values of Cash and Cash Equivalents, Accounts Receivable, Accounts Payable, and Accrued Liabilities approximate their fair values at June 30, 2023, due to the short-term maturities of these assets and liabilities. The fair value of our Revolving Credit Facility and Term Loan also approximates the carrying value at June 30, 2023.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

EXECUTIVE SUMMARY

We are a leading manufacturer of heavy construction materials and light building materials in the United States. Our primary products, Portland Cement and Gypsum Wallboard, are commodities that are essential in commercial and residential construction; public construction projects; and projects to build, expand, and repair roads and highways. Demand for our products is generally cyclical and seasonal, depending on economic and geographic conditions. We distribute our products throughout most of the United States, except the Northeast, which provides us with regional economic diversification. However, general economic downturns or localized downturns in the regions where we have operations may have a material adverse effect on our business, financial condition, and results of operations.

Our business is organized into two sectors: Heavy Materials, which includes the Cement and Concrete and Aggregates segments; and Light Materials, which includes the Gypsum Wallboard and Recycled Paperboard segments. Financial results and other information for the three months ended June 30, 2023 and 2022, are presented on a consolidated basis and by these business segments – Cement, Concrete and Aggregates, Gypsum Wallboard, and Recycled Paperboard.

We conduct one of our cement operations through a joint venture, Texas Lehigh Cement Company LP, which is located in Buda, Texas (the Joint Venture). We own a 50% interest in the Joint Venture and account for our interest under the equity method of accounting. We proportionately consolidate our 50% share of the Joint Venture's Revenue and Operating Earnings in the presentation of our Cement segment, which is the way management organizes the segments within the Company for making operating decisions and assessing performance.

All our business activities are conducted in the United States. These activities include the mining of limestone for the manufacture, production, distribution, and sale of portland cement, including portland limestone cement (a basic construction material that is the essential binding ingredient in concrete); the grinding and sale of slag; the mining of gypsum for the manufacture and sale of gypsum wallboard; the manufacture and sale of recycled paperboard to the gypsum wallboard industry and other paperboard converters; the sale of readymix concrete; and the mining and sale of aggregates (crushed stone, sand, and gravel).

In April 2023, we assumed operation of our quarry in Battletown, Kentucky (Battletown Aggregates). Our Battletown quarry is primarily used to supply our Kosmos Cement plant with limestone; however, beginning in April 2023 we also began selling a portion of the mined materials as aggregates. Battletown Aggregates is included in our Heavy Materials sector, in the Concrete and Aggregates business segment.

On May 3, 2023, we finalized the Stockton Terminal Acquisition. The purchase price of the Stockton Terminal Acquisition was approximately \$55.1 million. The Stockton Terminal Acquisition is included in our Heavy Materials sector, in the Cement business segment. See Footnote (B) in the Unaudited Consolidated Financial Statements for more information regarding the Stockton Terminal Acquisition.

MARKET CONDITIONS AND OUTLOOK

During the first quarter of fiscal 2024, our end markets generally remained resilient despite higher interest rates and persistent inflation. Construction activity in most of our regional markets continued to outpace the national average. Sales Volume in our Cement business increased 1%, and although Sales Volume in our Gypsum Wallboard business declined 4%, our overall sales volume remains historically strong.

Demand Outlook

The principal end-use market of Cement is public infrastructure (i.e. roads, bridges, and highways). Our Cement business remains in a near sold-out position. We expect demand for cement to remain strong with infrastructure investment increasing given increased federal funding from the Infrastructure Investments and Jobs Act for public construction and repair projects; continued high allocations from state budgets for additional infrastructure projects; and growth in heavy industrial projects. Despite underlying demand growth, our ability to achieve further Cement sales volume growth from our existing facilities is limited, because our integrated cement sales network, which stretches across the U.S. heartland, is operating at high utilization levels.

The principal end use for Gypsum Wallboard is residential housing, consisting of new construction (both single-family and multi-family homes) as well as repair and remodel. Our Gypsum Wallboard shipments and orders, while down 4% from the prior year, remain historically strong. Residential construction activity remains resilient as the market balances interest rate-related affordability challenges with chronic supply shortages and strong demand. Our Recycled Paperboard business sells paper primarily into the gypsum wallboard market, and demand for our paper generally follows the demand for gypsum wallboard.

Cost Outlook

We are well positioned to manage our cost structure and meet our customers' needs during the fiscal year. Our substantial raw material reserves for our Cement, Aggregates, and Gypsum Wallboard businesses, and their proximity to our respective manufacturing facilities, support our low-cost producer position across all of our business segments.

Energy and freight costs increased in all of our businesses during fiscal 2023. While natural gas costs have recently declined and freight costs have stabilized, we expect solid fuel costs, which are the primary energy costs in manufacturing cement, to increase in fiscal 2024. We continue to see inflationary pressure in maintenance costs, and we expect this to continue into fiscal 2025.

The primary raw material used to produce paperboard is old corrugated containers (OCC). Prices for OCC stabilized toward the end of fiscal 2023. OCC prices increased slightly during the first quarter of fiscal 2024, and we anticipate OCC pricing to remain relatively flat in the near term. Our current customer contracts for gypsum liner include price adjustments that partially compensate for changes in raw material fiber prices. However, because these price adjustments are not realized until future quarters, costs in our Gypsum Wallboard segment are likely to be adjusted in the period that these price changes are realized.

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2023 COMPARED WITH THREE MONTHS ENDED JUNE 30, 2022

	For the Three Months Ended June 30,		Change
	2023	2022	
	(dollars in thousands, except per share)		
Revenue	\$ 601,521	\$ 561,387	7 %
Cost of Goods Sold	(425,526)	(410,521)	4 %
Gross Profit	175,995	150,866	17 %
Equity in Earnings of Unconsolidated Joint Venture	3,159	5,098	(38)%
Corporate General and Administrative	(11,679)	(11,820)	(1)%
Other Non-Operating Income	213	(635)	(134)%
Interest Expense, net	(12,239)	(7,330)	67 %
Earnings Before Income Taxes	155,449	136,179	14 %
Income Tax Expense	(34,600)	(31,174)	11 %
Net Earnings	\$ 120,849	\$ 105,005	15 %
Diluted Earnings per Share	\$ 3.40	\$ 2.75	24 %

REVENUE

Revenue increased by \$40.1 million, or 7%, to \$601.5 million for the three months ended June 30, 2023. Battletown Aggregates and the Stockton Terminal Acquisition contributed \$1.8 million and \$6.5 million of Revenue, respectively, during the three months ended June 30, 2023. Excluding Battletown Aggregates and the Stockton Terminal Acquisition, Revenue improved by \$31.8 million, or 6%. This was due to increases in gross sales prices, which positively affected Revenue by \$46.3 million, partially offset by lower Sales Volume, which adversely affected Revenue by approximately \$14.5 million.

COST OF GOODS SOLD

Cost of Goods Sold increased by \$15.0 million, or 4%, to \$425.5 million for the three months ended June 30, 2023. Battletown Aggregates and the Stockton Terminal Acquisition contributed \$1.6 million and \$8.4 million of Cost of Goods Sold, respectively, during the three months ended June 30, 2023. Excluding Battletown Aggregates and the Stockton Terminal Acquisition, Cost of Goods Sold increased by \$5.0 million, or 1%. The increase was due to operating costs of \$15.4 million, partially offset by lower Sale Volume of \$10.4 million. Higher operating costs were primarily related to our Cement and Concrete and Aggregates businesses and are discussed further in the segment analysis.

GROSS PROFIT

Gross Profit increased 17% to \$176.0 million during the three months ended June 30, 2023. The increase was primarily related to higher gross sales prices, partially offset by lower Sales Volume and increased operating costs. The gross margin expanded to 29%, with higher gross sales prices being partially offset by a rise in operating costs.

EQUITY IN EARNINGS OF UNCONSOLIDATED JOINT VENTURE

Equity in Earnings of our Unconsolidated Joint Venture declined \$1.9 million, or 38%, for the three months ended June 30, 2023. The decrease was primarily due to higher operating costs and lower Sales Volume, which adversely affected earnings by approximately \$5.4 million and \$0.7 million, respectively. This was partially offset by higher gross sales prices of \$4.2 million. The rise in operating costs was primarily related to an extended maintenance outage during the quarter that reduced production and resulted in higher maintenance expenses of approximately \$2.8 million, as well as higher energy and purchased cement costs reduced operating earnings by \$0.5 million and \$0.9 million, respectively. The extended outage addressed ongoing equipment issues at the facility over the past year.

CORPORATE GENERAL AND ADMINISTRATIVE

Corporate General and Administrative expenses decreased by approximately \$0.1 million, or 1%, for the three months ended June 30, 2023.

OTHER NON-OPERATING INCOME

Other Non-Operating Income consists of a variety of items that are unrelated to segment operations and include non-inventoried Aggregates income, asset sales, and other miscellaneous income and cost items.

INTEREST EXPENSE, NET

Interest Expense, net increased by approximately \$4.9 million, or 67%, during the three months ended June 30, 2023. This was primarily due to approximately \$5.0 million of higher interest on our revolving credit facility, which was related to increased average outstanding borrowings and higher interest rates.

EARNINGS BEFORE INCOME TAXES

Earnings Before Income Taxes increased to \$155.5 million during the three months ended June 30, 2023, primarily as a result of higher Gross Profit. This was partially offset by higher Interest Expense, as well as lower Equity in Earnings of Unconsolidated Joint Venture.

INCOME TAX EXPENSE

Income Tax Expense was \$34.6 million for the three months ended June 30, 2023, compared with \$31.2 million for the three months ended June 30, 2022. The effective tax rate decreased to 22% from 23% in the prior-year period. The decrease was primarily due to the benefit received from the vesting and exercise of employee stock awards during the quarter in fiscal 2024.

NET EARNINGS

Net Earnings increased 15% to \$120.9 million for the three months ended June 30, 2023, as discussed above.

THREE MONTHS ENDED JUNE 30, 2023 vs. THREE MONTHS ENDED JUNE 30, 2022 BY SEGMENT

The following presents results within our two business sectors for the three months ended June 30, 2023, and 2022. Revenue and operating results are organized by sector and discussed by individual business segments.

Heavy Materials

CEMENT ⁽¹⁾

	For the Three Months Ended June 30,		Percentage Change
	2023	2022	
	(in thousands, except per ton information)		
Revenue, including Intersegment and Joint Venture	\$ 329,032	\$ 284,516	16 %
Less Intersegment Revenue	(10,137)	(6,291)	61 %
Less Joint Venture Revenue	(27,123)	(26,315)	3 %
Revenue	\$ 291,772	\$ 251,910	16 %
Sales Volume (M Tons)	2,013	1,993	1 %
Freight and Delivery Costs billed to Customers	\$ (17,528)	\$ (15,970)	10 %
Average Net Sales Price, per ton ⁽²⁾	\$ 147.27	\$ 127.82	15 %
Operating Margin, per ton	\$ 36.79	\$ 31.28	18 %
Operating Earnings	\$ 74,061	\$ 62,348	19 %

(1) Total of wholly owned subsidiaries and proportionately consolidated 50% interest of the Joint Venture's results.

(2) Net of freight per ton, including Joint Venture.

Cement Revenue was \$329.0 million, a 16% increase, for the three months ended June 30, 2023. Excluding Intersegment Revenue and the Stockton Terminal Acquisition, Revenue increased \$34.2 million, or 12%, for the three months ended June 30, 2023. The increase was primarily due to higher gross sales prices, which improved Cement Revenue by approximately \$37.6 million, partially offset by lower Sales Volume from legacy cement plants of \$3.4 million.

Cement Operating Earnings increased by \$11.8 million to \$74.1 million for the three months ended June 30, 2023. Excluding the Stockton Terminal Acquisition, Operating Earnings increased by \$13.7 million, or 22%. The increase was due to higher gross sales prices of \$37.6 million. This was partially offset by lower Sales Volume and higher operating costs \$0.7 million and \$23.2 million, respectively. Higher operating costs were primarily due to higher maintenance and energy costs of approximately \$18.1 million and \$4.2 million, respectively. The Operating Margin increased to 23% from 22%, as a result of higher gross sales prices, partially offset by the increase in operating expenses.

CONCRETE AND AGGREGATES

	For the Three Months Ended June 30,		Percentage Change
	2023	2022	
	(in thousands, except net sales prices)		
Revenue, including Intersegment	\$ 70,453	\$ 61,618	14 %
Less Intersegment Revenue	\$ (3,038)	\$ —	—
Revenue	\$ 67,415	\$ 61,618	9 %
Sales Volume			
M Cubic Yards of Concrete	385	406	(5) %
M Tons of Aggregate	1,157	795	46 %
Average Net Sales Price			
Concrete - Per Cubic Yard	\$ 141.80	\$ 128.73	10 %
Aggregates - Per Ton	\$ 11.30	\$ 11.22	1 %
Operating Earnings	\$ 7,034	\$ 5,732	23 %

Concrete and Aggregates Revenue increased 14% to \$70.5 million for the three months ended June 30, 2023. Excluding Intersegment Revenue and Battletown Aggregates, Revenue increased \$4.0 million. The increase was due to higher gross sales price and Aggregates Sales Volume, which improved Revenue by \$5.6 million and \$1.1 million, respectively. This was offset by lower Concrete Sales Volume of \$2.7 million.

Operating Earnings were approximately \$7.0 million, a 23% increase. Excluding Battletown Aggregates, Operating Earnings increased to \$6.8 million. The increase in Operating Earnings was due to higher gross sales prices of \$5.6 million. This was partially offset by higher operating costs of \$4.5 million. The increase in operating costs was primarily due to higher materials, maintenance and batch plant expenses of approximately \$3.6 million, \$1.5 million, and \$1.3 million, respectively. This was partially offset by lower delivery expense of approximately \$0.9 million, and the impact of the recording acquired inventories at fair value in the first quarter of fiscal 2022 of \$1.2 million.

Light Materials

GYPSUM WALLBOARD

	For the Three Months Ended June 30,		Percentage Change
	2023	2022	
	(in thousands, except per MSF information)		
Gross Revenue	\$ 219,097	\$ 216,327	1%
Sales Volume (MMSF)	763	798	(4)%
Freight and Delivery Costs billed to Customers	\$ (38,608)	\$ (42,006)	(8)%
Average Net Sales Price, per MSF ⁽¹⁾	\$ 236.66	\$ 218.57	8%
Freight, per MSF	\$ 50.60	\$ 52.64	(4)%
Operating Margin, per MSF	\$ 119.08	\$ 105.35	13%
Operating Earnings	\$ 90,857	\$ 84,068	8%

(1) Net of freight per MSF.

Gypsum Wallboard Revenue was \$219.1 million, a 1% increase for the three months ended June 30, 2023. Higher gross sales prices increased Revenue by approximately \$12.3 million, partially offset by lower Sales Volume of \$9.5 million. Our market share remained relatively consistent during the three months ended June 30, 2023.

Operating Earnings increased 8% to \$90.9 million, primarily because of higher gross sales prices. The increase in gross sales prices positively affected Operating Earnings by approximately \$12.3 million. This was partially offset by lower Sales Volume and higher operating costs, which adversely affected Operating Earnings by approximately \$3.7 million and \$1.8 million, respectively. Higher operating costs were primarily related to maintenance and fixed costs, which reduced Operating Earnings by approximately \$1.6 million and \$2.2 million, respectively, partially offset by lower freight costs of \$1.6 million. Operating Margin increased to 41% for the three months ended June 30, 2023, primarily because of higher gross sales prices, partly offset by increased operating costs. Fixed costs are not a significant portion of the overall cost of wallboard; therefore, changes in utilization have a relatively minor impact on our operating cost per unit.

