

U.S. SILICA HOLDINGS, INC.
Form DEF 14A
March 25, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

U.S. Silica Holdings, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Edgar Filing: U.S. SILICA HOLDINGS, INC. - Form DEF 14A

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

CHARLES SHAVER
Chairman of the Board

*U.S. Silica Holdings, Inc.
8490 Progress Drive
Suite 300
Frederick, Maryland 21701*

BRYAN A. SHINN
President and Chief Executive Officer

March 25, 2013

Dear Shareholder:

You are invited to attend our annual meeting of shareholders to be held on Thursday, April 25, 2013 at 9:00 a.m., Central Daylight Time, at The St. Regis Houston, 1919 Briar Oaks Lane, Houston, Texas 77027. Enclosed is our 2012 Annual Report for your review.

The Notice of Annual Meeting of Shareholders and the Proxy Statement describe the items of business to be considered at the meeting. Please consider the items presented and vote your shares as promptly as possible.

Your vote is important. Whether or not you plan to attend the annual meeting, please vote your shares by proxy via Internet, telephone or mail to ensure that your vote is counted. If you hold your shares through an account with a broker, bank or other nominee, please follow the instructions you receive from that nominee to vote your shares.

Thank you for your continued support of U.S. Silica.

Sincerely,

Charles Shaver
Chairman of the Board

Bryan A. Shinn
President and Chief Executive Officer

Table of Contents

U.S. Silica Holdings, Inc.

8490 Progress Drive, Suite 300

Frederick, MD 21701

Notice of Annual Meeting of Shareholders

To the Holders of Common Stock of

U.S. Silica Holdings, Inc.:

Our annual meeting of shareholders will be held on **Thursday, April 25, 2013** at 9:00 a.m., Central Daylight Time, at The St. Regis Houston, 1919 Briar Oaks Lane, Houston, Texas 77027 to:

1. elect director nominees named in the attached Proxy Statement,
2. ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for 2013, and
3. transact any other business that properly comes before the meeting, or any adjournment thereof.

The Board of Directors (the Board) recommends a vote FOR each of the director nominees and ratification of the independent registered public accounting firm.

We discuss the above business matters in more detail in the attached Proxy Statement.

Only holders of record of our common stock at the close of business on March 15, 2013 will be entitled to vote. **If you plan to attend the annual meeting, please note the admission procedures set forth in the attached Proxy Statement.**

Christine C. Marshall
General Counsel and Corporate Secretary

March 25, 2013

Important Notice Regarding the Availability of Proxy Materials

for the Shareholder Meeting to Be Held on April 25, 2013:

The Proxy Statement and 2012 Annual Report are available at www.proxyvote.com

Table of Contents

TABLE OF CONTENTS

	Page
<u>Questions & Answers on Voting Procedures</u>	1
<u>Matters You Are Voting On</u>	4
<u>Proposal No. 1: Election of Directors</u>	5
<u>Director Nominees</u>	5
<u>Determination of Independence</u>	7
<u>Corporate Governance</u>	8
<u>Nominations for Director</u>	12
<u>Shareholder Communications</u>	12
<u>Transactions with Related Persons</u>	13
<u>Report of the Audit Committee</u>	15
<u>Stock Ownership</u>	17
<u>Executive and Director Compensation</u>	19
<u>Summary Compensation Table</u>	19
<u>Outstanding Equity Awards at Fiscal Year-End</u>	23
<u>Benefit Plan Provisions Related to Employment Termination or Change in Control</u>	23
<u>Director Compensation</u>	25
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	25
<u>Proposal No. 2: Ratification of Grant Thornton LLP as Independent Registered Public Accounting Firm for 2013</u>	26
<u>Submission of Shareholder Proposals for Next Year</u>	28

Table of Contents

QUESTIONS & ANSWERS ON VOTING PROCEDURES

Who is entitled to vote at the annual meeting, and how many votes do they have?

Holders of record of our common stock who owned shares as of the close of business on March 15, 2013 (the Record Date) may vote at the meeting. Each share is entitled to one vote. There were 52,957,080 shares of common stock outstanding on the Record Date.

When were the enclosed solicitation materials first given to shareholders?

The enclosed Annual Report and proxy card, together with the Notice of Annual Meeting and Proxy Statement, were first sent to shareholders on or about March 25, 2013.

Who can attend the annual meeting?

All shareholders as of the Record Date may attend the annual meeting. **Please check the box on your proxy card if you plan to attend the annual meeting.**

You will need an admission ticket or proof of ownership of our common stock to enter the annual meeting. If you hold shares directly in your name as a shareholder of record, the portion of your proxy card that you keep and do not submit when you vote is your admission ticket. If you plan to attend the annual meeting, please submit your proxy but keep the admission ticket and bring it with you to the meeting.

