# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 1, 2021

# SELECT ENERGY SERVICES, INC.

(Exact name of registrant as specified in its charter)

**Delaware** (State or Other Jurisdiction of Incorporation) **001-38066** (Commission File Number)

81-4561945 (IRS Employer Identification No.)

1233 West Loop South, Suite 1400 Houston, TX 77027 (Address of Principal Executive Offices)

(713) 235-9500

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- " Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- " Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Ticker symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.01 par value	WTTR	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company "

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

# Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

#### John D. Schmitz

As previously disclosed by Select Energy Services, Inc. ("Select") in its Current Report on Form 8-K filed with the Securities and Exchange Commission on January 4, 2021, the Board of Directors (the "Board") of Select appointed John D. Schmitz as Select's Chief Executive Officer and President on January 3, 2021.

Effective March 1, 2021, Select Energy Services, LLC (a subsidiary of Select and herein referred to together with Select as the "Company") and Mr. Schmitz entered into a letter agreement (the "Schmitz Letter Agreement") memorializing the terms of his compensation. Pursuant to the Schmitz Letter Agreement, Mr. Schmitz will receive an annualized base salary of \$600,000 (to be increased to \$750,000 once temporary executive salary reductions are removed) and will be eligible to receive a target annual bonus under the Select Energy Services, Inc. Short Term Incentive Plan (the "STI Plan") for 2021 equal to 115% of his base salary as in effect on December 31, 2021 or, if applicable, an earlier qualifying termination of employment. Pursuant to the Schmitz Letter Agreement, if Mr. Schmitz's employment is terminated by the Company without "Cause" or by Mr. Schmitz for "Good Reason" (each quoted term as defined in the Schmitz Letter Agreement), Mr. Schmitz shall be eligible to receive his 2021 annual bonus under the STI Plan based on actual performance for such year and paid at the time such bonuses are paid to other participants in the STI Plan, subject to his execution and non-revocation of a release of claims in favor of the Company and its affiliates. The foregoing description of the Schmitz Letter Agreement is not complete and is qualified in its entirety to the full text of the Schmitz Letter Agreement, which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

Further, on March 5, 2021, the Company granted Mr. Schmitz (i) an award of 600,000 restricted shares (the "Special Restricted Stock Award") under the Select Energy Services, Inc. 2016 Equity Incentive Plan (as amended, the "Plan"), which generally vests in a single installment on the third anniversary of the date of grant, (ii) a restricted stock award under the Plan with a grant date value of approximately \$1,387,500 (the "Annual Restricted Stock Award"), which generally vests ratably over three years, and (iii) two performance share unit awards (the "PSUs") under the Plan with an aggregate target value of \$1,387,500, which are subject to performance conditions and are eligible to be earned at the end of a three-year performance period, in each case, subject to Mr. Schmitz's continued employment through the applicable vesting date or performance period.

In the event that Mr. Schmitz' employment is terminated by the Company without Cause or by Mr. Schmitz for Good Reason or due to death or disability (in each case, as defined in Mr. Schmitz' equity award agreements) and provided that Mr. Schmitz timely signs (and does not revoke) a release in favor of the Company and its affiliates, (i) any unvested Annual Restricted Stock Awards would immediately accelerate and vest and (ii) any unvested PSUs would remain outstanding and become earned to the extent that the performance goals are achieved at the end of the performance period. In the event that Mr. Schmitz' employment is terminated by the Company without Cause or by Mr. Schmitz for Good Reason (in each case, as defined in Mr. Schmitz' Special Restricted Stock Award), Mr. Schmitz will be entitled to vest in a pro rata portion (based on the number of days in which Mr. Schmitz was employed during the vesting period) of the unvested Special Restricted Stock Award immediately upon such termination; provided, however, in the event the average daily trading price of the Company's Class A common stock exceeds \$12.50 for 90 consecutive trading days (the "Stock Price Condition") (a) during Mr. Schmitz' period of employment with the Company, and Mr. Schmitz' employment is terminated by the Company without Cause or by Executive for Good Reason, Mr. Schmitz be entitled to vest in 100% of the Special Restricted Stock Award upon such termination without pro ration, or (b) on or before June 30, 2022, regardless of whether Mr. Schmitz is continuously employed with the Company through June 30, 2022, provided Mr. Schmitz' employment was terminated by the Company without Cause or by Mr. Schmitz for Good Reason, Mr. Schmitz will be entitled to vest in any remaining unvested portion of the Special Restricted Stock Award (that was not previously vested upon Executive's termination of employment, if applicable) without pro ration upon the later to occur of (x) Mr. Schmitz' termination by the Company without Cause or by Mr. Schmitz for

#### Michael Skarke

On March 1, 2021, the Company entered into an Amended and Restated Employment Agreement (the "Amended Employment Agreement") with Michael Skarke, the Company's Executive Vice President – Corporate Development, Sales and Operational Support. The Amended Employment Agreement supersedes and replaces the Employment Agreement by and between Mr. Skarke and the Company dated January 14, 2019. The initial term of the Amended Employment Agreement is three years, and the term will automatically renew annually for successive 12-month periods unless either party provides written notice of non-renewal at least 60 days prior to the expiration of the initial term or renewal term.