RECYCLED PAPERBOARD

	For the Three Months Ended June 30,		Percentage Change
	2023	2022	
	(in thousands, except per ton information)		
Revenue, including Intersegment	\$ 45,328	\$ 54,073	(16)%
Less Intersegment Revenue	(22,091)	(22,541)	(2)%
Revenue	\$ 23,237	\$ 31,532	(26)%
Sales Volume (M Tons)	83	84	(1)%
Freight and Delivery Costs billed to Customers	\$ (599)	\$ (2,549)	(77)%
Average Net Sales Price, per ton ⁽¹⁾	\$ 536.56	\$ 611.87	(12)%
Freight, per ton	\$ 7.22	\$ 30.35	(76)%
Operating Margin, per ton	\$ 86.77	\$ 45.43	91%
Operating Earnings	\$ 7,202	\$ 3,816	89%

(1) Net of freight per ton.

Recycled Paperboard Revenue decreased 16% to \$45.3 million during the three months ended June 30, 2023. The decrease was primarily due to lower gross sales prices and Sales Volume, which reduced Revenue by \$8.2 million and \$0.6 million, respectively. Lower gross sales prices were related to the pricing provisions in our long-term sales agreements.

Operating Earnings increased 89% to \$7.2 million, primarily because of lower operating expenses, which increased Operating Earnings by \$11.6 million. This was partially offset by lower gross sales prices, which reduced Operating Earnings by approximately \$8.2 million. The decrease in operating costs was primarily related to lower input costs, namely fiber and freight, which lowered Operating Earnings by approximately \$9.5 million, and \$3.2 million, respectively. This was partially offset by higher energy and fixed costs of \$0.6 million and \$0.5 million, respectively. The Operating Margin increased to 16% because of lower operating costs, partially offset by lower gross sales prices. Although the Company has certain pricing provisions in its long-term sales agreements, prices are only adjusted at certain times throughout the year, so price adjustments are not always reflected in the same period as the change in costs.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to adopt accounting policies and make significant judgments and estimates to develop amounts disclosed in the financial statements. In many cases, there are alternative policies or estimation techniques that could be used. We maintain a thorough process to review the application of our accounting policies and to evaluate the appropriateness of the many estimates that are required to prepare our financial statements. However, even under optimal circumstances, estimates routinely require adjustment based on changing circumstances and the receipt of new or better information.

Information regarding our Critical Accounting Policies can be found in our Annual Report. The three Critical Accounting Policies that we believe either require the use of the most judgment, or the selection or application of alternative accounting policies, and are material to our financial statements, are those related to long-lived assets, goodwill, and business combinations. Management has discussed the development and selection of these Critical Accounting Policies and estimates with the Audit Committee of our Board of Directors and with our independent registered public accounting firm. In addition, Note (A) to the financial statements in our Annual Report contains a summary of our significant accounting policies.

Recent Accounting Pronouncements

Refer to Footnote (A) in the Notes to Unaudited Consolidated Financial Statements of this Form 10-Q for information regarding recently issued accounting pronouncements that may affect our financial statements.

LIQUIDITY AND CAPITAL RESOURCES

We believe at this time that we have access to sufficient financial resources from our liquidity sources to fund our business and operations, including contractual obligations, capital expenditures, and debt service obligations for at least the next twelve months. We regularly monitor any potential disruptions to the economy, and to our operations, particularly changing fiscal policy or economic conditions affecting our industries. Please see the Debt Financing Activities section below for a discussion of our revolving credit facility and the amount of borrowings available to us in the next twelve-month period.

Cash Flow

The following table provides a summary of our cash flows:

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Net Cash Provided by Operating Activities	\$ 140,487	\$ 124,802
Investing Activities		
Additions to Property, Plant, and Equipment	(35,999)	(14,914)
Acquisition Spending	(55,053)	(121,162)
Net Cash Used in Investing Activities	(91,052)	(136,076)
Financing Activities		
Increase (Decrease) in Credit Facility	65,000	(19,000)
Proceeds from Term Loan	—	200,000
Repayment of Term Loan	(2,500)	—
Dividends Paid to Stockholders	(8,995)	(9,642)
Purchase and Retirement of Common Stock	(74,058)	(109,612)
Proceeds from Stock Option Exercises	10,385	667
Payment of Debt Issuance Costs	—	(777)
Shares Redeemed to Settle Employee Taxes on Stock Compensation	(1,360)	(1,497)
Net Cash Provided by (Used in) Financing Activities	(11,528)	60,139
Net Increase in Cash and Cash Equivalents	\$ 37,907	\$ 48,865

Net Cash Provided by Operating Activities increased by \$15.7 million to \$140.5 million during the three months ended June 30, 2023. This increase was primarily attributable to higher Net Earnings, adjusted for non-cash charges of approximately \$21.3 million. This was partially offset by changes in working capital of \$3.6 million and lower dividends from our Unconsolidated Joint Venture of \$2.5 million.

Working capital increased by \$77.7 million to \$386.3 million at June 30, 2023, compared with March 31, 2023. The increase was due to higher Cash, Accounts and Notes Receivable, net, Inventories, Prepaid and Other Assets of \$37.9 million, \$53.5 million, \$10.6 million, and \$7.2 million, respectively. This was partially offset by lower Income Tax Receivable of \$14.9 million and higher Income Tax Payable of \$18.3 million. The increase in inventory was due primarily to the Stockton Terminal Acquisition. The Stockton Terminal Acquisition in May 2023 increased working capital by approximately \$7.2 million at June 30, 2023.

The increase in Accounts Receivable at June 30, 2023, was primarily related to higher Revenue during the three months ended June 30, 2023, compared with the three months ended March 31, 2023. As a percentage of quarterly sales generated for the respective quarter, Accounts Receivable was approximately 41% at both June 30, 2023 and March 31, 2023. Management measures the change in Accounts Receivable by monitoring the days sales outstanding on a monthly basis to determine if any deterioration has occurred in the collectability of the Accounts Receivable. No significant deterioration in the collectability of our Accounts Receivable was identified at June 30, 2023.

Our Inventory balance at June 30, 2023, increased by approximately \$10.6 million from our balance at March 31, 2023. Excluding the Stockton Terminal Acquisition, our Inventory balance increased by \$1.9 million. Within Inventory, raw materials and materials-in-progress and finished cement increased by approximately \$2.1 million and \$4.7 million, respectively. However, excluding the Stockton Terminal Acquisition, finished cement declined by \$3.7 million. The relatively flat balance in raw materials and materials-in-progress and decline in finished cement is consistent with our business cycle; we generally build up clinker inventory over the winter months to meet the demand for cement in the spring and summer. The decrease in repair parts inventory was primarily due to the completion of most of our scheduled outages during the quarter. The largest individual balance in our Inventory is our repair parts. These parts are necessary given the size and complexity of our manufacturing plants, as well as the age of certain of our plants, which creates the need to stock a high level of repair parts inventory. We believe all of these repair parts are necessary, and we perform semi-annual analyses to identify obsolete parts. We have less than one year's sales of all product inventories, and our inventories have a low risk of obsolescence because our products are basic construction materials.

Net Cash Used in Investing Activities during the three months ended June 30, 2023, was approximately \$91.1 million, compared with \$136.1 million during the same period in 2022. The \$45.0 million decrease was primarily related to the lower purchase price for the Stockton Terminal Acquisition in May 2023, compared with the acquisition completed in the three months ended June 30, 2022.

Net Cash Used in Financing Activities was approximately \$11.5 million during the three months ended June 30, 2023, compared with Net Cash Provided by Financing Activities of \$60.1 million during the three months ended June 30, 2022. The \$71.6 million decrease was primarily related to reduced borrowings of \$118.5 million, partially offset by lower Purchase and Retirement of Common Stock of \$35.5 million and increased Proceeds from Stock Option Exercises of \$9.7 million.

Our debt-to-capitalization ratio and net-debt-to-capitalization ratio were 48.4% and 47.2%, respectively, at June 30, 2023, compared with 48.1% and 47.8%, respectively, at March 31, 2023.

Debt Financing Activities

Below is a summary of the Company's outstanding debt facilities at June 30, 2023:

	Maturity
Revolving Credit Facility	May 2027
Term Loan	May 2027
2.500% Senior Unsecured Notes	July 2031

See Footnote (M) to the Unaudited Consolidated Financial Statements for further details on the Company's debt facilities, including interest rate, and financial and other covenants and restrictions.

The revolving borrowing capacity of our Revolving Credit Facility is \$750.0 million (any revolving loans borrowed under the Revolving Credit Facility, as applicable, the Revolving Loans). The Revolving Credit Facility also includes a swingline loan sublimit of \$25.0 million, and a \$40.0 million letter of credit facility. At June 30, 2023 we had \$222.0 million outstanding of Revolving Loans under the Revolving Credit Facility and \$8.3 million of outstanding letters of credit, leaving us with \$519.7 million of available borrowings under the Revolving Credit Facility, net of the outstanding letters of credit. We are contingently liable for performance under \$28.2 million in performance bonds relating primarily to our mining operations. We do not have any off-balance sheet debt, or any outstanding debt guarantees.

Other than the Revolving Credit Facility, we have no additional source of committed external financing in place. Should the Revolving Credit Facility be terminated, no assurance can be given as to our ability to secure a new source of financing. Consequently, if any balance were outstanding on the Revolving Credit Facility at the time of termination, and an alternative source of financing could not be secured, it would have a material adverse impact on our business.

We believe that our cash flow from operations and available borrowings under our Revolving Credit Facility, as well as cash on hand, should be sufficient to meet our currently anticipated operating needs, capital expenditures, and dividend and debt service requirements for at least the next 12 months. However, our future liquidity and capital requirements may vary depending on a number of factors, including market conditions in the construction industry, our ability to maintain compliance with covenants in our Revolving Credit Facility, the level of competition, and general and economic factors beyond our control, such as supply chain constraints and inflation. These and other developments could reduce our cash flow or require that we seek additional sources of funding. We cannot predict what effect these factors will have on our future liquidity. See Market Conditions and Outlook section above for further discussion of the possible effects on our business.

As market conditions warrant, the Company may from time to time seek to purchase or repay its outstanding debt securities or loans, including the 2.500% Senior Unsecured Notes, Term Loan, and borrowings under the Revolving Credit Facility, in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, any purchases made by us may be funded by the use of cash on our balance sheet or the incurrence of new debt. The amounts involved in any such purchase transactions, individually or in aggregate, may be material.

We have approximately \$34.7 million of lease liabilities at June 30, 2023, that have an average remaining life of approximately 9.5 years.

Dividends

Dividends paid were \$9.0 million and \$9.6 million for the three months ended June 30, 2023 and 2022, respectively. Each quarterly dividend payment is subject to review and approval by our Board of Directors, who will continue to evaluate our dividend payment amount on a quarterly basis.

Share Repurchases

During the three months ended June 30, 2023, our share repurchases were as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
April 1 through April 30, 2023	234,000	\$ 143.73	234,000	
May 1 through May 31, 2023	145,000	155.99	145,000	
June 1 through June 30, 2023	105,000	161.65	105,000	
Quarter 1 Totals	484,000	\$ 153.01	484,000	
Year-to-Date Totals	484,000	\$ 153.01	484,000	7,263,204

On May 17, 2022, the Board of Directors authorized us to repurchase an additional 7.5 million shares. This authorization brought the cumulative total of Common Stock our Board has approved for repurchase in the open market to 55.9 million shares since we became publicly held in April 1994. Through June 30, 2023, we have repurchased approximately 48.6 million shares.

Share repurchases may be made from time to time in the open market or in privately negotiated transactions. The timing and amount of any share repurchases are determined by management, based on its evaluation of market and economic conditions and other factors. In some cases, repurchases may be made pursuant to plans, programs, or directions established from time to time by the Company's management, including plans intended to comply with the safe-harbor provided by Rule 10b5-1.

During the three months ended June 30, 2023, the Company withheld from employees 8,469 shares of stock upon the vesting of Restricted Shares that were granted under the Plan. We withheld these shares to satisfy the employees' statutory tax withholding requirements, which is necessary once the Restricted Shares or Restricted Share Units are vested.

Capital Expenditures

The following table details capital expenditures by category:

	For the Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Land and Quarries	\$ 548	\$ 1,352
Plants	16,272	8,814
Buildings, Machinery, and Equipment	19,179	4,748
Total Capital Expenditures	\$ 35,999	\$ 14,914

Capital expenditures for fiscal 2024 are expected to range from \$145.0 million to \$165.0 million and will be allocated across both Heavy Materials and Light Materials sectors. These estimated capital expenditures will include maintenance capital expenditures and improvements, as well as other safety and regulatory projects.

FORWARD LOOKING STATEMENTS

Certain matters discussed in this report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the context of the statement and generally arise when the Company is discussing its beliefs, estimates or expectations. These statements are not historical facts or guarantees of future performance but instead represent only the Company's belief at the time the statements were made regarding future events which are subject to certain risks, uncertainties and other factors, many of which are outside the Company's control. Actual results and outcomes may differ materially from what is expressed or forecast in such forward-looking statements. The principal risks and uncertainties that may affect the Company's actual performance include the following: the cyclical and seasonal nature of the Company's businesses; public infrastructure expenditures; adverse weather conditions; the fact that our products are commodities and that prices for our products are subject to material fluctuation due to market conditions and other factors beyond our control; availability of raw materials; changes in the costs of energy, including, without limitation, natural gas, coal and oil, and the nature of our obligations to counterparties under energy supply contracts, such as those related to market conditions (such as fluctuations in spot market prices), governmental orders and other matters; changes in the cost and availability of transportation; unexpected operational difficulties, including unexpected maintenance costs, equipment downtime and interruption of production; material nonpayment or non-performance by any of our key customers; fluctuations in or changes in the nature of activity in the oil and gas industry; inability to timely execute announced capacity expansions; difficulties and delays in the development of new business lines; governmental regulation and changes in governmental and public policy (including, without limitation, climate change and other environmental regulation); possible outcomes of pending or future litigation or arbitration proceedings; changes in economic conditions specific to any one or more of the Company's markets; adverse impact of severe weather conditions (such as winter storms, tornados and hurricanes) and their effects on our facilities, operations and contractual arrangements with third parties; competition; cyber-attacks or data security breaches; announced increases in capacity in the gypsum wallboard and cement industries; changes in the demand for residential housing construction or commercial construction or construction projects undertaken by state or local governments; risks related to pursuit of acquisitions, joint ventures and other transactions or the execution or implementation of such transactions, including the integration of operations acquired by the Company; general economic conditions; and interest rates. For example, increases in interest rates, decreases in demand for construction materials or increases in the cost of energy (including, without limitation, natural gas, coal and oil) and the cost of our raw materials could affect the revenue and operating earnings of our operations. In addition, changes in national or regional economic conditions and levels of infrastructure and construction spending could also adversely affect the Company's result of operations. Finally, any forward-looking statements made by the Company are subject to the risks and impacts associated with natural disasters, the outbreak, escalation, or resurgence of health emergencies, pandemics or other unforeseen events, including, without limitation, the COVID-19 pandemic and responses thereto designed to contain its spread and mitigate its public health effects, as well as their impact on our operations or on economic conditions, capital and financial markets. These and other factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023. All forward-looking statements made herein are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed herein will increase with the passage of time. The Company undertakes no duty to update any forward-looking statement to reflect future events or changes in the Company's expectations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks related to fluctuations in interest rates on our Revolving Credit Facility. We have occasionally utilized derivative instruments, including interest rate swaps, in conjunction with our overall strategy to manage the debt outstanding that is subject to changes in interest rates. We had a \$750.0 million Revolving Credit Facility at June 30, 2023, under which borrowings bear interest at a variable rate. A hypothetical 100 basis point increase in interest rates on the \$222.0 million of borrowings under the Revolving Credit Facility and the \$190.0 million of borrowings under the Term Loan at June 30, 2023, would increase interest expense by approximately \$4.1 million on an annual basis. At present, we do not utilize derivative financial instruments.