If your shares are registered or held in the name of your broker or bank or other nominee, your shares are held in street name. Please note that if you hold your shares in street name, you will need to bring proof of your ownership of our common stock as of the Record Date, such as a copy of a bank or brokerage statement, and check in at the registration desk at the meeting.

Please note that you also may be asked to present valid picture identification, such as a driver's license or passport.

Because seating is limited, admission to the meeting will be on a first-come, first-served basis. For the safety of attendees, all boxes, handbags and briefcases are subject to inspection. Cameras (including cell phones with photographic capabilities), recording devices and other electronic devices are not permitted at the meeting.

What is a quorum of shareholders?

A quorum is the presence at the annual meeting, in person or by proxy, of holders of a majority of the shares of our common stock entitled to vote, including abstentions and broker non-votes (see below). Because there were 52,957,080 shares of our common stock outstanding on the Record Date, the presence of holders of 26,478,541 shares is a quorum. We must have a quorum to conduct the meeting.

What is a proxy?

A proxy is another person that you authorize to vote on your behalf. We ask shareholders to instruct the proxy how to vote so that all common shares may be voted at the annual meeting even if the holders do not attend the meeting.

Table of Contents

How many votes does it take to pass each matter?

If a quorum is present at the meeting, we need:

a plurality of the votes of the shares present in person or represented by proxy at the annual meeting and entitled to vote to elect each director nominee, and

the affirmative vote of a majority of shares present in person or represented by proxy at the annual meeting and entitled to vote to ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm.

How are abstentions and broker non-votes treated?

An abstention occurs when a shareholder affirmatively chooses not to vote on a proposal. A broker non-vote occurs when a broker, bank, or other nominee who holds shares for another person has not received voting instructions from the owner of the shares and, under NYSE rules, does not have discretionary authority to vote on a matter. See *If my shares are held in street name by my broker, will my broker vote my shares for me?* below. Abstentions and broker non-votes count for purposes of determining the presence of a quorum. For purposes of the proposal on the election of directors, abstentions and broker non-votes will not have any effect on the results of the votes. For purposes of the proposal on the ratification of Grant Thornton LLP as our independent registered public accounting firm, abstentions will have the same effect as a vote against the proposal and broker non-votes will not have any effect on the results of the votes.

How do I vote if I am a shareholder of record?

You must be present, or represented by proxy, at the annual meeting in order to vote your shares. Since many of our shareholders are unable to attend the meeting in person, you may vote your shares in the following ways:

By Internet To access your online proxy card, please visit the website listed on the enclosed proxy card and follow the on-screen instructions. You will need the control number included on your proxy card. If you vote by Internet, you do not need to mail your proxy card.

By Telephone To vote your shares by proxy by telephone, please call the phone number listed on the enclosed proxy card and follow the instructions. You will need the control number included on your proxy card. If you vote by telephone, you do not need to mail your proxy card.

By Mail To vote your shares by mail, please follow the instructions on the enclosed proxy card. If you vote your shares by mail, please sign and date your proxy card and mail it in the pre-addressed, postage-paid envelope. **If you do not sign your proxy card, your votes cannot be counted.**

In Person To ensure your shares are represented, we ask that you vote your proxy by telephone, Internet or mail, even if you plan to attend the meeting. **Please check the box on your proxy card if you plan to attend the annual meeting.**

If you plan to attend the annual meeting in person and need directions to the meeting site, please contact Investor Relations at (855) 745-4227 or ir@ussilica.com.

If my shares are held in street name by my broker, bank or other nominee, will my broker vote my shares for me?

If your shares are held by a broker, bank or other nominee, you will receive from that nominee a full meeting package including a voting instructions form to vote your shares. Your broker, bank or other nominee may permit you to provide voting instructions by telephone or by the Internet. Such nominees have the authority under New York Stock Exchange rules to vote their clients' unvoted shares on certain routine matters. The matter

Table of Contents

covered by Proposal No. 2 (ratification of independent registered public accounting firm) is considered a routine matter under the rules of the New York Stock Exchange. Therefore, if you do not vote on this proposal, your broker, bank or other nominee may choose to vote for you or leave your shares unvoted on that proposal.

New York Stock Exchange rules, however, do not permit brokers, banks or other nominees to vote their clients' unvoted shares in the election of directors (Proposal No. 1). Therefore, if you do not vote on Proposal No. 1, your shares will remain unvoted on those proposals. ***We urge you to respond to your broker, bank or other nominee so that your shares will be voted.***

How will my proxy vote my shares?