Pursuant to the Amended Employment Agreement, Mr. Skarke will receive an annualized base salary of \$310,000, which has been temporarily reduced to \$263,500 pursuant to the Skarke Letter Agreement (as defined below), and is eligible to receive an annual bonus under the STI Plan for each year within the initial term or renewal term, as applicable, provided that Mr. Skarke remains employed through the date on which each such bonus is paid.

The Amended Employment Agreement also provides for certain severance benefits upon Mr. Skarke's termination of employment without "Cause," for "Good Reason" (each quoted term as defined in the Amended Employment Agreement) or due to Mr. Skarke's death, including (i) cash severance equal to one times (or, if within 15 months following a "Change in Control" (such quoted term as defined in the Amended Employment Agreement), one and a half times) the sum of (a) the then-current annualized base salary and (b) the target annual bonus for the year of termination, payable in substantially equal installments over the 12-month (or, if within 15 months following a Change in Control, 18-month) period following the termination date, (ii) a pro-rated annual bonus under the STI Plan for the year in which the termination occurs, based on actual performance and payable at the time such bonuses are paid to other participants in the STI Plan, and (iii) reimbursement of a certain portion of premiums paid for continuation coverage under the Company's group health plans. All severance payments and benefits are contingent upon Mr. Skarke's execution and non-revocation of a release of claims in favor of the Company and its affiliates. Additionally, the Amended Employment Agreement contains certain restrictive covenants regarding confidential information, non-competition, non-solicitation, and intellectual property. The foregoing description of the Amended Employment Agreement is not complete and is qualified in its entirety to the full text of the Amended Employment Agreement, which is filed herewith as Exhibit 10.2 and incorporated herein by reference.

Mr. Skarke agreed to a voluntary 10% reduction in annualized base salary, effective as of March 1, 2020. On May 13, 2020, Mr. Skarke agreed to an additional voluntary 5% reduction in annualized base salary, effective June 1, 2020. In connection with Mr. Skarke's execution of the Amended Employment Agreement, on March 1, 2021, Mr. Skarke and Select also entered into a letter agreement (the "Skarke Letter Agreement") to document the temporary reduction in Mr. Skarke's annualized base salary from \$310,000 to \$263,500, which is consistent with the voluntary reductions described above, and to amend certain provisions of the Amended Employment Agreement. The Skarke Letter Agreement also stipulates that Mr. Skarke may not terminate his employment with the Company for "Good Reason" (as defined in the Amended Employment Agreement), due solely to the above-mentioned reduction in annualized base salary. The Skarke Letter Agreement does not revise any severance payment calculations pursuant to the Amended Employment Agreement. The foregoing description of the Skarke Letter Agreement is not complete and is qualified in its entirety to the full text of the Skarke Letter Agreement, which is filed herewith as Exhibit 10.3 and incorporated herein by reference.

#### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

10.1	Letter Agreement between John D. Schmitz and Select Energy Services, LLC, dated March 1, 2021.
10.2	Amended and Restated Employment Agreement between Michael Skarke and Select Energy Services, LLC, dated March 1, 2021.
10.3	Letter Agreement between Michael Skarke and Select Energy Services, Inc., dated March 1, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

# **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 hereunto duly authorized.

Dated: March 5, 2021

# SELECT ENERGY SERVICES, INC.

By: /s/ Adam R. Law

Adam R. Law

Senior Vice President, General Counsel & Corporate Secretary









March 1, 2021

By e-mail
John D. Schmitz
PO Box 819
Gainesville, Texas 76241
jschmitz@selectenergy.com

Re: Annual Bonus Opportunity

#### Dear John:

This letter is intended to set forth the terms and conditions of your annual bonus opportunity under the Select Energy Services Inc. Short Term Incentive Program (the "STI Plan") that differ from the terms generally applicable to other executives of Select Energy Services, LLC (the "Company"). These terms and conditions will apply in calendar year 2021. Your base salary will be \$750,000 once executive salary reductions are restored and \$600,000 until such time ("Base Salary").

Your target annual cash bonus opportunity under the STI Plan will be 115% of your Base Salary as in effect on December 31, 2021, or at such earlier date of your termination of employment ("Target Bonus"). All terms and conditions of your 2021 annual bonus, including, but not limited to, performance goals, performance metrics, determination of performance achievement and threshold and maximum bonus levels, other than your Target Bonus and treatment of your 2021 annual bonus upon your termination of employment (which are set forth in this letter) will be subject to the terms and conditions of the STI Plan.