We are subject to commodity risk with respect to price changes principally in coal, coke, natural gas, and power. We attempt to limit our exposure to changes in commodity prices by entering into contracts or increasing our use of alternative fuels.

Item 4. Controls and Procedures

We have established a system of disclosure controls and procedures that are designed to ensure that information relating to the Company, which is required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 (Exchange Act), is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), in a timely fashion. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) was performed as of the end of the period covered by this quarterly report. This evaluation was performed under the supervision and with the participation of management, including our CEO and CFO. Based upon that evaluation, our CEO and CFO have concluded that these disclosure controls and procedures were effective.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we have been and may in the future become involved in litigation or other legal proceedings in the ordinary course of our business activities or in connection with transactions or activities undertaken by us, including claims related to worker safety, worker health, environmental matters, commercial contracts, land use rights, taxes, and permits. While the outcome of these proceedings cannot be predicted with certainty, in the opinion of management (based on currently available facts), we do not believe that the ultimate outcome of any currently pending legal proceeding will have a material effect on our consolidated financial condition, results of operations, or liquidity.

For additional information regarding claims and other contingent liabilities to which we may be subject, see Footnote (P) in the Unaudited Consolidated Financial Statements.

Item 1A. Risk Factors

For information regarding factors that could impact our results of operations, financial condition, and liquidity, see Part 1. Item 1A. Risk Factors in our Form 10-K for the fiscal year ended March 31, 2023, filed with the Securities and Exchange Commission on May 19, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The disclosure required under this Item is included in "Management's Discussion and Analysis of Results of Operations and Financial Condition" of this Quarterly Report on Form 10-Q under the heading "Share Repurchases" and is incorporated herein by reference.

Item 4. Mine Safety Disclosures

The 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 is included in Exhibit 95 to this Form 10-Q.

Item 5. Other Information

None of the Company's directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement, or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended June 30, 2023.

Item 6. Exhibits

10.1	<u>Eagle Materials Inc. Salaried Incentive Compensation Program for fiscal 2024 (filed as Exhibit 10.1 to the Current Report on Form 8-K filed with the Commission on May 23, 2023 and incorporated herein by reference).</u> ⁽¹⁾
10.2	<u>Eagle Materials Inc. Special Situation Program for fiscal 2024 (filed as Exhibit 10.2 to the Current Report on Form 8-K filed with the Commission on May 23, 2023 and incorporated herein by reference).</u> ⁽¹⁾
10.3*	<u>Form of Management Restricted Stock Agreement (Time).</u> ⁽¹⁾
10.4*	<u>Form of Management Restricted Stock Agreement (Performance).</u> ⁽¹⁾
10.5*	<u>Change in Control Continuity Agreement, dated as of May 31, 2022, by and between Eagle Materials Inc. and Matt Newby.</u> ⁽¹⁾
31.1*	<u>Certification of the Chief Executive Officer of Eagle Materials Inc. pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934, as amended.</u>
31.2*	<u>Certification of the Chief Financial Officer of Eagle Materials Inc. pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934, as amended.</u>
32.1*	<u>Certification of the Chief Executive Officer of Eagle Materials Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of the Chief Financial Officer of Eagle Materials Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
95*	<u>Mine Safety Disclosure.</u>
101.INS*	Inline XBRL Instance Document – 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 Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File – (formatted as Inline XBRL and Contained in Exhibit 101).

* Filed herewith.

⁽¹⁾ Management contract, compensatory plan, or arrangement.

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.

EAGLE MATERIALS INC.

Registrant

July 27, 2023

/s/ MICHAEL R. HAACK

Michael R. Haack
President and Chief Executive Officer
(principal executive officer)

July 27, 2023

/s/ D. CRAIG KESLER

D. Craig Kesler
Executive Vice President – Finance and
Administration and Chief Financial Officer
(principal financial officer)

July 27, 2023

/s/ WILLIAM R. DEVLIN

William R. Devlin
Senior Vice President – Controller and
Chief Accounting Officer
(principal accounting officer)

EAGLE MATERIALS INC.**AMENDED AND RESTATED INCENTIVE PLAN****RESTRICTED STOCK AGREEMENT****(Time Vesting)**

EAGLE MATERIALS INC., a Delaware corporation (the "Company"), and _____ (the "Grantee") hereby enter into this Restricted Stock Agreement (the "Agreement") in order to set forth the terms and conditions of the Company's award (the "Award") to the Grantee of certain shares of Common Stock of the Company granted to the Grantee on May 23, 2023 (the "Award Date").

1. Award. The Company hereby awards to the Grantee _____ shares of Common Stock of the Company (the "Shares").

2. Relationship to the Plan. The Award shall be subject to the terms and conditions of the Eagle Materials Inc. Amended and Restated Incentive Plan, as amended (the "Plan"), this Agreement and such administrative interpretations of the Plan, if any, as such interpretations may be in effect on the date of this Agreement or thereafter. Except as defined herein, capitalized terms shall have the meanings ascribed to them under the Plan. For purposes of this Agreement:

- (a) "Disability" shall mean a disability of the Grantee as determined by the Committee.
- (b) "Retirement" shall mean the retirement of the Grantee as approved by the Board.
- (c) "Vesting Period" shall mean the period commencing on the Award Date and ending on March 31, 2026.

3. Vesting.

- (a) Vesting Criteria. The Grantee's interest in the Shares shall vest on the date designated (a "Vesting Date") in accordance with the following vesting schedule (the "Vesting Schedule"):

<u>Vesting Date</u>	<u>Shares</u>
March 31, 2024	
March 31, 2025	
March 31, 2026	
Total	

- (b) Restrictions. The period beginning on the Award Date and ending on the date immediately preceding the Vesting Date for a Share shall be known as the restriction period (the "Restriction Period"). During the Restriction Period, the Grantee may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of any unvested Shares or any right or interest related to such unvested Shares, other than as required by the Grantee's will or beneficiary designation, in
-

accordance with the laws of descent and distribution or by a qualified domestic relations order.

- (c) Cancellation Right. Subject to Section 4, the Grantee must be in continuous service as an Employee or, if applicable, as a Non-Employee Director from the Award Date through the Vesting Date for an unvested Share, if earned, to become vested. Subject to Section 4, the Grantee's termination of such continuous service prior to the Vesting Date shall cause all unvested Shares to be automatically forfeited as of the date of such discontinuation of service.

4. Change-in-Control; Death, Disability or Retirement.

- (a) Change-in-Control. The restrictions set forth above in Section 3 shall lapse with respect to any then-unvested Shares not previously forfeited and such Shares shall become fully vested without regard to the limitations set forth in Section 3 above; provided, that the Grantee has been in continuous service as an Employee or, if applicable, as a Non-Employee Director from the Award Date through the occurrence of a Change in Control (as defined in Exhibit A to this Agreement), unless either: (i) the Committee determines that the terms of the transaction giving rise to the Change in Control provide that the Award is to be replaced within a reasonable time after the Change in Control with an award of equivalent value of shares of the surviving parent corporation, or (ii) the Award is to be settled in cash in accordance with the last sentence of this Section 4(a). Upon a Change in Control, pursuant to Section 15 of the Plan, the Committee may, in its discretion, settle the Award by a cash payment that the Committee shall determine in its sole discretion is equal to the Fair Market Value of the Award on the date of such event.
- (b) Death, Disability or Retirement. Notwithstanding Section 3(c) above, in the event the Grantee's continuous service as an Employee and, if applicable, as a Non-Employee Director terminates by reason of death, Disability or Retirement, and in any such case such termination follows the Award Date and is prior to any Vesting Date, any then unvested Shares not previously forfeited shall remain eligible to vest pursuant to Section 3(a) above on the applicable Vesting Date as if the Grantee had remained in such continuous service following such termination.

5. Stockholder Rights. Until such time as any of the unvested Shares are forfeited, the Grantee shall have the right to vote any Shares, and the Grantee shall have the right to receive any cash dividends declared and paid on unvested Shares after the date hereof at the same time such amounts are paid with respect to all other shares of Common Stock.

6. Capital Adjustments and Corporate Events. If, from time to time during the term of the Restriction Period, there is any capital adjustment affecting the outstanding Common Stock as a class without the Company's receipt of consideration, including as a result of a spin-off or business disposition, the Shares and other applicable terms of this Award shall be adjusted in accordance with the provisions of Section 15 of the Plan, which adjustment shall include (as may be applicable) without limitation, equitable adjustments to the type of property or securities to which the Award relates, in each case as determined by the Committee in its discretion. Any and all new, substituted or additional securities to which the Grantee may be entitled by reason of the Grantee's ownership of the Shares hereunder because of a capital adjustment shall be immediately subject to the restrictions set forth herein

(as may be modified pursuant to this Agreement) and included thereafter as Shares for purposes of this Agreement.

7. Refusal to Transfer. The Company shall not be required:

- (a) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or the Plan; or
- (b) to treat such purchaser or other transferee as owner of such Shares, accord such purchaser or other transferee the right to vote; or
- (c) to pay or deliver dividends or other distributions to such purchaser or other transferee with respect to such Shares.

8. Legends. If the Shares are certificated, the certificate or certificates evidencing the Shares, if any, issued hereunder shall be endorsed with the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS AND, ACCORDINGLY, MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED, OR IN ANY MANNER DISPOSED OF EXCEPT IN CONFORMITY WITH THE TERMS OF THAT CERTAIN RESTRICTED STOCK AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES. A COPY OF SUCH AGREEMENT IS MAINTAINED AT THE ISSUER'S PRINCIPAL CORPORATE OFFICES.

9. Tax Consequences. The Grantee acknowledges that the Grantee has reviewed, or has had the opportunity to review, with the Grantee's own tax advisors the federal, state, and local tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) shall be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement. The Grantee understands that Section 83 of the Code taxes as ordinary income the difference between the purchase price, if any, for the Shares and the Fair Market Value of the Shares as of the date the restrictions on the Shares lapse. In this context, "restriction" means the restrictions imposed during the Restriction Period. The Grantee understands that the Grantee may elect to be taxed at the time the Shares are awarded rather than when and as the restrictions lapse by filing an election under Section 83(b) of the Code with the Internal Revenue Service within 30 days from the Award Date (and by submitting a copy of such election with the Company). THE GRANTEE ACKNOWLEDGES THAT IT IS THE GRANTEE'S SOLE RESPONSIBILITY (AND NOT THE COMPANY'S) TO FILE TIMELY THE ELECTION UNDER SECTION 83(B), EVEN IF THE GRANTEE REQUESTS THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON THE GRANTEE'S BEHALF.

10. Withholding of Taxes. At the time and to the extent vested Shares become compensation income to the Grantee for federal or state income tax purposes, the Grantee either shall deliver to the Company such amount of money as required to meet the withholding obligation under applicable tax laws or regulations, or, in lieu of cash, the Grantee, in his or her sole discretion, may elect to surrender, or direct the Company to withhold from the vested Shares, shares of Common Stock in such number as necessary to satisfy the tax withholding obligations. Further, any dividends paid to the Grantee pursuant

to Section 5 above that are accrued prior to the end of the Restriction Period will generally be subject to federal, state and local withholding, as appropriate, as additional compensation.

11. Restrictive Covenants. The Grantee acknowledges and agrees that the restrictions in this Section 11 are necessary to protect the goodwill of the Company and the Confidential Information (as defined below) provided by the Company to the Grantee pursuant to this Agreement or otherwise.

- (a) Confidential Information. The Grantee acknowledges that, by virtue of his or her service to the Company and any of its Affiliates either as an Employee or if applicable, as a Non-Employee Director, the Company has provided and promises to provide the Grantee with Confidential Information (defined below). The Grantee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates, and their respective businesses, which shall have been obtained by the Grantee during the Grantee's service to the Company or any of its Affiliates either as an Employee or if applicable, as a Non-Employee Director, and which shall not be or become public knowledge (other than by acts by the Grantee or representatives of the Grantee in violation of this Agreement) ("Confidential Information"). After termination of the Grantee's employment with the Company, the Grantee shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those persons designated by it. In accordance with the Defend Trade Secrets Act of 2016, the Grantee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (x) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, nothing in this Agreement shall limit the Grantee's ability to communicate with any government agency or otherwise participate in any investigation or proceeding that may be conducted by any government agency, including providing documents or other information.
- (b) Non-Competition. During the Vesting Period, in order to protect all Confidential Information, the Grantee agrees that to the fullest extent permitted by law, the Grantee shall not engage or be engaged in any aspect whatsoever of any the following lines of business: (i) the production (including any associated mining), distribution, marketing or sale of cement (including Portland cement, oil well cement and blended cements), slag, slag cement, masonry cement, fly-ash, pozzolan or clinker; (ii) the production, distribution or marketing of readymix concrete; (iii) the mining, extraction, production or marketing of crushed stone, sand, gravel and aggregates; (iv) the production (including any associated mining), distribution, marketing or sale of gypsum wallboard; (v) the production, distribution, marketing or sale of recycled paperboard; or (vi) any other line of business engaged in by the Company or any of its Affiliates (each a "Line of Business"), either directly or indirectly as an individual, or as an employee, associate, partner, stockholder, consultant, owner, manager, agent or otherwise or by means of any corporate or other device, either on his own behalf in the Restricted Areas (as defined below) or on behalf of others who are engaged in any

Line of Business (either directly or through an affiliate (including by virtue of having an affiliate in the Restricted Areas)) in the Restricted Areas; provided, that, notwithstanding the foregoing, the Grantee may invest in securities of any entity, solely for investment purposes and without participating in the business thereof, if (A) such securities are traded on any national securities exchange or the National Association of Securities Dealers, Inc. Automated Quotation System, (B) the Grantee is not a controlling person of, or a member of a group which controls, such entity, and (C) the Grantee does not, directly or indirectly, own 1% or more of any class of securities of such entity. The “Restricted Areas” are, specific to each Line of Business, the geographic areas in which the Company or any of its Affiliates engages in the following activities for such Line of Business: (x) operates a manufacturing facility or other facility engaged in business operations; (y) engages in the distribution or sale of its products; or (z) is actively pursuing a strategic initiative (including a merger, acquisition or business expansion) that would reasonably be expected to result in the Company or any of its Affiliates engaging in the activities described in clause (x) or (y) above, of which (in the case of this clause (z)) the Company has informed the Grantee or in respect of which the Grantee has performed any services.