If you properly vote your shares by proxy by Internet or telephone, or sign and return your proxy card or voting instructions form, your shares will be voted as you direct. If you sign and return your proxy card or voting instructions form but do not specify how you want your shares voted, then your shares will be voted FOR the election of each director nominee and FOR the ratification of the appointment of our independent registered public accounting firm. Also, you will give your proxies authority to vote, using their discretion, on any other business that properly comes before the meeting, including to adjourn the meeting.

Can I vote by proxy even if I plan to attend the annual meeting?

Yes. If you vote by proxy and decide to attend the annual meeting, you do not need to fill out a ballot at the meeting, unless you want to change your vote.

Why might I receive more than one proxy card? Should I vote on each proxy card I receive?

First, you may have various accounts with us that are registered differently, perhaps in different names or with different social security or federal tax identification numbers. Second, you may also own shares indirectly through your broker. Your broker will send you a voting instructions form for these shares. You should vote on each proxy card or voting instructions form you receive in accordance with the instructions set forth in those documents.

Can I receive future proxy materials electronically?

Yes, to receive future proxy materials via the Internet please visit our transfer agent, Broadridge Corporate Issuer Solutions, Inc., at www.proxyvote.com and follow the instructions to consent to the electronic delivery of materials. If you hold your shares in street name, please check the information provided by your broker, bank or other nominee concerning the availability of this service.

How do I change my vote or revoke my proxy?

If you are a shareholder of record, you may change your vote or revoke your proxy at any time before the annual meeting by:

notifying Christine C. Marshall, Corporate Secretary, in writing at 8490 Progress Drive, Suite 300, Frederick, MD 21701 that you are changing your vote;

providing subsequent Internet or telephone voting instructions;

completing and sending in another proxy card with a later date; or

attending the annual meeting and voting in person.

If you hold your shares through a broker, bank or other nominee, you should contact your broker, bank or other nominee for instructions on how to change your vote or revoke your proxy.

Who is soliciting my proxy, how is it being solicited, and who pays the cost?

U.S. Silica, on behalf of the Board, through its directors, officers and employees, is soliciting proxies. Proxies may be solicited in person, or by mail, Internet, telephone or facsimile. We pay the cost of soliciting proxies.

Table of Contents

MATTERS YOU ARE VOTING ON

Proposal No. 1: Election of Directors

We have entered into a director designation agreement with GGC USS Holdings, LLC (GGC Holdings), which is an affiliate of Golden Gate Private Equity, Inc. (Golden Gate Capital) and, as of the Record Date, owned approximately 77.8% of the shares of our common stock, that provides for GGC Holdings to nominate designees to the Board. The director designation agreement is discussed in more detail in *Transactions with Related Persons*. The seven current members of the Board have been nominated for election as a director at the 2013 annual meeting pursuant to the terms of the director designation agreement to serve until the 2014 annual meeting of shareholders and until his successor is elected and qualified. Each of the nominated directors has agreed to serve if elected. However, if for some reason one of them is unable to serve or for good cause will not serve, your proxy will vote for the election of another person nominated by GGC Holdings, unless GGC Holdings reduces the number of directors. Biographical information, including a discussion of specific experience, qualifications, attributes and skills, for each of the nominees and other information about them is presented beginning on page 5. ***The Board recommends a vote FOR each director nominee.***

Proposal No. 2: Ratification of Grant Thornton LLP as Independent Registered Public Accounting Firm for 2013

This proposal is to ratify our appointment of Grant Thornton LLP as our independent registered public accounting firm for 2013. See Proposal No. 2 on page 26. ***The Board recommends a vote FOR this proposal.***

Other Business Matters

The Board is not aware of any other business for the annual meeting. However:

if any of the persons nominated to serve as a director is unable to serve or for good cause will not serve and the Board designates a substitute nominee,

if any shareholder proposal, which is not in this Proxy Statement or on the proxy card or voting instructions form pursuant to Rule 14a-8 or 14a-9 of the Securities Exchange Act of 1934, is presented for action at the meeting, or

if any matters concerning the conduct of the meeting are properly presented for action, then shareholders present at the meeting may vote on such items. If you are represented by proxy, your proxy will vote your shares using his or her discretion.

Table of Contents

PROPOSAL NO. 1: ELECTION OF DIRECTORS

Vote Required; Recommendation of the Board of Directors

Directors will be elected by a plurality of the votes of the shares present in person or represented by proxy at the annual meeting and entitled to vote, assuming a quorum is present. Abstentions and broker non-votes have no effect on this proposal, except they will be counted as having been present for purposes of determining the presence of a quorum.

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF EACH OF THE NOMINEES. IF NOT OTHERWISE SPECIFIED, PROXIES WILL BE VOTED FOR EACH OF THE NOMINEES.