- (c) Non-Solicitation. During the Vesting Period, the Grantee will not, directly or indirectly, in any manner (i) (x) solicit or attempt to solicit any individual that is an employee of the Company or its Affiliates (“Employee”), (y) encourage any person (other than the Company) to solicit any Employee, or (z) otherwise encourage any Employee to discontinue his or her employment with the Company or one of its Affiliates; provided, that this Agreement shall not prohibit any advertisement or general solicitation (or hiring as a result thereof) that is not specifically targeted at such persons; (ii) solicit any customer who currently is a customer of the Company or its Affiliates for the purpose of providing, distributing or selling products or services similar to those sold or provided by the Company; or (iii) persuade or attempt to persuade any customer or supplier of the Company (or any of its Affiliates) to terminate or modify such customer’s or supplier’s relationship with the Company (or any of its Affiliates).
- (d) Remedies. In the event of the Grantee’s breach or threatened breach of this Section 11, in addition to any other remedies, the Company shall be entitled to specific performance and/or a temporary or permanent injunction prohibiting and enjoining the Grantee from violating the covenants set forth in this Section 11. For purposes of obtaining equitable relief, such as specific performance, a temporary restraining order, or an injunction (but not any relief to the extent it would involve the payment by the Grantee of monetary damages or the loss of a benefit under this Agreement), the Company need not prove, and the Grantee acknowledges and agrees that irreparable harm or injury will have occurred as a result of any breach of the covenants set forth in this Section 11, and the Company need not provide notice or pay bond to the maximum extent permitted by law. In the event of the Grantee’s breach or threatened breach of the restrictive covenants contained in this Section 11, in addition to any other remedies available hereunder, at law or in equity, the Company shall also be entitled to recover the value of all remaining unvested Shares, which shall be immediately forfeited by the Grantee.

- (e) Reformation. In the event that any covenant contained in this Section 11 should ever be adjudicated to exceed the time, geographic or other limitations permitted by applicable law, then such covenant shall be reformed to the maximum time, geographic or other limitations to the maximum extent permitted by law. The covenants contained in this Section 11 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

12.Entire Agreement; Governing Law. The Plan and this Agreement constitute the entire agreement of the Company and the Grantee (collectively, the “Parties”) with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Grantee’s interest except by means of a writing signed by the Parties or as otherwise permitted under the Plan or this Agreement. Nothing in the Plan and this Agreement (except as expressly provided therein or herein) is intended to confer any rights or remedies on any person other than the Parties. The Plan and this Agreement are to be construed in accordance with and governed by the internal laws of the State of Texas, without giving effect to any choice-of-law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Texas to the rights and duties of the Parties. Should any provision of the Plan or this Agreement relating to the Shares be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

13.Interpretive Matters. Whenever required by the context, pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, or neuter, and the singular shall include the plural, and vice versa. The term “include” or “including” does not denote or imply any limitation. The term “business day” means any Monday through Friday other than such a day on which banks are authorized to be closed in the State of Texas. The captions and headings used in this Agreement are inserted for convenience and shall not be deemed a part of the Award or this Agreement for construction or interpretation.

14.Notice. Any notice or other communication required or permitted hereunder shall be given in writing and shall be deemed given, effective, and received upon prepaid delivery in person or by courier or upon the earlier of delivery or the third business day after deposit in the United States mail if sent by certified mail, with postage and fees prepaid, addressed to the other Party at its address as shown beneath its signature in this Agreement, or to such other address as such Party may designate in writing from time to time by notice to the other Party.

15.Recoupment. This Award (and amounts paid in respect thereof) shall be subject to the terms of the recoupment (clawback) policy adopted by the Company as in effect from time to time, as well as any recoupment/forfeiture provisions required by law and applicable to the Company or its subsidiaries; provided, however, unless prohibited by applicable law, the Company’s recoupment (clawback) policy shall have no application to this Award (or amounts paid in respect thereof) following a Change in Control.

16.Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the Grantee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Grantee may not assign any

rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

[Signature page follows.]

EAGLE MATERIALS INC.

By: _____

Name: Michael R. Haack

Its: President and CEO

Address: 5960 Berkshire Ln., Suite 900
Dallas, Texas 75225

The Grantee acknowledges receipt of a copy of the Plan, represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands all provisions of this Agreement and the Plan. The Grantee further agrees to notify the Company upon any change in the address for notice indicated in this Agreement.

GRANTEE:

Signed: _____

Name:

Address:

EXHIBIT A

CHANGE-IN-CONTROL

For the purpose of this Agreement, a "Change in Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (A) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless, immediately following such Major Asset Disposition, (A) Persons that were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the combined voting power of the then outstanding shares of voting stock of the Company (if it continues to

exist) and of the Acquiring Entity in substantially the same proportions as their ownership immediately prior to such Major Asset Disposition of the outstanding shares of Company Common Stock; (B) no Person (other than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Major Asset Disposition.

For purposes of the foregoing,

- (i) the term "*Person*" means an individual, entity or group;
- (ii) the term "*group*" is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;
- (iii) the terms "*beneficial owner*", "*beneficial ownership*" and "*beneficially own*" are used as defined for purposes of Rule 13d-3 under the Exchange Act;
- (iv) the term "*Business Combination*" means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;
- (v) the term "*Company Common Stock*" shall mean the Common Stock, par value \$.01 per share, of the Company;
- (vi) the term "*Exchange Act*" means the Securities Exchange Act of 1934, as amended;
- (vii) the phrase "*parent corporation resulting from a Business Combination*" means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries;
- (viii) the term "*Major Asset Disposition*" means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;
- (ix) the term "*Acquiring Entity*" means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and
- (x) the phrase "*substantially the same proportions*," when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.

EAGLE MATERIALS INC.**AMENDED AND RESTATED INCENTIVE PLAN****RESTRICTED STOCK AGREEMENT****(Performance Vesting)**

Eagle Materials Inc., a Delaware corporation (the "Company"), and _____ (the "Grantee") hereby enter into this Restricted Stock Award Agreement (the "Agreement") in order to set forth the terms and conditions of the Company's award (the "Award") to the Grantee of certain shares of Common Stock of the Company granted to the Grantee on May 23, 2023 (the "Award Date").

1. Award. The Company hereby awards to the Grantee _____ shares of Common Stock of the Company (the "Shares").

2. Relationship to the Plan. The Award shall be subject to the terms and conditions of the Eagle Materials Inc. Amended and Restated Incentive Plan, as amended (the "Plan"), this Agreement and such administrative interpretations of the Plan, if any, as such interpretations may be in effect on the date of this Agreement or thereafter. Except as defined herein, capitalized terms shall have the meanings ascribed to them under the Plan. For purposes of this Agreement:

- (a) "Applicable Vesting Date" shall mean, with respect to a Performance Period, the fifth business day following the Certification Date therefor.
 - (b) "Average Return on Equity" for more than one fiscal year shall mean: (i) the sum of the Return on Equity for each of the relevant fiscal years; divided by (ii) the number of such relevant fiscal years that are applicable under clause (i).
 - (c) "Average Stockholders' Equity" for a fiscal year shall mean: (i) the Company's total stockholders' equity as of the beginning of such fiscal year plus the Company's total stockholders' equity at the end of such fiscal year; divided by (ii) 2.
 - (d) "Certification Date" shall mean the One-Year Certification Date, Two-Year Certification Date or Three-Year Certification Date, as applicable.
 - (e) "Disability" shall mean a disability of the Grantee as determined by the Committee.
 - (f) "One-Year Performance Period" shall mean the period commencing on April 1, 2023 and ending on March 31, 2024.
 - (g) "Performance Criteria" shall mean the One-Year Performance Criteria, Two-Year Performance Criteria or the Three-Year Performance Criteria, as applicable.
 - (h) "Performance Period" shall mean the One-Year Performance Period, Two-Year Performance Period or the Three-Year Performance Period, as applicable.
 - (i) "Retirement" shall mean the retirement of the Grantee as approved by the Board.
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- (j) “Return on Equity” for a fiscal year shall mean the following calculation (as determined by the Committee): (i) the net earnings of the Company for such fiscal year; divided by (ii) the Company’s Average Stockholders’ Equity for such fiscal year.
- (k) “Three-Year Performance Period” shall mean the period commencing on April 1, 2023 and ending on March 31, 2026.
- (l) “Two-Year Performance Period” shall mean the period commencing on April 1, 2023 and ending on March 31, 2025.
- (m) “Vesting Period” shall mean the period commencing on the Award Date and ending on the Applicable Vesting Date that relates to the Three-Year Performance Period.

3. Vesting.

(a) Vesting Criteria.

- (i) One-Year Performance Shares. 25% of the Shares (the “One-Year Performance Shares”) shall vest only if the Return on Equity for the One-Year Performance Period is at least 10.0% (the “One-Year Performance Criteria”); provided, that the percentage of the One-Year Performance Shares that may be earned shall be based on the following:

One-Year Performance Criteria	Percentage of One-Year Performance Shares Earned
≥ 20.0%	100.0%
≥15.0%	83.3%
≥10.0%	66.7%

; provided, further, that the exact percentage of the One-Year Performance Shares, if earned, shall be calculated based on straight-line interpolation between the points shown above with fractional points rounded up to the nearest tenth of a percent. After the end of the One-Year Performance Period, the Committee shall certify whether and to what extent the One-Year Performance Criteria has been satisfied (“One-Year Certification Date”), and the One-Year Performance Shares, if earned, shall vest on the Applicable Vesting Date therefor. If the One-Year Performance Criteria has not been satisfied, then the One-Year Performance Shares shall be immediately and automatically forfeited. Upon the One-Year Certification Date, any portion of the One-Year Performance Shares that are not earned in accordance with the provisions above shall be immediately and automatically forfeited.

- (ii) Two-Year Performance Shares. 25% of the Shares (the “Two-Year Performance Shares”) shall vest only if the Average Return on Equity for the two fiscal years contained within the Two-Year Performance Period is at least 10.0% (the “Two-Year Performance Criteria”); provided, that the

percentage of the Two-Year Performance Shares that may be earned shall be based on the following:

Two-Year Performance Criteria	Percentage of Two-Year Performance Shares Earned
≥ 20.0%	100.0%
≥ 15.0%	83.3%
≥ 10.0%	66.7%

; provided, further, that the exact percentage of the Two-Year Performance Shares, if earned, shall be calculated based on straight-line interpolation between the points shown above with fractional points rounded up to the nearest tenth of a percent. After the end of the Two-Year Performance Period, the Committee shall certify whether and to what extent the Two-Year Performance Criteria has been satisfied (“Two-Year Certification Date”), and the Two-Year Performance Shares, if earned, shall vest on the Applicable Vesting Date therefor. If the Two-Year Performance Criteria has not been satisfied, then the Two-Year Performance Shares shall be immediately and automatically forfeited. Upon the Two-Year Certification Date, any portion of the Two-Year Performance Shares that are not earned in accordance with the provisions above shall be immediately and automatically forfeited.

- (iii) Three-Year Performance Shares. 50% of the Shares (the “Three-Year Performance Shares”) shall vest only if the Average Return on Equity for the three fiscal years contained within the Three-Year Performance Period is at least 10.0% (the “Three-Year Performance Criteria”); provided, that the percentage of the Three-Year Performance Shares that may be earned shall be based on the following:

Three-Year Performance Criteria	Percentage of Three-Year Performance Shares Earned
≥ 20.0%	100.0%
≥ 15.0%	83.3%
≥ 10.0%	66.7%

; provided, further, that the exact percentage of the Three-Year Performance Shares, if earned, shall be calculated based on straight-line interpolation between the points shown above with fractional points rounded up to the nearest tenth of a percent. After the end of the Three-Year Performance Period, the Committee shall certify whether and to what extent the Three-Year Performance Criteria has been satisfied (“Three-Year Certification Date”), and the Three-Year Performance Shares, if earned, shall vest on Applicable Vesting Date therefor. If the Three-Year Performance Criteria has not been satisfied, then the Three-Year Performance Shares shall be immediately and automatically forfeited. Upon the Three-Year Certification Date, any portion of the Three-Year

Performance Shares that are not earned in accordance with the provisions above shall be immediately and automatically forfeited.

- (b) Restrictions. The period beginning on the Award Date and ending on the date immediately preceding the Applicable Vesting Date for a Share shall be known as the restriction period (the “Restriction Period”). During the Restriction Period, the Grantee may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of any unvested Shares or any right or interest related to such unvested Shares, other than as required by the Grantee’s will or beneficiary designation, in accordance with the laws of descent and distribution or by a qualified domestic relations order.
- (c) Cancellation Right. Subject to Section 4, the Grantee must be in continuous service as an Employee or, if applicable, as a Non-Employee Director from the Award Date through the Applicable Vesting Date for an unvested Share, if earned, to become vested. Subject to Section 4, the Grantee’s termination of such continuous service prior to the Applicable Vesting Date shall cause all unvested Shares to be automatically forfeited as of the date of such discontinuation of service.
- (d) Calculations and Adjustments. The Committee shall have the authority to approve the calculations involving the Return on Equity for purposes of vesting, and its approval of such calculations shall be final, conclusive and binding on all parties; provided, that the relevant Performance Criteria and calculation of actual results, in each case, shall be equitably adjusted as determined by the Committee in its discretion, including, without limitation, to account for (i) any business acquisition or disposition (including spin-offs) that occurs after the Award Date, including any related impairments, write-downs, gains or losses; (ii) the impact of litigation (including legal fees, settlements and adjustments); provided, further, that the amount exceeds \$5 million; and (iii) the impact of extraordinary items not related to the Company’s current or ongoing business operations, including impairments, write-downs or other significant non-operational charges. Without limiting the generality of the foregoing, in the event the Company determines to effect a spin-off that will occur prior to the end of a Performance Period, the Committee shall have the discretion to determine the extent to which such Performance Criteria shall be deemed to have been satisfied through the effective date of such spin-off or earlier, as determined by the Committee and such determination date shall constitute the relevant Certification Date hereunder.

4. Change-in-Control; Death, Disability or Retirement.

- (a) Change-in-Control. The restrictions set forth above in Section 3 shall lapse with respect to any then-unvested Shares not previously forfeited and such Shares shall become fully vested without regard to the limitations set forth in Section 3 above; provided, that the Grantee has been in continuous service as an Employee or, if applicable, as a Non-Employee Director from the Award Date through the occurrence of a Change in Control (as defined in Exhibit A to this Agreement), unless either: (i) the Committee determines that the terms of the transaction giving rise to the Change in Control provide that the Award is to be replaced within a reasonable time after the Change in Control with an award of equivalent

value of shares of the surviving parent corporation, or (ii) the Award is to be settled in cash in accordance with the last sentence of this Section 4(a). Upon a Change in Control, pursuant to Section 15 of the Plan, the Committee may, in its discretion, settle the Award by a cash payment that the Committee shall determine in its sole discretion is equal to the Fair Market Value of the Award on the date of such event.

- (b) Death, Disability or Retirement. Notwithstanding Section 3(c) above, in the event the Grantee's continuous service as an Employee and, if applicable, as a Non-Employee Director terminates by reason of death, Disability or Retirement, and in each such case, such termination follows the conclusion of the One-Year Performance Period, then subject to the restrictive covenants below in Section 11, as applicable, any then-unvested Shares not previously forfeited shall remain eligible to vest pursuant to Section 3(a) above on the Applicable Vesting Date(s) as if the Grantee had remained in such continuous service following such termination, and any remaining unvested Shares that are not earned with respect to the Performance Period(s) that relate to such Applicable Vesting Date(s) shall be automatically forfeited.
- (c) Other Terminations. Notwithstanding Section 3(c) above, in the event Grantee's continuous service as an Employee and, if applicable, as a Non-Employee Director terminates (other than a termination by reason of death, Disability or Retirement pursuant to Section 4(b) or termination for "cause") after the end of a Performance Period but before the Applicable Vesting Date therefor, then subject to the restrictive covenants below in Section 11, as applicable, the then-unvested Shares not previously forfeited that relate to such Applicable Vesting Date shall remain eligible to vest pursuant to Section 3(a) above on the Applicable Vesting Date as if the Grantee had remained in such continuous service following such termination until such Applicable Vesting Date, and any remaining unvested Shares that are not earned with respect to such Performance Period and any unvested shares relating to any later Performance Periods shall be automatically forfeited.