DIRECTOR NOMINEES

The Board believes that each director nominee possesses the experience, qualifications, attributes and skills, as described in detail in *Nominations for Director*, to enable such director nominee to make significant contributions to the Board, U.S. Silica and its shareholders. In addition, the information presented below sets forth each nominee's specific experience, qualifications, attributes and skills that the Board considered in concluding that the nominee should serve as a director.

Directors

Rajeev Amara, age 36, has served as a member of the Board since November 2008. Mr. Amara is a Managing Director of Golden Gate Capital, which he joined in 2000. At Golden Gate Capital, Mr. Amara leads the investment effort in the industrials and energy sector. Prior to joining Golden Gate Capital, Mr. Amara worked as an investment banker with the Los Angeles office of Donaldson, Lufkin & Jenrette from 1997 to 1999. With respect to service on public company boards, Mr. Amara has served on the board of directors of Aspect Software, Inc. since January 2011. Mr. Amara earned a B.S. in economics from the Wharton School of the University of Pennsylvania. As a result of these and other professional experiences, Mr. Amara possesses particular knowledge and experience in accounting, finance and capital structure; strategic planning and leadership of complex organizations; and board practices of other major corporations that strengthen the Board's collective qualifications, skills and experience.

Prescott H. Ashe, age 45, has served as a member of the Board since November 2008. Mr. Ashe has been a Managing Director of Golden Gate Capital since 2000. Mr. Ashe has over 20 years of private equity investing experience and has participated in both growth-equity and management buyout transactions with more than \$20.0 billion in value. Prior to joining Golden Gate Capital, Mr. Ashe worked at Bain Capital, LLC from 1991 to 2000 and at Bain & Company, Inc. from 1990 to 1991. With respect to service on public company boards, Mr. Ashe has served on the board of directors of Aeroflex Holding Corp. since August 2007, GXS Worldwide, Inc. since June 2010, Aspect Software, Inc. since May 2003 and Infor Inc. since April 2012. Mr. Ashe earned a J.D. from Stanford Law School and a B.S. in business administration from the University of California at Berkeley. As a result of these and other professional experiences, Mr. Ashe possesses particular knowledge and experience in accounting, finance, and capital structure; strategic planning and leadership of complex organizations; and board practices of other major corporations that strengthen the Board's collective qualifications, skills and experience.

Peter Bernard, age 51, has served as a member of the Board since May 2012. Mr. Bernard has been the Chairman of Zeitecs, a specialized artificial lift technology company, since October 2010 and in addition he has served as Chairman of Tendeka, a global completions solutions company headquartered in the United Kingdom, since January 2011. Mr. Bernard served in various roles of increasing responsibility and seniority at Halliburton Company until his retirement in December 2008, including as a member of the Executive Committee from 2007

Table of Contents

until December 2008 and as Senior Vice President of Business Development and Marketing from 2006 to April 2008. Additionally, Mr. Bernard served as Vice President and Global Account Executive for Royal Dutch Shell from 2003 to 2004 and President and CEO of Landmark Graphics from 2004 to 2006. Mr. Bernard received his B.S. degree in Petroleum Engineering from the University of Louisiana at Lafayette. As a result of these and other professional experiences, Mr. Bernard brings extensive breadth, depth and expertise in the oil and natural gas services sector of the energy industry that strengthens the Board's collective qualifications, skills and experience.

William J. Kacal, age 64, has served as a member of the Board since January 2012. Mr. Kacal currently serves as a director of Integrity Bancshares, Inc., located in Houston, Texas, and its wholly-owned subsidiary, Integrity Bank SSB (Integrity Bank), the National Association of Corporate Directors Texas Tri-Cities Chapter, Goodwill Industries International (Goodwill International), Goodwill Industries of Houston (Goodwill Houston) and the Boy Scouts of America Sam Houston Area Council (Boy Scouts Houston). Mr. Kacal serves on the Audit Committee of Integrity Bank, serves as the Chairman of the Audit Committee of Boy Scouts Houston, and previously served as the Chairman of the Audit Committee of Goodwill International and Goodwill Houston. Mr. Kacal has over 40 years of accounting and management experience with Deloitte & Touche LLP (Deloitte), most recently serving as a partner from 1981 until his retirement in May 2011, and prior to that serving as a member of the audit staff from 1970 to 1981. Mr. Kacal also served as a member of the board of directors of Deloitte from 2004 to May 2011 and as a member of the executive committee from 2004 to 2008. During his time with Deloitte, Mr. Kacal worked extensively with companies in the oil and natural gas industry. Mr. Kacal earned a B.B.A. in Accounting from Texas A&M University and is a licensed Certified Public Accountant in Texas. As a result of these and other professional experiences, Mr. Kacal possesses particular knowledge and experience in accounting, finance and capital structure; strategic planning and leadership of complex organizations; and board practices of other entities that strengthen the Board's collective qualifications, skills and experience.