5. Stockholder Rights. The Grantee shall have the right to vote the Shares. On the first dividend payment date following the Applicable Vesting Date, the Grantee shall be entitled to a cash dividend payment equal to: (i) the sum of per share dividends paid with respect to Common Stock during the period from the Award Date to such Applicable Vesting Date; provided, that the record date for such dividend payment is on or after the Award Date; times (ii) the number of Shares determined to be vested with respect to such Applicable Vesting Date.

6. Capital Adjustments and Corporate Events. If, from time to time during the term of the Restriction Period, there is any capital adjustment affecting the outstanding Common Stock as a class without the Company's receipt of consideration, including as a result of a spin-off or business disposition, the Shares and other applicable terms of this Award shall be adjusted in accordance with the provisions of Section 15 of the Plan, which adjustment shall include (as may be applicable) without limitation, equitable adjustments to the type of property or securities to which the Award relates, in each case as determined by the Committee in its discretion. Any and all new, substituted or additional securities to which the Grantee may be entitled by reason of the Grantee's ownership of the Shares hereunder because of a capital adjustment shall be immediately subject to the restrictions set forth herein

(as may be modified pursuant to this Agreement) and included thereafter as Shares for purposes of this Agreement.

7. Refusal to Transfer. The Company shall not be required:

- (a) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or the Plan; or
- (b) to treat such purchaser or other transferee as owner of such Shares, accord such purchaser or other transferee the right to vote; or
- (c) to pay or deliver dividends or other distributions to such purchaser or other transferee with respect to such Shares.

8. Legends. If the Shares are certificated, the certificate or certificates evidencing the Shares, if any, issued hereunder shall be endorsed with the following legend:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS AND, ACCORDINGLY, MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED, OR IN ANY MANNER DISPOSED OF EXCEPT IN CONFORMITY WITH THE TERMS OF THAT CERTAIN RESTRICTED STOCK AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES. A COPY OF SUCH AGREEMENT IS MAINTAINED AT THE ISSUER'S PRINCIPAL CORPORATE OFFICES.

9. Tax Consequences. The Grantee acknowledges that the Grantee has reviewed, or has had the opportunity to review, with the Grantee's own tax advisors the federal, state, and local tax consequences of this investment and the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee understands that the Grantee (and not the Company) shall be responsible for the Grantee's own tax liability that may arise as a result of the transactions contemplated by this Agreement. The Grantee understands that Section 83 of the Code taxes as ordinary income the difference between the purchase price, if any, for the Shares and the Fair Market Value of the Shares as of the date the restrictions on the Shares lapse. In this context, "restriction" means the restrictions imposed during the Restriction Period. The Grantee understands that the Grantee may elect to be taxed at the time the Shares are awarded rather than when and as the restrictions lapse by filing an election under Section 83(b) of the Code with the Internal Revenue Service within 30 days from the Award Date (and by submitting a copy of such election with the Company). THE GRANTEE ACKNOWLEDGES THAT IT IS THE GRANTEE'S SOLE RESPONSIBILITY (AND NOT THE COMPANY'S) TO FILE TIMELY THE ELECTION UNDER SECTION 83(B), EVEN IF THE GRANTEE REQUESTS THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON THE GRANTEE'S BEHALF.

10. Withholding of Taxes. At the time and to the extent vested Shares become compensation income to the Grantee for federal or state income tax purposes, the Grantee either shall deliver to the Company such amount of money as required to meet the withholding obligation under applicable tax laws or regulations, or, in lieu of cash, the Grantee, in his or her sole discretion, may elect to surrender, or direct the Company to withhold from the vested Shares, shares of Common Stock in such number as necessary to satisfy the tax withholding obligations. Further, any dividends paid to the Grantee pursuant

to Section 5 above that are accrued prior to the end of the Restriction Period will generally be subject to federal, state and local withholding, as appropriate, as additional compensation.

11. Restrictive Covenants. The Grantee acknowledges and agrees that the restrictions in this Section 11 are necessary to protect the goodwill of the Company and the Confidential Information (as defined below) provided by the Company to the Grantee pursuant to this Agreement or otherwise.

- (a) Confidential Information. The Grantee acknowledges that, by virtue of his or her service to the Company and any of its Affiliates either as an Employee or if applicable, as a Non-Employee Director, the Company has provided and promises to provide the Grantee with Confidential Information (defined below). The Grantee shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates, and their respective businesses, which shall have been obtained by the Grantee during the Grantee's service to the Company or any of its Affiliates either as an Employee or if applicable, as a Non-Employee Director, and which shall not be or become public knowledge (other than by acts by the Grantee or representatives of the Grantee in violation of this Agreement) ("Confidential Information"). After termination of the Grantee's employment with the Company, the Grantee shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those persons designated by it. In accordance with the Defend Trade Secrets Act of 2016, the Grantee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (x) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, nothing in this Agreement shall limit the Grantee's ability to communicate with any government agency or otherwise participate in any investigation or proceeding that may be conducted by any government agency, including providing documents or other information.
- (b) Non-Competition. During the Vesting Period, in order to protect all Confidential Information, the Grantee agrees that to the fullest extent permitted by law, the Grantee shall not engage or be engaged in any aspect whatsoever of any the following lines of business: (i) the production (including any associated mining), distribution, marketing or sale of cement (including Portland cement, oil well cement and blended cements), slag, slag cement, masonry cement, fly-ash, pozzolan or clinker; (ii) the production, distribution or marketing of readymix concrete; (iii) the mining, extraction, production or marketing of crushed stone, sand, gravel and aggregates; (iv) the production (including any associated mining), distribution, marketing or sale of gypsum wallboard; (v) the production, distribution, marketing or sale of recycled paperboard; or (vi) any other line of business engaged in by the Company or any of its Affiliates (each a "Line of Business"), either directly or indirectly as an individual, or as an employee, associate, partner, stockholder, consultant, owner, manager, agent or otherwise or by means of any corporate or other device, either on his own behalf in the Restricted Areas (as defined below) or on behalf of others who are engaged in any

Line of Business (either directly or through an affiliate (including by virtue of having an affiliate in the Restricted Areas)) in the Restricted Areas; provided, that, notwithstanding the foregoing, the Grantee may invest in securities of any entity, solely for investment purposes and without participating in the business thereof, if (A) such securities are traded on any national securities exchange or the National Association of Securities Dealers, Inc. Automated Quotation System, (B) the Grantee is not a controlling person of, or a member of a group which controls, such entity, and (C) the Grantee does not, directly or indirectly, own 1% or more of any class of securities of such entity. The “Restricted Areas” are, specific to each Line of Business, the geographic areas in which the Company or any of its Affiliates engages in the following activities for such Line of Business: (x) operates a manufacturing facility or other facility engaged in business operations; (y) engages in the distribution or sale of its products; or (z) is actively pursuing a strategic initiative (including a merger, acquisition or business expansion) that would reasonably be expected to result in the Company or any of its Affiliates engaging in the activities described in clause (x) or (y) above, of which (in the case of this clause (z)) the Company has informed the Grantee or in respect of which the Grantee has performed any services.

- (c) Non-Solicitation. During the Vesting Period, the Grantee will not, directly or indirectly, in any manner (i) (x) solicit or attempt to solicit any individual that is an employee of the Company or its Affiliates (“Employee”), (y) encourage any person (other than the Company) to solicit any Employee, or (z) otherwise encourage any Employee to discontinue his or her employment with the Company or one of its Affiliates; provided, that this Agreement shall not prohibit any advertisement or general solicitation (or hiring as a result thereof) that is not specifically targeted at such persons; (ii) solicit any customer who currently is a customer of the Company or its Affiliates for the purpose of providing, distributing or selling products or services similar to those sold or provided by the Company; or (iii) persuade or attempt to persuade any customer or supplier of the Company (or any of its Affiliates) to terminate or modify such customer’s or supplier’s relationship with the Company (or any of its Affiliates).
- (d) Remedies. In the event of the Grantee’s breach or threatened breach of this Section 11, in addition to any other remedies, the Company shall be entitled to specific performance and/or a temporary or permanent injunction prohibiting and enjoining the Grantee from violating the covenants set forth in this Section 11. For purposes of obtaining equitable relief, such as specific performance, a temporary restraining order, or an injunction (but not any relief to the extent it would involve the payment by the Grantee of monetary damages or the loss of a benefit under this Agreement), the Company need not prove, and the Grantee acknowledges and agrees that irreparable harm or injury will have occurred as a result of any breach of the covenants set forth in this Section 11, and the Company need not provide notice or pay bond to the maximum extent permitted by law. In the event of the Grantee’s breach or threatened breach of the restrictive covenants contained in this Section 11, in addition to any other remedies available hereunder, at law or in equity, the Company shall also be entitled to recover the value of all remaining unvested Shares, which shall be immediately forfeited by the Grantee.

- (e) Reformation. In the event that any covenant contained in this Section 11 should ever be adjudicated to exceed the time, geographic or other limitations permitted by applicable law, then such covenant shall be reformed to the maximum time, geographic or other limitations to the maximum extent permitted by law. The covenants contained in this Section 11 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

12.Entire Agreement; Governing Law. The Plan and this Agreement constitute the entire agreement of the Company and the Grantee (collectively, the "Parties") with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Parties with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Parties or as otherwise permitted under the Plan or this Agreement. Nothing in the Plan and this Agreement (except as expressly provided therein or herein) is intended to confer any rights or remedies on any person other than the Parties. The Plan and this Agreement are to be construed in accordance with and governed by the internal laws of the State of Texas, without giving effect to any choice-of-law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Texas to the rights and duties of the Parties. Should any provision of the Plan or this Agreement relating to the Shares be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

13.Interpretive Matters. Whenever required by the context, pronouns and any variation thereof shall be deemed to refer to the masculine, feminine, or neuter, and the singular shall include the plural, and vice versa. The term "include" or "including" does not denote or imply any limitation. The term "business day" means any Monday through Friday other than such a day on which banks are authorized to be closed in the State of Texas. The captions and headings used in this Agreement are inserted for convenience and shall not be deemed a part of the Award or this Agreement for construction or interpretation.

14.Notice. Any notice or other communication required or permitted hereunder shall be given in writing and shall be deemed given, effective, and received upon prepaid delivery in person or by courier or upon the earlier of delivery or the third business day after deposit in the United States mail if sent by certified mail, with postage and fees prepaid, addressed to the other Party at its address as shown beneath its signature in this Agreement, or to such other address as such Party may designate in writing from time to time by notice to the other Party.

15.Recoupment. This Award (and amounts paid in respect thereof) shall be subject to the terms of the recoupment (clawback) policy adopted by the Company as in effect from time to time, as well as any recoupment/forfeiture provisions required by law and applicable to the Company or its subsidiaries; provided, however, unless prohibited by applicable law, the Company's recoupment (clawback) policy shall have no application to this Award (or amounts paid in respect thereof) following a Change in Control.

16.Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the Grantee, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), except that the Grantee may not assign any

rights or obligations under this Agreement except to the extent and in the manner expressly permitted herein.

[Signature page follows.]

EAGLE MATERIALS INC.

By: _____

Name: Michael R. Haack

Its: President and CEO

Address: 5960 Berkshire Ln. Suite 900
Dallas, Texas 75225

The Grantee acknowledges receipt of a copy of the Plan, represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands all provisions of this Agreement and the Plan. The Grantee further agrees to notify the Company upon any change in the address for notice indicated in this Agreement.

Signed: _____

Name:

Address:

EXHIBIT A

CHANGE-IN-CONTROL

For the purpose of this Agreement, a "Change in Control" shall mean the occurrence of any of the following events:

(a) The acquisition by any Person of beneficial ownership of securities of the Company (including any such acquisition of beneficial ownership deemed to have occurred pursuant to Rule 13d-5 under the Exchange Act) if, immediately thereafter, such Person is the beneficial owner of (i) 50% or more of the total number of outstanding shares of any single class of Company Common Stock or (ii) 40% or more of the total number of outstanding shares of all classes of Company Common Stock, unless such acquisition is made (A) directly from the Company in a transaction approved by a majority of the members of the Incumbent Board or (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company;

(b) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (or who is otherwise designated as a member of the Incumbent Board by such a vote) shall be considered as though such individual were a member of the Incumbent Board, except that any such individual shall not be considered a member of the Incumbent Board if his or her initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) The consummation of a Business Combination, unless, immediately following such Business Combination, (i) more than 50% of both the total number of then outstanding shares of common stock of the parent corporation resulting from such Business Combination and the combined voting power of the then outstanding voting securities of such parent corporation entitled to vote generally in the election of directors will be (or is) then beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners, respectively, of the outstanding shares of Company Common Stock immediately prior to such Business Combination in substantially the same proportions as their ownership immediately prior to such Business Combination of the outstanding shares of Company Common Stock, (ii) no Person (other than any employee benefit plan (or related trust) of the Company or any corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of the total number of then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors and (iii) at least a majority of the members of the board of directors of the parent corporation resulting from such Business Combination were members of the Incumbent Board immediately prior to the consummation of such Business Combination; or

(d) Approval by the Board and the shareholders of the Company of (i) a complete liquidation or dissolution of the Company or (ii) a Major Asset Disposition (or, if there is no such approval by shareholders, consummation of such Major Asset Disposition) unless, immediately following such Major Asset Disposition, (A) Persons that were beneficial owners of the outstanding shares of Company Common Stock immediately prior to such Major Asset Disposition beneficially own, directly or indirectly, more than 50% of the total number of then outstanding shares of common stock and the combined voting power of the then outstanding shares of voting stock of the Company (if it continues to

exist) and of the Acquiring Entity in substantially the same proportions as their ownership immediately prior to such Major Asset Disposition of the outstanding shares of Company Common Stock; (B) no Person (other than any employee benefit plan (or related trust) of the Company or such entity) beneficially owns, directly or indirectly, 40% or more of the then outstanding shares of common stock or the combined voting power of the then outstanding voting securities of the Company (if it continues to exist) and of the Acquiring Entity entitled to vote generally in the election of directors and (C) at least a majority of the members of the Board of the Company (if it continues to exist) and of the Acquiring Entity were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such Major Asset Disposition.