Charles Shaver, age 51, has served as a member of the Board since July 2011 and is currently our Chairman of the Board. Mr. Shaver has served as the Chairman and Chief Executive Officer of Axalta Coating Systems, a privately-held company, since February 2013. Mr. Shaver also has served as a member of the board of directors of Taminco Inc., a privately-held producer of alkylamines and alkylamine derivatives, since January 2013. Prior to joining Axalta Coating Systems, Mr. Shaver was an Operating Partner of Golden Gate Capital from April 2011 until December 2012. Prior to joining Golden Gate Capital, Mr. Shaver served as the Chief Executive Officer and President of the TPC Group Inc. from 2004 to April 2011, as a Vice President and General Manager for Gentek, Inc. from 2001 to 2004 and as a Vice President and General Manager for Arch Chemicals, Inc. from 2001 to 2004. Mr. Shaver began his career with The Dow Chemical Company, where he held a series of operational and business positions from 1980 to 1996. Mr. Shaver earned a B.S. in chemical engineering from Texas A&M University. As a result of these and other professional experiences, Mr. Shaver possesses particular knowledge and experience in all aspects of corporate functions and company operations that strengthen the Board's collective qualifications, skills and experience.

Bryan A. Shinn, age 51, has served as our President since March 2011 and as our Chief Executive Officer and a member of the Board since January 10, 2012. Prior to assuming this position, Mr. Shinn was our Senior Vice President of Sales and Marketing from October 2009 to February 2011. Before joining us, Mr. Shinn was employed by the E. I. du Pont de Nemours and Company from 1983 to September 2009, where he held a variety of key leadership roles in operations, sales, marketing and business management, including Global Business Director and Global Sales Director. Mr. Shinn earned a B.S. in Mechanical Engineering from the University of Delaware. As a result of these and other professional experiences, Mr. Shinn possesses particular knowledge and experience in operations, sales, marketing, management and corporate strategy that strengthen the Board's collective qualifications, skills and experience.

Brian Slobodow, age 44, has served as a member of the Board since March 2011. Mr. Slobodow has served as the Chief Operating Officer of Atrium Corporation, a portfolio company of Golden Gate Capital, since October 2012. Prior to assuming this position, Mr. Slobodow served as our Chief Administrative Officer from

Table of Contents

January 2012 to October 2012 and as our Chief Executive Officer from March 2011 to January 2012. Before joining us, Mr. Slobodow was President and Chief Operating Officer of Neways Worldwide, a portfolio company of Golden Gate Capital, from May 2007 to March 2011, held numerous positions at Johnson & Johnson Consumer Companies, Inc. from 2003 to May 2007, including Vice President, Global Supply Chain and served as a management consultant for A.T. Kearney from 1995 to 2003. Mr. Slobodow earned a B.S. in industrial and manufacturing engineering from the University of Rhode Island and an M.B.A. from the M.I.T. Sloan School of Management. As a result of these and other professional experiences, Mr. Slobodow possesses particular knowledge and experience in operations, management, corporate strategy, organizational design and private equity management that strengthen the Board's collective qualifications, skills and experience.

Family Relationships

There are no family relationships between any of our executive officers or directors.

DETERMINATION OF INDEPENDENCE

GGC Holdings continues to control a majority of the voting power of our outstanding common stock. As a result, we are a controlled company under the New York Stock Exchange (NYSE) listing standards and a majority of our directors are not required to be independent. Nonetheless, the Board does assess the independence of its members under the NYSE listing standards. For a director to be considered independent, the Board must affirmatively determine that such director has no material relationship with us. When assessing the materiality of a director's relationship with us, the Board considers the issue from both the standpoint of the director and from that of persons and organizations with whom or with which the director has an affiliation. The Board reviews the standards adopted by the NYSE to assist it in determining if a director is independent. A director shall be deemed to have a material relationship with us and shall not be deemed to be an independent director if:

the director is or has been our employee or an employee of any of our affiliated entities at any time since January 1, 2010, or an immediate family member of the director is or has been an executive officer of us or any of our affiliated entities at any time since January 1, 2010; provided that employment of a director as our interim chairman of the Board or chief executive officer or other executive officer shall not disqualify such director from being considered independent following termination of that employment;

the director or an immediate family member is a current partner of a firm that is our internal or external auditor;

the director is a current employee of a firm that is our internal or external auditor;

the director has an immediate family member who is a current employee of a firm that is our internal or external auditor and personally works on our audit;

the director or an immediate family member was at any time since January 1, 2010 (but is no longer) a partner or employee of a firm that is our internal or external auditor and personally worked on our audit within that time;

the director or an immediate family member, is, or has been at any time since January 1, 2010, employed as an executive officer of another company where any of our present executive officers at the same time serves or served on that company's compensation committee;

the director is a current executive officer or employee, or an immediate family member is a current executive officer, of another company that has made payments to, or received payments from (other than contributions to tax exempt organizations), us for property or services in an amount which, in any of the other company's last three fiscal years, exceeds the greater of \$1.0 million or 2% of such other company's consolidated gross revenues; or