For purposes of the foregoing,

- (i) the term "*Person*" means an individual, entity or group;
 - (ii) the term "*group*" is used as it is defined for purposes of Section 13(d)(3) of the Exchange Act;
 - (iii) the terms "*beneficial owner*", "*beneficial ownership*" and "*beneficially own*" are used as defined for purposes of Rule 13d-3 under the Exchange Act;
 - (iv) the term "*Business Combination*" means (x) a merger, consolidation or share exchange involving the Company or its stock or (y) an acquisition by the Company, directly or through one or more subsidiaries, of another entity or its stock or assets;
 - (v) the term "*Company Common Stock*" shall mean the Common Stock, par value \$.01 per share, of the Company;
 - (vi) the term "*Exchange Act*" means the Securities Exchange Act of 1934, as amended;
 - (vii) the phrase "*parent corporation resulting from a Business Combination*" means the Company if its stock is not acquired or converted in the Business Combination and otherwise means the entity which as a result of such Business Combination owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries;
 - (viii) the term "*Major Asset Disposition*" means the sale or other disposition in one transaction or a series of related transactions of 50% or more of the assets of the Company and its subsidiaries on a consolidated basis; and any specified percentage or portion of the assets of the Company shall be based on fair market value, as determined by a majority of the members of the Incumbent Board;
 - (ix) the term "*Acquiring Entity*" means the entity that acquires the largest portion of the assets sold or otherwise disposed of in a Major Asset Disposition (or the entity, if any, that owns a majority of the outstanding voting stock of such acquiring entity entitled to vote generally in the election of directors or members of a comparable governing body); and
 - (x) the phrase "*substantially the same proportions*," when used with reference to ownership interests in the parent corporation resulting from a Business Combination or in an Acquiring Entity, means substantially in proportion to the number of shares of Company Common Stock beneficially owned by the applicable Persons immediately prior to the Business Combination or Major Asset Disposition, but is not to be construed in such a manner as to require that the same ratio or number of shares of such parent corporation or Acquiring Entity be issued, paid or delivered in exchange for or in respect of the shares of each class of Company Common Stock.
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CHANGE IN CONTROL CONTINUITY AGREEMENT

THIS CHANGE IN CONTROL CONTINUITY AGREEMENT (this “**Agreement**”) is made and entered into, as of May 31, 2022, by and between Eagle Materials Inc., a Delaware corporation (the “**Company**”), and Matt Newby (“**Executive**”).

WHEREAS, the Board of Directors of the Company (the “**Board**”) has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication of Executive, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below); and

WHEREAS, the Board believes it is imperative to diminish the inevitable distraction of Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to encourage Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control, and to provide Executive with compensation and benefits arrangements upon a Change in Control that ensure that the compensation and benefits expectations of Executive will be satisfied and that are competitive with those of other corporations.

NOW, THEREFORE, in order to accomplish the foregoing objectives and in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows.

1. **Certain Definitions.**

- (a) “**Affiliate**” shall mean an entity controlled by, controlling or under common control with another entity.
- (b) “**Change in Control**” shall mean:

(i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “**Person**”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended, or any successor thereto (the “**Exchange Act**”) of 35% or more of either (1) the then outstanding shares of common stock of the Company (the “**Outstanding Company Common Stock**”) or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company; (B) any acquisition by the Company; (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company;

or (D) any acquisition by any entity pursuant to a transaction that complies with clauses (A), (B) and (C) of subsection (iii) of this Section 1(b);

(ii) A change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the Board; provided, however, that, for purposes of this Section 1(b), any individual who becomes a member of the Board subsequent to the date of this Agreement whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be considered as a member of the Incumbent Board;

(iii) The consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its subsidiaries or sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its subsidiaries (a “**Business Combination**”), in each case, unless, following such Business Combination: (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock (or, for a noncorporate entity, equivalent securities) and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or, for a noncorporate entity, equivalent securities), as the case may be, of the entity resulting from such Business Combination (including an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be; (B) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 35% or more of, respectively, the then outstanding shares of common stock (or, for a noncorporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the Business Combination; and (C) at least a majority of the members of the board of directors (or, for a noncorporate entity, equivalent body or committee) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) The approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

(c) **“Change in Control Period”** shall mean the period commencing on the date hereof and ending on the third anniversary of the date hereof; provided, however, that commencing on the date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the **“Renewal Date”**), unless previously terminated, the Change in Control Period shall be automatically extended so as to terminate three years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to Executive that the Change in Control Period shall not be so extended.

(d) **“Code”** shall mean the Internal Revenue Code of 1986, as amended.

(e) **“Effective Date”** shall mean the first date during the Change in Control Period on which a Change in Control occurs. Notwithstanding anything in this Agreement to the contrary, if (i) Executive’s employment with the Company is terminated by the Company, (ii) the Date of Termination is prior to the date on which a Change in Control occurs, and (iii) it is reasonably demonstrated by Executive that such termination of employment (A) was at the request of a third party that has taken steps reasonably calculated to effect a Change in Control or (B) otherwise arose in connection with or anticipation of a Change in Control, then for all purposes of this Agreement, the **“Effective Date”** means the date immediately prior to such Date of Termination.

(f) **“Restricted Period”** shall mean the period of 12 months following the Date of Termination.

2. **Continuity Period.** The Company hereby agrees to continue Executive in its employ, and Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of such date (the **“Continuity Period”**). The Continuity Period shall terminate upon Executive’s termination of employment for any reason.

3. **Terms of Employment.** (a) **Position and Duties.** (i) During the Continuity Period, (A) Executive’s position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all respects with the most significant of those held, exercised and assigned to Executive at any time during the 120-day period immediately preceding the Effective Date and (B) Executive’s services shall be performed at the location where Executive was employed immediately preceding the Effective Date or any office or location less than 25 miles from such location.

(i) During the Continuity Period, and excluding any periods of vacation and sick leave to which Executive is entitled, Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to

Executive hereunder, to use Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Continuity Period it shall not be a violation of this Agreement for Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of Executive's responsibilities to the Company.

(b) **Compensation.** (i) **Base Salary.** During the Continuity Period, Executive shall receive an annual base salary ("**Annual Base Salary**"), that shall be paid at an annual rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary that has been earned but deferred, to Executive by the Company and its Affiliates in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. The Annual Base Salary shall be paid at such intervals as the Company pays executive salaries generally. During the Continuity Period, the Annual Base Salary shall be periodically reviewed and increased in the same manner and proportion as the base salaries of other senior executives of the Company and Affiliates, but in no event shall such review and adjustment be more than 12 months after the last salary increase awarded to Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased.

(i) **Annual Bonus.** In addition to Annual Base Salary, Executive shall be awarded, for each fiscal year ending during the Continuity Period, an annual bonus (the "**Annual Bonus**") in cash at least equal to the target annual bonus for which Executive was eligible as of immediately prior to the Effective Date (or, if the target annual bonus has not been established for such fiscal year, for the completed fiscal year immediately preceding the Effective Date) (the "**Target Annual Bonus**"). Each such Annual Bonus shall be paid no later than two and a half months after the end of the fiscal year for which the Annual Bonus is awarded, unless Executive shall elect to defer the receipt of such Annual Bonus pursuant to an arrangement that meets the requirements of Section 409A of the Code.

(ii) **Long Term Incentive Awards.** During the Continuity Period, Executive shall be entitled to participate in all long-term equity- and cash-based incentive plans and programs applicable generally to other peer executives of the Company and its Affiliates. For each fiscal year ending during the Continuity Period, Executive shall be awarded annual long-term incentive awards (the "**Annual LTI Award**") in respect of the common stock of the Company (or the ultimate parent entity of the Company) or cash incentive awards, in each case on the same basis as other peer executives of the

Company, at least equal to the target Annual LTI Award opportunity to which Executive was eligible as of immediately prior to the Effective Date or, if more favorable to Executive, the target Annual LTI Award opportunity provided generally at any time after the Effective Date to other peer executives of the Company and its Affiliates (the “**Target LTI Award Opportunity**”). The terms and conditions of the awards granted in respect of such Annual LTI Awards shall be no less favorable, in the aggregate, than the most favorable of those provided by the Company and its Affiliates for the awards granted to Executive under such plans and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its Affiliates.

(iii) **Savings and Retirement Plans.** During the Continuity Period, Executive shall be entitled to participate in all savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its Affiliates, but in no event shall such plans, practices, policies and programs provide Executive with savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its Affiliates for Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its Affiliates.

(iv) **Welfare and Insurance Benefit Plans.** During the Continuity Period, Executive and/or Executive’s family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare and insurance benefit plans, practices, policies and programs provided by the Company and its Affiliates (including medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) (“**Company Welfare Benefit Plans**”) to the extent applicable generally to other peer executives of the Company and its Affiliates, but if the Company Welfare Benefit Plans provide Executive with benefits that are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive, those provided generally at any time after the Effective Date (the “**Former Company Welfare Benefit Plans**”), the Company shall provide Executive with supplemental arrangements (such as individual insurance coverage purchased by the Company for Executive) such that the Company Welfare Benefit Plans together with such supplemental arrangements provide Executive with benefits that are at least as favorable, in the aggregate, as those provided by the Former Company Welfare Benefit Plans.

(v) **Expenses.** During the Continuity Period, Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by Executive in accordance with the most favorable policies, practices and procedures of the Company and its Affiliates in effect for Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive, as in effect

generally at any time thereafter with respect to other peer executives of the Company and its Affiliates.

(vi)**Fringe Benefits.** During the Continuity Period, Executive shall be entitled to fringe benefits in accordance with the most favorable plans, practices, programs and policies of the Company and its Affiliates in effect for Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its Affiliates.

(vii)**Office and Support Staff.** During the Continuity Period, Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to Executive by the Company and its Affiliates at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its Affiliates.

(viii)**Vacation.** During the Continuity Period, Executive shall be entitled to paid vacation, in each case in accordance with the most favorable plans, policies, programs and practices of the Company and its Affiliates as in effect for Executive at any time during the 365-day period immediately preceding the Effective Date or, if more favorable to Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its Affiliates.

4. **Termination of Employment.** (a) **Death or Disability.** The Executive's employment shall terminate automatically upon Executive's death during the Continuity Period. If the Company determines in good faith that the Disability of Executive has occurred during the Continuity Period (pursuant to the definition of Disability set forth below), it may give to Executive written notice in accordance with Section 11(b) of its intention to terminate Executive's employment. In such event, Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by Executive (the "**Disability Effective Date**"), provided that, within the 30 days after such receipt, Executive shall not have returned to full-time performance of Executive's duties. For purposes of this Agreement, "**Disability**" shall mean the absence of Executive from Executive's duties with the Company on a full-time basis for 180 consecutive business days (or for 180 business days in any consecutive 365 days) as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to Executive or Executive's legal representative.

(a) **Cause.** The Company may terminate Executive's employment during the Continuity Period with or without Cause. For purposes of this Agreement, "**Cause**" shall mean:

(i) Executive's conviction of or plea of guilty or *nolo contendere* to a charge of commission of a felony; or

(ii) the willful engaging by Executive in illegal conduct or gross misconduct in the performance of Executive's duties to the Company that is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of Executive, shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company and its Affiliates. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board, or if the Company is not the ultimate parent entity of the Company and is not publicly traded, the board of directors (or, for a non-corporate entity, equivalent governing body) of the ultimate parent of the Company (the "**Applicable Board**") or upon the instructions of the Chief Executive Officer of the Company or a senior officer of the Company and its Affiliates or based upon the advice of counsel for the Company and its Affiliates shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company and its Affiliates. The cessation of employment of Executive shall not be deemed to be for Cause unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Applicable Board (excluding Executive if Executive is a member of the Applicable Board) at a meeting of the Applicable Board called and held for such purpose (after reasonable notice is provided to Executive and Executive is given an opportunity, together with counsel for Executive, to be heard before the Applicable Board), finding that, in the good faith opinion of the Applicable Board, Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(b) **Good Reason.** The Executive's employment may be terminated during the Continuity Period by Executive for Good Reason or by Executive voluntarily without Good Reason. "**Good Reason**" means actions taken by the Company resulting in a material negative change in the employment relationship. For these purposes, a "material negative change in the employment relationship" shall include:

(i) the assignment to Executive of duties inconsistent in any material respect with Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3(a), or a diminution in any material respect in such position, authority, duties or responsibilities or in the budget over which Executive retains authority (for this purpose, a material diminution in duties shall be deemed to have occurred if the Change in Control results in the Company becoming a wholly owned division, unit or subsidiary of the acquiring company, or otherwise ceasing to be a publicly traded company, and Executive is not serving in the position Executive held immediately prior to the Effective Date (or a superior position) with respect to the ultimate parent company or the ultimate parent company is not publicly traded);

(ii) a material diminution in the authorities, duties or responsibilities of the person to whom Executive is required to report, including a

requirement that Executive report to an officer or employee instead of reporting directly to the Applicable Board;

(iii) the failure to provide, in all material respects, any element of the compensation and benefits required to be provided to Executive in accordance with any of the provisions of Section 3(b), including any decrease in Executive's Annual Base Salary;

(iv) the Company's requiring Executive (A) to be based at any office or location other than as provided in Section 3(a)(i)(B) resulting in a material increase in Executive's commute to and from Executive's primary residence (for this purpose an increase in Executive's commute by 25 miles or more shall be deemed material); or (B) to be based at a location other than the principal executive offices of the Company if Executive was employed at such location immediately preceding the Effective Date; or

(v) any other action or inaction that constitutes a material breach by the Company of this Agreement, including any failure by the Company to comply with and satisfy Section 10(c).

In order to invoke a termination for Good Reason, Executive shall provide written notice to the Company of the existence of one or more of the conditions described in clauses (i) through (v) within 90 days following Executive's knowledge of the initial existence of such condition or conditions, specifying in reasonable detail the conditions constituting Good Reason, and the Company shall have 30 days following receipt of such written notice (the "**Cure Period**") during which it may remedy the condition. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, Executive's "separation from service" (within the meaning of Section 409A of the Code) must occur, if at all, within two years following the initial existence of such condition or conditions in order for such termination as a result of such condition to constitute a termination for Good Reason. The Executive's mental or physical incapacity following the occurrence of an event described above in clauses (i) through (v) shall not affect Executive's ability to terminate employment for Good Reason and Executive's death following delivery of a Notice of Termination for Good Reason shall not affect Executive's estate's entitlement to severance payments benefits provided hereunder upon a termination of employment for Good Reason.

(c) **Notice of Termination.** Any termination of employment by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 11(b). For purposes of this Agreement, a "**Notice of Termination**" means a written notice that (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the Date of Termination (which date shall be not more than 30 days after the giving of such notice) (subject to the Company's right to cure in

the case of a resignation for Good Reason). The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company, respectively, hereunder or preclude Executive or the Company, respectively, from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

(d) **Date of Termination.** "Date of Termination" means (i) if Executive's employment is terminated by the Company for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date specified therein, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, the date on which the Company notifies Executive of such termination, (iii) if Executive resigns without Good Reason, the date on which Executive notifies the Company of such termination and (iv) if Executive's employment is terminated by reason of death or Disability, the date of death of Executive or the Disability Effective Date, as the case may be.