Table of Contents

the director has received, or has an immediate family member who has received, during any twelve-month period since January 1, 2010, more than \$120,000 in direct compensation from us, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided that such compensation is not contingent in any way on continued service); provided, however, that (i) compensation received by a director for former service as an interim chairman or chief executive officer or other executive officer need not be considered and (ii) compensation received by an immediate family member for service as our employee (other than an executive officer) need not be considered.

The Board has determined that each of Messrs. Bernard, Kacal and Shaver has no material relationship with us and is independent under NYSE listing standards. The Board has determined that Messrs. Amara and Ashe, who are managing directors of Golden Gate Capital, Mr. Shinn, who is our President and Chief Executive Officer, and Mr. Slobodow, who was an executive officer of U.S. Silica from March 2011 to October 2012, have had material relationships with us during the past three years. We have entered into a number of material transactions with Golden Gate Capital and its affiliates as described in *Transactions with Related Persons*.

CORPORATE GOVERNANCE

GGC Holdings controls a majority of the voting power of our outstanding common stock. As a result, we are a controlled company under the NYSE corporate governance standards. As a controlled company, exemptions under the standards will free us from the obligation to comply with certain corporate governance requirements, including the requirements:

that we have a compensation committee or nominating and corporate governance committee;

that a majority of our Board consists of independent directors, as defined under the rules of the NYSE;

that any corporate governance and nominating committee or compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;

for an annual performance evaluation of the nominating and corporate governance committee and compensation committee; and

once effective, to assess the independence of consultants, legal counsel and other advisors selected by the compensation committee.

Board Composition

Our Board consists of seven members. At any time that GGC Holdings owns at least a majority of our then outstanding common stock, the size of our Board is determined by the affirmative vote of at least a majority of our then outstanding common stock. At any time that GGC Holdings does not own at least a majority of our then outstanding common stock, the size of our Board is determined by the affirmative vote of our Board.

At any time that GGC Holdings owns at least a majority of our then outstanding common stock, vacancies are filled by the affirmative vote of at least a majority of our then outstanding common stock. At any time that GGC Holdings does not own at least a majority of our then outstanding common stock, vacancies are filled by the affirmative vote of our Board. The term of office for each director is until his or her successor is elected at our annual meeting or his or her death, resignation or removal, whichever is earliest to occur. Shareholders elect directors each year at our annual meeting.

The Board met six times in 2012. Directors are expected to attend all or substantially all meetings of the Board and meetings of committees on which they serve, and each of the directors nominated for reelection attended all of the meetings of the Board and of any committees on which the director served in 2012.

Table of Contents

The Board has adopted a policy which encourages each director to attend the annual meeting of shareholders. The 2013 annual meeting of shareholders is our first annual meeting as a publicly-traded company.

Committees of the Board of Directors

The Board has the committees set forth below. Each of the committees of the Board has adopted a charter, copies of which we maintain on our website, www.ussilica.com, along with a copy of our Corporate Governance Guidelines. Shareholders may also request a free copy of these documents from: U.S. Silica Holdings, Inc., attn.: Investor Relations, 8490 Progress Drive, Suite 300, Frederick, Maryland 21701 (phone: (855) SILICA-7), or IR@ussilica.com.

Executive Committee: This committee may exercise all of the powers of the Board, except that it may not amend the bylaws or approve or adopt, or recommend to shareholders, any action expressly required by the Delaware General Corporation Law to be submitted to shareholders for approval. The committee met four times in 2012. Mr. Shaver is the Chairman, and Messrs. Amara, Shinn and Slobodow are members.

Audit Committee: This committee is responsible for, among other matters:

appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm;

evaluating the independence of our independent registered public accounting firm;

reviewing with our independent registered public accounting firm the scope and results of their audit;

approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;

overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the U.S. Securities and Exchange Commission (SEC);

reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements;

overseeing our internal audit function;

overseeing our ethics and compliance function including establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters;

reviewing and approving related person transactions; and

overseeing our enterprise risk management program.

The Audit Committee met seven times in 2012. Mr. Kacal is the Chairman, and Messrs. Bernard and Shaver are members. The Audit Committee is composed entirely of independent directors as prescribed by the NYSE listing standards, SEC requirements and other applicable laws, rules and regulations. Mr. Kacal is an audit committee financial expert as that term is defined in the applicable rules of the SEC, and Messrs. Bernard and Shaver are financially literate as that term is defined in the listing standards of the NYSE.

Compensation and Governance Committee: This committee is responsible for, among other matters:

reviewing key employee compensation goals, policies, plans and programs;

reviewing and providing recommendations to the Board regarding the compensation of our directors, chief executive officer and other executive officers;

Table of Contents

reviewing and approving employment agreements and other similar arrangements between us and our executive officers;

overseeing benefits programs and policies;

administration of stock plans and other incentive compensation plans;

assessing whether the work of executive and director compensation consultants creates conflicts of interest;

reviewing and discussing with management the disclosure relating to executive compensation to be included in filings with the SEC;

identifying individuals qualified to become members of the Board, consistent with criteria approved by the Board;

overseeing the organization of the Board to discharge the Board's duties and responsibilities properly and efficiently;

identifying best practices and recommending corporate governance principles;

developing and recommending to the Board a set of Corporate Governance Guidelines and principles applicable to us;

overseeing management succession planning; and

overseeing annual evaluations of the Board and its committees.

The Compensation and Governance Committee met five times in 2012. Mr. Shaver is the Chairman, and Messrs. Amara and Kacal are members.

The Compensation and Governance Committee reviews compensation elements and amounts for our named executive officers on an annual basis, at the time of a promotion or other change in level of responsibilities, as well as when competitive circumstances or business needs may require. The Compensation and Governance Committee retains a compensation consultant to assist the Compensation and Governance Committee in determining both the mix of compensation that we make available to our named executive officers and the amount of each element, taking into account the general goals of our compensation program. With assistance from our head of human resources and the compensation consultant, the Compensation and Governance Committee determines a list of companies that we benchmark our compensation packages against and compares our pay practices and overall pay levels with other leading industrial organizations, and, where appropriate, with non-industrial organizations when establishing pay guidelines. The compensation consultant also provides research and market data to the Compensation and Governance Committee and generally advises the Compensation and Governance Committee on matters relating to its executive compensation decision making. For 2012, our Compensation and Governance Committee retained Aon Hewitt. The Compensation and Governance Committee has sole authority to retain and terminate any compensation consultant.

The Compensation and Governance Committee considers input from the Chief Executive Officer and Chief Financial Officer when setting financial objectives for our incentive plans. The Compensation and Governance Committee also considers input from the Chief Executive Officer, with the assistance of our head of human resources (for officers other than themselves), regarding recommendations for base salary, annual incentive targets and other compensation awards. The Compensation and Governance Committee also considers individual performance assessments that the Chief Executive Officer presents to the Compensation and Governance Committee for each of our other executive officers as well as the Chief Executive Officer's self-assessment. The members of the Board (other than the Chief Executive Officer), meeting in executive session, will determine the compensation of the Chief Executive Officer, including his annual incentive targets and payouts.

Edgar Filing: U.S. SILICA HOLDINGS, INC. - Form DEF 14A

In addition to their performance of executive compensation services, the Compensation and Governance Committee retained Aon Hewitt in 2012 to provide additional services to us that were unrelated to executive compensation, including human resource consulting and actuarial services. These other services have historically

Table of Contents

been provided to us by Aon Hewitt. Aon Hewitt's fees for these additional services totaled approximately \$710,000 in 2012 and Aon Hewitt earned approximately \$61,000 for the executive compensation services it provided to the Compensation and Governance Committee in 2012. The Compensation and Governance Committee reviewed and approved these fees. The Compensation and Governance Committee does not believe that the performance of these other services created a conflict of interest. We had separate relationships with each of the service teams providing these non-executive compensation services, and relationships with the different service teams were overseen by different management employees. The compensation consultant's service team that advised the Compensation and Governance Committee on executive compensation matters did not receive any compensation based on any other work that Aon Hewitt performed for us, and the compensation service team did not perform any other services on our behalf. Aon Hewitt certified to the Compensation and Governance Committee the independence of its executive compensation services and the adherence of its executive compensation consultants to Aon Hewitt's independence policies, practices and procedures.

In March 2013, the Compensation and Governance Committee retained Exequity LLP to replace Aon Hewitt as the executive compensation consultant to the Compensation and Governance Committee. Exequity LLP exclusively provides executive compensation consulting services to the Compensation and Governance Committee and no other consulting services to us.

Codes of Conduct

We expect our directors, officers and employees to act ethically at all times and acknowledge their adherence to the policies comprising our Codes of Conduct. Copies of the Code of Conduct for our Board of Directors and Code of Conduct and Ethics for our employees (including the chief executive officer, chief financial officer and corporate controller) can be found on our website. Any amendments or waivers to the Code of Conduct and Ethics applicable to the chief executive officer, chief financial officer and corporate controller can also be found in the Investor Relations section of our website. Shareholders may also request a free copy of these documents from: U.S. Silica Holdings, Inc., attn.: Investor Relations, 8490 Progress Drive, Suite 300, Frederick, Maryland 21701 (phone: (855) SILICA-7), or IR@ussilica.com.