5. **Obligations of the Company Upon Termination.** (a) **By Executive for Good Reason; By the Company Other Than for Cause, Death or Disability.** If, during the Continuity Period, the Company shall terminate Executive's employment other than for Cause, Death or Disability or Executive shall terminate employment for Good Reason, then, subject to Executive's execution within 50 days following the Date of Termination, and non-revocation, of a release of claims in the form attached as Exhibit A (the "**Release**"), the Company shall pay to Executive the following:

(i) subject to Section 11(k), the Company shall pay to Executive in a lump sum in cash within 60 days after the Date of Termination (and, if earlier, within five days after the Release becomes effective and irrevocable) the aggregate of the following amounts:

(A) the sum of (I) Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid; (II) Executive's business expenses that are reimbursable pursuant to Section 3(b)(v) but have not been reimbursed by the Company as of the Date of Termination; (III) Executive's Annual Bonus for the fiscal year immediately preceding the fiscal year in which the Date of Termination occurs, if such bonus has not been paid as of the Date of Termination; (IV) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in subclauses (I), (II), (III) and (IV), the "**Accrued Obligations**"); and (V) an amount equal to the product of (x) the Target Annual Bonus (or, if higher, the target annual bonus as in effect immediately prior to the Date of Termination) and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the "**Pro Rata Bonus**"); provided, that notwithstanding the foregoing, if Executive has made an irrevocable election under any deferred compensation arrangement subject to Section 409A of the Code to defer

any portion of the Annual Base Salary or the Annual Bonus described in clause (I) or (III), then for all purposes of this Section 5 (including Sections 5(b) through 5(d)), such deferral election, and the terms of the applicable arrangement shall apply to the same portion of the amount described in such clause (I) or (III), and such portion shall not be considered as part of the “Accrued Obligations” but shall instead be an “Other Benefit” (as defined below);

(B) the amount equal to the product of (I) two (2) and (II) the sum of (x) Executive’s Annual Base Salary and (y) the Target Annual Bonus (or, if higher, the target annual bonus as in effect immediately prior to the Date of Termination);

(C) an amount equal to Company’s and its Affiliates’ contributions under the tax-qualified defined contribution plan and any excess or supplemental defined contribution plans sponsored by the Company or its Affiliates, in which Executive participates as of immediately prior to the Date of Termination (or, if more favorable to Executive, the plans as in effect immediately prior to the Effective Date) (collectively, the “**Savings Plans**”) that Executive would receive if Executive’s employment continued for the Restricted Period, assuming for this purpose that (I) Executive is fully vested in the right to receive employer contributions under such plans; (II) Executive’s compensation during each year of the Restricted Period is equal to the Annual Base Salary and the Target Annual Bonus, and such amounts are paid in equal installments ratably over each year of the Restricted Period; (III) Executive received an Annual Bonus with respect to the year in which the Date of Termination occurs equal to the Pro Rata Bonus, only if a contribution in respect of the compensation described in this clause (III) has not already been credited to Executive under the Savings Plans; (IV) the amount of any such employer contributions is equal to the maximum amount that could be provided under the terms of the applicable Savings Plans for the year in which the Date of Termination occurs (or, if more favorable to Executive, or in the event that as of the Date of Termination the amount of any such contributions for such year is not determinable, the amount of contribution that could be provided under the Savings Plans for the plan year ending immediately prior to the Effective Date) for a participant whose compensation is as provided in clauses (II) and (III) above; and (V) to the extent that the employer contributions are determined based on the contributions or deferrals of Executive, disregarding Executive’s actual contributions or deferral elections as of the Date of Termination and assuming that Executive had elected to participate in the Savings Plans and to defer that percentage of Annual Base Salary and/or Annual Bonus under the Savings Plans that would result in the maximum possible employer contribution; and

(D) an amount equal to the product of (I) the full amount (both the employer and employee portion) of the monthly premiums for

coverage under the Company's or and its Affiliates' health care plans for purposes of continuation coverage under Section 4980B of the Code with respect to the maximum level of coverage in effect for Executive and his or her spouse and dependents as of immediately prior to the Date of Termination, based on the plans in which Executive participates as of immediately prior to the Date of Termination (or, if more favorable to Executive, the plans as in effect immediately prior to the Effective Date), and (II) the number of months in the Restricted Period;

(ii) the Company shall, at its sole expense as incurred, provide Executive with outplacement services the scope and provider of which shall be selected by Executive in Executive's sole discretion, but the cost thereof shall not exceed \$30,000; provided that such outplacement benefits shall end not later than the last day of the second calendar year that begins after the Date of Termination; and

(iii) except as otherwise set forth in the last sentence of Section 6, to the extent not theretofore paid or provided, the Company shall timely pay or provide to Executive any other amounts or benefits required to be paid or provided or that Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its Affiliates (such other amounts and benefits shall be hereinafter referred to as the "**Other Benefits**") in accordance with the terms of the underlying plans or agreements.

For the avoidance of doubt, if applicable, any amount payable pursuant to this Section 5(a) shall be determined without regard to any reduction in compensation that resulted in Executive's termination of employment for Good Reason. If Executive does not execute the Release within 50 days following the Date of Termination, or if Executive revokes the Release, Executive shall be entitled to only the compensation and benefits contemplated by Sections 5(a)(i)(A) (excluding the Pro Rata Bonus) and (iii).

(b) **Death.** If Executive's employment is terminated by reason of Executive's death during the Continuity Period, the Company shall provide Executive's estate or beneficiaries with the Accrued Obligations and the Pro Rata Bonus and the timely payment or delivery of the Other Benefits, and shall have no other severance obligations under this Agreement. The Accrued Obligations (subject to the proviso set forth in Section 5(a)(i)(A) to the extent applicable) and the Pro Rata Bonus shall be paid to Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of the Other Benefits, the term "Other Benefits" as utilized in this Section 5(b) shall include, and Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and its Affiliates to the estates and beneficiaries of peer executives of the Company and such Affiliates under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive's estate and/or Executive's beneficiaries, as in effect on the date of Executive's death with respect to other peer executives of the Company and its Affiliates and their beneficiaries.

(c) **Disability.** If Executive's employment is terminated by reason of Executive's Disability during the Continuity Period, the Company shall provide Executive with the Accrued Obligations and Pro Rata Bonus and the timely payment or delivery of the Other Benefits in accordance with the terms of the underlying plans or agreements, and shall have no other severance obligations under this Agreement. The Accrued Obligations (subject to the proviso set forth in Section 5(a)(i)(A) to the extent applicable) and the Pro Rata Bonus shall be paid to Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of the Other Benefits, the term "Other Benefits" as utilized in this Section 5(c) shall include, and Executive shall be entitled after the Disability Effective Date to receive, without limitation, disability and other benefits (either pursuant to a plan, program, practice or policy or an individual arrangement) at least equal to the most favorable of those generally provided by the Company and its Affiliates to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to Executive and/or Executive's family, as in effect at any time thereafter generally with respect to other peer executives of the Company and its Affiliates and their families.

(d) **Cause; Other Than for Good Reason.** If Executive's employment is terminated for Cause during the Continuity Period, the Company shall provide Executive with Executive's Annual Base Salary (subject to the proviso set forth in Section 5(a)(i)(A) to the extent applicable) through the Date of Termination, and the timely payment or delivery of the Other Benefits, and shall have no other severance obligations under this Agreement. If Executive voluntarily terminates employment during the Continuity Period, excluding a termination for Good Reason, the Company shall provide to Executive the Accrued Obligations and the Pro Rata Bonus and the timely payment or delivery of the Other Benefits and shall have no other severance obligations under this Agreement. In such case, all the Accrued Obligations (subject to the proviso set forth in Section 5(a)(i)(A) to the extent applicable) and the Pro Rata Bonus shall be paid to Executive in a lump sum in cash within 30 days of the Date of Termination.

6. **Non-exclusivity of Rights.** Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its Affiliates and for which Executive may qualify, nor, subject to Section 11(h), shall anything herein limit or otherwise affect such rights as Executive may have under any other contract or agreement with the Company or its Affiliates. Amounts that are vested benefits or that Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its Affiliates at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement. Without limiting the generality of the foregoing, Executive's resignation under this Agreement with or without Good Reason shall in no way affect Executive's ability to terminate employment by reason of Executive's "retirement" under any compensation and benefits plans, programs

or arrangements of the Company or its Affiliates, including any retirement or pension plans or arrangements or to be eligible to receive benefits under any compensation or benefit plans, programs or arrangements of the Company or any of its Affiliates, including any retirement or pension plan or arrangement of the Company or any of its Affiliates or substitute plans adopted by the Company or its successors, and any termination that otherwise qualifies as Good Reason shall be treated as such even if it is also a “retirement” for purposes of any such plan. Notwithstanding the foregoing, if Executive receives payments and benefits pursuant to Section 5(a) of this Agreement, Executive shall not be entitled to any severance pay or benefits under any severance plan, program or policy of the Company and its Affiliates, unless otherwise specifically provided therein in a specific reference to this Agreement.

7. **Full Settlement; Legal Fees.** (a) **Full Settlement.** The Company’s obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment.

(a) **Legal Fees.** The Company agrees to pay as incurred (within 10 days following the Company’s receipt of an invoice from Executive), at any time from the Effective Date through Executive’s remaining lifetime (or, if longer, through the 20th anniversary of the Effective Date) to the full extent permitted by law, all legal fees and expenses that Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof whether such contest is between the Company and Executive or between either of them and any third party, and (including as a result of any contest by Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code (“**Interest**”) determined as of the date such legal fees and expenses were incurred.

8. **Treatment of Certain Payments.**

(a) Anything in the Agreement to the contrary notwithstanding, in the event the Accounting Firm (as defined below) shall determine that receipt of all Payments (as defined below) would subject Executive to the excise tax under Section 4999 of the Code, the Accounting Firm shall determine whether to reduce any of the Payments paid or payable pursuant to the Agreement (the “**Agreement Payments**”) so that the Parachute Value (as defined below) of all Payments, in the aggregate, equals the Safe Harbor Amount (as defined below). The Agreement Payments shall be so reduced only if the Accounting Firm determines that Executive would have a greater Net After-Tax Receipt (as defined below) of aggregate Payments if the Agreement Payments were so reduced. If the Accounting Firm determines that Executive would not have a greater

Net After-Tax Receipt (as defined below) of aggregate Payments if the Agreement Payments were so reduced, Executive shall receive all Agreement Payments to which Executive is entitled hereunder.

(b) If the Accounting Firm determines that aggregate Agreement Payments should be reduced so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount, the Company shall promptly give Executive notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 8 shall be binding upon the Company and Executive and shall be made as soon as reasonably practicable and in no event later than 15 days following the date of Termination of Employment. For purposes of reducing the Agreement Payments so that the Parachute Value of all Payments, in the aggregate, equals the Safe Harbor Amount, only amounts payable under the Agreement (and no other Payments) shall be reduced. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the payments and benefits under the following sections in the following order: (i) cash payments that may not be valued under Treas. Reg. § 1.280G-1, Q&A-24(c) (“**24(c)**”), (ii) equity-based payments that may not be valued under 24(c), (iii) cash payments that may be valued under 24(c), (iv) equity-based payments that may be valued under 24(c) and (v) other types of benefits. With respect to each category of the foregoing, such reduction shall occur first with respect to amounts that are not “deferred compensation” within the meaning of Section 409A of the Code and next with respect to payments that are deferred compensation, in each case, beginning with payments or benefits that are to be paid the farthest in time from the Accounting Firm’s determination. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

(c) To the extent requested by Executive, the Company shall cooperate with Executive in good faith in valuing, and the Accounting Firm shall take into account the value of, services provided or to be provided by Executive (including Executive’s agreeing to refrain from performing services pursuant to a covenant not to compete or similar covenant, including under Section 9(b) of this Agreement, before, on or after the date of a change in ownership or control of the Company (within the meaning of Q&A-2(b) of the final regulations under Section 280G of the Code), such that payments in respect of such services may be considered reasonable compensation within the meaning of Q&A-9 and Q&A-40 to Q&A-44 of the final regulations under Section 280G of the Code and/or exempt from the definition of the term “parachute payment” within the meaning of Q&A-2(a) of the final regulations under Section 280G of the Code in accordance with Q&A-5(a) of the final regulations under Section 280G of the Code.

(d) The following terms shall have the following meanings for purposes of this Section 8:

(i) “**Accounting Firm**” shall mean a nationally recognized certified public accounting firm or other professional organization that is a certified public accounting firm recognized as an expert in determinations and calculations for purposes of Section 280G of the Code that is selected by the Company prior to a Change in Control for purposes of making the applicable determinations hereunder and is

reasonably acceptable to Executive, which firm shall not, without Executive's consent, be a firm serving as accountant or auditor for the individual, entity or group effecting the Change in Control.

(ii) "**Net After-Tax Receipt**" shall mean the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Payment net of all taxes imposed on Executive with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to Executive's taxable income for the immediately preceding taxable year, or such other rate(s) as the Accounting Firm determines to be likely to apply to Executive in the relevant tax year(s).

(iii) "**Parachute Value**" of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2) of the Code, as determined by the Accounting Firm for purposes of determining whether and to what extent the excise tax under Section 4999 of the Code will apply to such Payment.

(iv) "**Payment**" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of Executive, whether paid or payable pursuant to the Agreement or otherwise.

(v) "**Safe Harbor Amount**" shall mean 2.99 *times* Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code.

(e) The provisions of this Section 8 shall survive the expiration of the Agreement.

9. **Restrictive Covenants.**

(a) **Confidential Information.** The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates, and their respective businesses, which shall have been obtained by Executive during Executive's employment by the Company or any of its Affiliates and which shall not be or become public knowledge (other than by acts by Executive or representatives of Executive in violation of this Agreement). After termination of Executive's employment with the Company, Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those persons designated by it. In no event shall an asserted violation of the provisions of this Section 9(a) constitute a basis for deferring or withholding any amounts otherwise payable to Executive under this Agreement, but the Company otherwise shall be entitled to all other remedies that may be available to it at law or in equity.

(b) **Noncompetition.** During the Restricted Period, in order to protect all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates, and their respective businesses, which shall have been obtained by Executive during Executive's employment by the Company or any of its Affiliates and which shall not be or become public knowledge (other than by acts by Executive or representatives of Executive in violation of this Agreement), Executive agrees that to the fullest extent permitted by law, Executive shall not engage or be engaged in any aspect whatsoever of any the following lines of business: (i) the production (including any associated mining), distribution, marketing or sale of cement (including Portland, oil well cement and blended cements), slag, slag cement, masonry cement, fly-ash, pozzolan or clinker; (ii) the production, distribution or marketing of readymix concrete; (iii) the mining, extraction, production or marketing of crushed stone, sand, gravel and aggregates; (iv) the production (including any associated mining), distribution, marketing or sale of gypsum wallboard; (v) the production, distribution, marketing or sale of recycled paperboard; (vi) the mining, processing, drying, manufacturing, distributing or marketing of frac sand; or (vii) any other line of business engaged in by the Company or any of its Affiliates (each a "**Line of Business**" and collectively, the "**Business**"), either directly or indirectly as an individual, or as an employee, associate, partner, stockholder, consultant, owner, manager, agent or otherwise or by means of any corporate or other device, either on his own behalf in the Restricted Areas (as defined below) or on behalf of others who are engaged in any Line of Business (either directly or through an affiliate (including by virtue of having an affiliate in the Restricted Areas)) in the Restricted Areas. The "**Restricted Areas**" are, specific to each Line of Business, the geographic areas in which the Company or any of its Affiliates engages in the following activities for such Line of Business: (x) operates a manufacturing facility or other facility engaged in business operations; (y) engages in the distribution or sale of its products; or (z) is actively pursuing a strategic initiative (including a merger, acquisition or business expansion) that would reasonably be expected to result in the Company or any of its Affiliates engaging in the activities described in clause (x) or (y) above, of which (in the case of this clause (z)) the Company has informed Executive or in respect of which Executive have performed any services. In addition to any other remedies, the Company shall be entitled to specific performance and/or a temporary or permanent injunction prohibiting and enjoining Executive from violating the covenants set forth in this Section 9(b). For purposes of obtaining equitable relief, such as specific performance, a temporary restraining order, or an injunction (but not any relief to the extent it would involve the payment by Executive of monetary damages or the loss of a benefit under this Agreement), the Company need not prove, and Executive acknowledges and agrees that irreparable harm or injury will have occurred as a result of any breach of the covenants set forth in this Section 9(b).