Compensation Committee Interlocks and Insider Participation

No interlocking relationships exist between the members of our Compensation and Governance Committee and the board of directors or compensation committee of any other company.

Role of Board of Directors in Risk Oversight

The Board, through the Audit Committee, is responsible for risk oversight of our activities. The Audit Committee periodically discusses with management our policies governing the process by which risk assessment and risk management is undertaken and our major risk exposures and the steps management has taken to monitor and control such exposures. The Board believes that our current Board leadership structure, as discussed below, takes into account the Board's role in risk management oversight including the appropriate delegation of risk management oversight responsibilities to the various committees of the Board.

Leadership Structure of Board of Directors

With respect to the roles of Chairman of the Board (the Chairman) and Chief Executive Officer, our Corporate Governance Guidelines provide that the roles may be separated or combined, and the Board exercises its discretion in combining or separating these positions as it deems appropriate in light of prevailing circumstances. The Board believes that the combination or separation of these positions should continue to be considered as part of the succession planning process. Currently the roles are separated, with Mr. Shaver serving as independent Chairman. The Board believes that this structure best serves the interests of shareholders because it allows our Chief Executive Officer to focus primarily on our business strategy and operations and most

Table of Contents

effectively leverages the experience of the Chairman. It also enhances the Board's independent oversight of our senior management team and enables better communications and relations between the Board, the Chief Executive Officer and other senior management. Our Corporate Governance Guidelines provide the flexibility for our board to modify our leadership structure in the future as appropriate. We believe that we, like many U.S. companies, are well served by this flexible leadership structure.

NOMINATIONS FOR DIRECTOR

As long as GGC Holdings owns at least a majority of our outstanding common stock, the size of the Board is determined, and vacancies on the Board are filled, by the affirmative vote of at least a majority of our then outstanding common stock. In addition, we have entered into a director designation agreement with GGC Holdings that provides for GGC Holdings to nominate designees to the Board. The director designation agreement is discussed in more detail in *Transactions with Related Persons*. The seven current members of the Board have been nominated for election as a director at the 2013 annual meeting pursuant to the terms of the director designation agreement. The Board believes that the backgrounds and qualifications of the current director nominees, considered as a group, provide a broad diversity of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. We discuss each nominee's specific experience, qualifications, attributes and skills in *Director Nominees*.

The Compensation and Governance Committee annually reviews the qualifications and backgrounds of the directors, as well as the overall composition of the Board. This review considers the following criteria, which are set forth in our Corporate Governance Guidelines, a copy of which is maintained on our website, www.ussilica.com:

independence;

diversity, age, skills and experience;

ability to represent all shareholders without a conflict of interest;

ability to work in and promote a productive environment;

whether the candidate has sufficient time and willingness to fulfill the substantial duties and responsibilities of a director;

whether the candidate has demonstrated the high level of character and integrity expected by us;

whether the candidate possesses the broad professional and leadership experience and skills necessary to effectively respond to the complex issues encountered by a publicly-traded company; and

ability to apply sound and independent business judgment.

In light of GGC Holdings' ability to nominate all of the directors, the Board has not adopted a formal policy with regard to the consideration of any director candidates recommended by other shareholders. However, if another shareholder were to recommend a director candidate, the Compensation and Governance Committee would consider such candidate in the same manner as it reviews the nominees of GGC Holdings. From time to time, the Compensation and Governance Committee may retain third party search firms to assist the Board and GGC Holdings in identifying and evaluating potential nominees to serve on the Board.

SHAREHOLDER COMMUNICATIONS

Edgar Filing: U.S. SILICA HOLDINGS, INC. - Form DEF 14A

The Board has adopted a policy whereby any communications from our shareholders to the Board shall be directed to our Corporate Secretary, who will forward all such communications to Mr. Shaver as the Board's designated director. Mr. Shaver will determine whether any of such communications should be forwarded to other members of the Board. Any communication addressed to a particular director, the Chairman of a particular Board committee or the non-employee directors as a group will be forwarded directly to those individuals.

Table of Contents

Communications that do not directly relate to the directors' duties and responsibilities will be excluded from distribution. Such excluded items may include spam, advertisements, mass mailings, form letters and e-mail campaigns that involve unduly large numbers of similar communications, solicitations for goods, services, employment or contributions, surveys and individual product inquiries or complaints. Additionally, communications that appear to be unduly hostile, inti