10. **Successors.** (a) This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

(a) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. Except as provided in Section 10(c), without

the prior written consent of Executive, this Agreement shall not be assignable by the Company.

(b) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

11. **Miscellaneous.**

(a) **Governing Law and Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of Texas, without reference to principles of conflict of laws. The parties irrevocably submit to the jurisdiction of any state or federal court sitting in or for Dallas, Texas with respect to any dispute arising out of or relating to this Agreement, and each party irrevocably agrees that all claims in respect of such dispute or proceeding shall be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by law, any objection that they may now or hereafter have to the venue of any dispute arising out of or relating to this Agreement or the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute or proceeding. Each party agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. **THE PARTIES HEREBY WAIVE A TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT OR ASSERTED BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT.**

(b) **Notices.** All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive: To the most recent address on file with the Company.

If to the Company:

Eagle Materials Inc.

5960 Berkshire Lane #900

Dallas TX 75225

Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) **Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those to which it is invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(d) **Survivorship.** Upon the expiration or other termination of this Agreement or Executive's employment, the respective rights and obligations of the parties hereto shall survive to the extent necessary to carry out the intentions of the parties under this Agreement.

(e) **Section Headings; Construction.** The section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation hereof. For purposes of this Agreement, the term "including" shall mean "including, without limitation."

(f) **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

(g) **Amendments; Waiver.** No provision of this Agreement shall be modified or amended except by an instrument in writing duly executed by the parties hereto. The Executive's or the Company's failure to insist upon strict compliance with any provision hereof or any other provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, including the right of Executive to terminate employment for Good Reason pursuant to Section 4(c)(i)-(v), shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(h) **At-Will Employment.** The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and, subject to Section 1(e) of this Agreement, prior to the Effective Date, Executive's employment may be terminated by either Executive or the Company at any time prior to the Effective Date, in which case Executive shall have no further rights under this Agreement. From and after the Effective Date, except as specifically provided herein, this Agreement shall supersede any other employment agreement between the parties. For the avoidance of doubt, prior to the Effective Date, any other employment agreement between the parties shall continue to govern the relationship between the parties.

(i) **Entire Agreement.** This Agreement constitutes the entire agreement of the parties hereto in respect of the terms and conditions of Executive's employment with the Company and its Affiliates, including his severance entitlements, and, as of the Effective Date, supersedes and cancels in their entirety all prior understandings, agreements and commitments, whether written or oral, relating to the

terms and conditions of employment between Executive, on the one hand, and the Company or its Affiliates, on the other hand. For the avoidance of doubt, this Agreement does not limit the terms of any benefit plans (including equity award agreements) of the Company or its Affiliates that are applicable to Executive, except to the extent that the terms of this Agreement are more favorable to Executive.

(j) **Tax Withholding.** The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(k) **Section 409A.**

(i) **General.** It is intended that payments and benefits made or provided under this Agreement shall not result in penalty taxes or accelerated taxation pursuant to Section 409A of the Code. Any payments that qualify for the “short-term deferral” exception, the separation pay exception or another exception under Section 409A of the Code shall be paid under the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. All payments to be made upon a termination of employment under this Agreement may only be made upon a “separation from service” under Section 409A of the Code to the extent necessary in order to avoid the imposition of penalty taxes on Executive pursuant to Section 409A of the Code. In no event may Executive, directly or indirectly, designate the calendar year of any payment under this Agreement, and to the extent required by Section 409A of the Code, any payment that may be paid in more than one taxable year shall be paid in the later taxable year.

(ii) **Reimbursements and In-Kind Benefits.** Notwithstanding anything to the contrary in this Agreement, all reimbursements and in-kind benefits provided under this Agreement that are subject to Section 409A of the Code shall be made in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (A) any reimbursement is for expenses incurred during Executive’s lifetime (or during a shorter period of time specified in this Agreement); (B) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (C) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (D) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(iii) **Delay of Payments.** Notwithstanding any other provision of this Agreement to the contrary, if Executive is considered a “specified employee” for purposes of Section 409A of the Code (as determined in accordance with the methodology established by the Company and its Affiliates as in effect on the Termination Date), any payment that constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code that is otherwise due to Executive under this Agreement during the six-month period immediately following Executive’s

separation from service on account of Executive's separation from service shall instead be paid, with Interest (based on the rate in effect for the month in which the Executive's separation from service occurs), on the first business day of the seventh month following his separation from service (the "**Delayed Payment Date**"), to the extent necessary to prevent the imposition of tax penalties on Executive under Section 409A of the Code. If Executive dies during the postponement period, the amounts and entitlements delayed on account of Section 409A of the Code shall be paid to the personal representative of his estate on the first to occur of the Delayed Payment Date or 30 calendar days after the date of Executive's death.

(l) **Indemnification**. The Company shall indemnify Executive and hold him harmless to the fullest extent permitted by law and under the charter and bylaws of the Company (including the advancement of expenses) against, and with respect to, any and all actions, suits, proceedings, claims, demands, judgments, costs, expenses (including reasonable attorney fees), losses and damages resulting from Executive's good faith performance of his duties and obligations with the Company and its Affiliates.

[Signature Page Follows]

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand and, pursuant to the authorization from the Board and the Company have caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

/s/ Matt Newby
Matt Newby

Eagle Materials Inc.

By: /s/ Michael R. Nicolais
Name: Michael R. Nicolais
Its: Chairman of the Board

[Change in Control Continuity Agreement Signature Page]

GENERAL RELEASE OF CLAIMS

This **GENERAL RELEASE OF CLAIMS** (this “**Agreement**”) is entered into on [●], 20[●], by and between Eagle Materials Inc., a Delaware corporation (the “**Company**”) and Matt Newby (“**Executive**”).

1. General Release and Waiver of Claims.

(a) **Release.** In consideration of the payments and benefits afforded under the Change in Control Continuity Agreement, dated as of May __, 2022, by and between the Company and Executive (the “**CIC Agreement**”) as specified on **Schedule I** attached hereto, and after consultation with counsel, Executive and each of Executive’s respective heirs, executors, administrators, representatives, agents, successors and assigns (collectively, the “**Releasors**”) hereby irrevocably and unconditionally release and forever discharge the Company and its subsidiaries and affiliates and each of their respective officers, employees, directors and agents (“**Releasees**”) from any and all claims, actions, causes of action, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind or character (collectively, “**Claims**”) that the Releasors may have arising out of Executive’s employment relationship with and service as an employee, officer or director of the Company and its subsidiaries and affiliates, and the termination of any such relationship or service, in each case up to and including Executive’s date of termination, including, without limitation, any and all Claims of discrimination on the basis of race, religion, sex, age, color, national origin, ancestry, disability, medical condition or marital status or other employment claims for injury to Executive including, but not limited to any Claim arising under any of the following: the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967; the Older Worker Benefits Protection Act; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act; the Employee Retirement Income Security Act of 1974; the Fair Labor Standards Act; the Equal Pay Act; the Genetic Information Nondiscrimination Act; Chapter 21 of the Texas Labor Code; the Texas Payday Act; the Texas Administrative Code; or any other similar local, state, or federal laws, in each case, as amended from time to time; provided, however, that notwithstanding anything contained herein to the contrary, this Agreement shall not affect: (i) the obligations of the Company set forth in the CIC Agreement, including without limitation under Sections 5, 6, 7, 8 and 11 of the CIC Agreement, or under any other benefit plan, agreement, arrangement or policy of the Company or its affiliates; (ii) any indemnification or similar rights Executive has as a current or former officer, director, employee or agent of the Company and its subsidiaries and affiliates, including, without limitation, any and all rights thereto under applicable law, the Company’s bylaws or other governance documents, or any rights with respect to coverage under any directors’ and officers’ insurance policies and/or indemnification agreements; (iii) any Claim the Releasors may have as the holder or beneficial owners of securities of the Company or its affiliates or other rights relating to securities or equity awards in respect of the common stock of the Company or its affiliates; (iv) rights to accrued but unpaid salary, paid time off, vacation or other compensation due through the date of termination

of employment; (v) any unreimbursed business expenses; (vi) benefits or the right to seek benefits under applicable workers' compensation and/or unemployment compensation statutes; and (vii) any Claims that may arise in the future from events or actions occurring after Executive's date of termination of employment or that Executive may not by law release through an agreement such as this.

(b) **Specific Release of ADEA Claims.** In further consideration of the payments and benefits provided to Executive under the Plan, the Releasers hereby unconditionally release and forever discharge the Releasees from any and all Claims that the Releasers may have as of the date Executive signs this Agreement arising under the Federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder ("**ADEA**"). By signing this Agreement, Executive hereby acknowledges and confirms the following: (i) Executive was advised by the Company in connection with Executive's termination of employment to consult with an attorney of Executive's choice prior to signing this Agreement and to have such attorney explain to Executive the terms of this Agreement, including, without limitation, the terms relating to Executive's release of claims arising under ADEA, and Executive has in fact consulted with an attorney; (ii) Executive was given a period of not fewer than [twenty-one (21)] [forty-five (45)] calendar days to consider the terms of this Agreement and to consult with an attorney of Executive's choosing with respect thereto; and (iii) Executive knowingly and voluntarily accepts the terms of this Agreement. Executive also understands that Executive has seven (7) calendar days following the date on which Executive signs this Agreement within which to revoke the release contained in this Section 1(b), by providing the Company a written notice of Executive's revocation of the release and waiver contained in this Section 1(b).

(c) **No Assignment.** Executive represents and warrants that Executive has not assigned any of the Claims being released under this Agreement.

2.Proceedings. Executive has not filed, and agrees not to initiate or cause to be initiated on Executive's behalf, any complaint, charge, claim or proceeding against the Releasees with respect to any Claims released under Section 1(a) or (b) before any local, state or federal agency, court or other body (each, individually, a "**Proceeding**"), and agrees not to participate voluntarily in any Proceeding involving such Claims; provided, however, and subject to the immediately following sentence, nothing set forth here in intended to or shall interfere with Executive's right to participate in a Proceeding with any appropriate federal, state, or local government agency enforcing discrimination or securities laws, nor shall this Agreement prohibit Executive from cooperating with any such agency in its investigation. To the maximum extent permitted by law, the Executive waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding, provided that the foregoing shall not apply to any legally protected whistleblower rights (including under Rule 21F under the Securities Exchange Act of 1934).

3.Severability Clause. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, will be inoperative.

4. **No Admission.** Nothing contained in this Agreement will be deemed or construed as an admission of wrongdoing or liability on the part of the Company.

5. **Governing Law and Venue.** This Agreement shall be governed by and construed and interpreted in accordance with the substantive laws of the State of Texas (without giving effect to any conflict-of-law rule or principle that would result in the application of the laws of any other jurisdiction). The parties agree to submit to the jurisdiction of the federal and state courts sitting in Dallas, Texas, for all purposes relating to the validity, interpretation, or enforcement of this Agreement

6. **Counterparts.** This Agreement may be executed in counterparts and each counterpart will be deemed an original.

7. **Notices.** All notices, requests, demands or other communications under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or deposited in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, to the party to whom such notice is being given as follows:

As to Executive: Executive's last address on the books and records of the Company

As to the Company: Eagle Materials Inc
5960 Berkshire Lane
Dallas TX 75225
Attention: General Counsel

Any party may change his, her or its address or the name of the person to whose attention the notice or other communication shall be directed from time to time by serving notice thereof upon the other party as provided herein.

EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS READ THIS AGREEMENT AND THAT EXECUTIVE FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT EXECUTIVE HEREBY EXECUTES THE SAME AND MAKES THIS AGREEMENT AND THE RELEASE PROVIDED FOR HEREIN VOLUNTARILY AND OF EXECUTIVE'S OWN FREE WILL.

IN WITNESS WHEREOF, Executive has executed this Agreement on the date set forth below.

Matt Newby

Dated as of: _____

Certification of Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael R. Haack, certify that:

1. I have reviewed this report on Form 10-Q of Eagle Materials Inc.;
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(s) 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 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: July 27, 2023

By /s/ Michael R. Haack

Michael R. Haack
President and Chief Executive Officer

Certification of Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, D. Craig Kesler, certify that:

1. I have reviewed this report on Form 10-Q of Eagle Materials Inc.;
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(s) 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 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: July 27, 2023

By /s/ D. Craig Kesler

D. Craig Kesler
Chief Financial Officer
(Principal Financial Officer)

Certification of Periodic Report Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Eagle Materials Inc. and subsidiaries (the "Company") on Form 10-Q for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael R. Haack, President and Chief Executive Officer of the Company, certify, 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 Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: July 27, 2023

By /s/ Michael R. Haack
Michael R. Haack
President and Chief Executive Officer

Certification of Periodic Report Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Eagle Materials Inc. and subsidiaries (the "Company") on Form 10-Q for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, D. Craig Kesler, Chief Financial Officer of the Company, certify, 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 Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: July 27, 2023

By /s/ D. Craig Kesler

D. Craig Kesler
Chief Financial Officer
(Principal Financial Officer)

MINE SAFETY DISCLOSURE

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act contains reporting requirements regarding mine safety. The operation of our quarries is subject to regulation by the federal Mine Safety and Health Administration, or MSHA, under the Federal Mine Safety and Health Act of 1977, or the Mine Act. Set forth below is the required information regarding certain mining safety and health matters for the three-month period ended June 30, 2023 for our facilities. In evaluating this information, consideration should be given to factors such as: (i) the number of citations and orders will vary depending on the size of the quarry, (ii) the number of citations issued will vary from inspector-to-inspector and mine-to-mine, and (iii) citations and orders can be contested and appealed, and in that process, may be reduced in severity and amount, and are sometimes dismissed.

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	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
3D Concrete LLC Lander, NV (2602434)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
3D Concrete LLC Lyon, Nevada (2602412)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
American Gypsum Company LLC Albuquerque, NM (2900181)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
American Gypsum Company LLC Duke, OK (3400256)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
American Gypsum Company LLC Eagle, CO (0503997)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
Battletown Quarry ² Battletown, KY (1500040)	1	0	0	0	0	\$ 0	0	no	no	0	0	0
Centex Materials LLC Buda, TX (4102241)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
Central Plains Cement Company LLC Sugar Creek, MO (2302171)	6	0	0	0	0	\$ 0	0	no	no	0	0	0
Central Plains Cement Company LLC, Tulsa, OK (3400026)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
Fairborn Cement Company LLC Greene County, OH (3300161)	1	0	0	0	0	\$ 0	0	no	no	0	0	0
Illinois Cement Company LLC LaSalle, IL (1100003)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
Kosmos Cement Company LLC Jefferson, KY (1504469)	19	0	0	0	0	\$21,276	0	no	no	0	0	0

Mountain Cement Company LLC Laramie, WY (4800007)	2	0	0	0	0	\$18,145	0	no	no	0	0	0
Nevada Cement Company LLC Fernley, NV (2600015)	0	0	0	0	0	\$ 0	0	no	no	0	0	1 ⁽¹⁾
Seguin Sand Guadalupe, TX (4105665)	0	0	0	0	0	\$ 0	0	no	no	0	0	0
Texas Lehigh Cement Company LP Buda, TX (4102781)	0	0	0	0	0	\$ 0	0	no	no	1 ⁽¹⁾	1 ⁽¹⁾	0

(1) All legal actions were penalty contests.

(2) Battletown Quarry was acquired on 3/31/2023 by Eagle Materials Inc. - Operator is Battletown Materials LLC.