In the event that your employment is terminated by Select Energy Services, Inc. ("Select") or its applicable subsidiary without Cause (as defined below) or by you for Good Reason (as defined below), such that, following such termination, you are no longer employed by Select or any of its affiliates, and you timely execute (and do not revoke) a release in the form attached to this letter as Exhibit A, you will be entitled to receive an annual bonus under the STI Plan for the year of termination based on actual performance (paid at the time the annual cash bonus is paid to other employees pursuant to the STI Plan and without pro ration). For purposes of clarity, a termination of employment will include any termination of your employment status even if you continue to serve as a non-employee member of the Board of Directors of Select. "Termination of employment" and similar terms used herein will mean, for purposes of this letter agreement, a "separation from service" within the meaning of Treasury Regulation §1.409A-1(h) utilizing a threshold of 50%, it being understood that the level of services you will perform as a non-employee member of the Board of Directors of Select will be less than 50% of the average level of bona fide services provided in the immediately preceding 36 months. Any payment to you pursuant to the STI Plan is intended to be a "short term deferral" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto.

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"Cause" means you have (i) engaged in gross negligence or willful misconduct in the performance of your duties, (ii) materially breached any material provision of any written agreement or policy or code of conduct of Select or its subsidiaries, (iii) willfully engaged in conduct that is materially injurious to Select or any of its affiliates or (iv) been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication in connection with a felony involving fraud, dishonesty or moral turpitude.

"Good Reason" means, without your consent, (i) a material diminution in Base Salary, other than a 25% or less reduction that applies similarly to all of the Company's executive officers or (ii) you cease to be Select's Chief Executive Officer; provided that in order for Good Reason to exist under either of the foregoing conditions (A) you have given the Company written notice of the condition that is alleged to constitute Good Reason within 45 days following the initial existence of such event, (B) the condition remains uncorrected for 30 days following receipt of such notice by the Company and (C) your termination of employment must occur within 135 days after the initial existence of the condition specified in the notice.

The terms set forth in this letter supersede and replace any previous agreement between you and Select and its subsidiaries regarding any bonus arrangements. Nothing in this letter agreement is intended to alter your eligibility to participate in the Company's employee benefit plans in accordance with the terms of such plans as in effect from time to time.

Your employment with the Company is and remains on an at-will basis. Nothing in this letter changes the at-will nature of your employment, as you and the Company remain free to end the employment relationship at any time and for any reason. In addition, the Company still reserves the right to modify your compensation, position, duties or reporting relationship, subject to your rights set forth in this letter agreement.

	Yours sincerely,
	/s/ Tommy Lee Tommy Lee Vice President of Human Resources
ACKNOWLEDGED AND AGREED:	
/s/ John D. Schmitz John D. Schmitz	_
March 1, 2021 Date	<del>_</del>

#### Exhibit A

#### RELEASE AGREEMENT

This Release Agreement (this "Agreement") constitutes the release referred to in that certain letter agreement dated as of February \_\_\_, 2021 (the "Letter Agreement"), by and between John D. Schmitz ("Executive") and Select Energy Services, LLC (the "Company").

- 1. Separation from Employment. Executive and the Company acknowledge and agree that Executive's employment with the Company ended as of [•] (the "Separation Date") and, as of the Separation Date, Employee was no longer employed by the Company or any other Company Party (as defined below). Executive further acknowledges and agrees that, as of the Separation Date, Executive is deemed to have resigned as an officer of the Company and each other Company Party for which he served as an officer.
- 2. <u>Separation Payment and Benefits.</u> Provided that Executive (i) executes this Agreement and returns it to the Company, care of Adam Law, Senior Vice President, General Counsel & Corporate Secretary at 1233 W. Loop South, Suite 1400, Houston, TX 77027 (or via e-mail at ALaw@selectenergy.com) so that it is received by Mr. Law within fifty (50) days following the Separation Date; (ii) does not exercise his revocation right as described in Section 6 below; and (iii) abides by each of Executive's commitments set forth herein, then:
- (a) The Company will provide or cause to be provided to Executive a bonus payment for the year in which the Separation Date occurs, if any, to which Executive is entitled pursuant to the terms of the Letter Agreement, which payment, if any, will be paid at the time set forth the Letter Agreement; and
- (b) The Company will provide or cause to be provided to Executive the accelerated vesting set forth in Section 4 of the Performance Share Unit Agreement Return on Assets with a date of grant of March 5, 2021, Section 4 of the Performance Share Unit Agreement Adjusted Free Cash Flow with a date of grant of March 5, 2021, Section 3 of the Restricted Stock Agreement with a date of grant of March 5, 2021 and Section 3 of the Special Restricted Stock Agreement with a date of grant of March 5, 2021 (the "Equity Awards").

Executive acknowledges and agrees that the payments and benefits referenced in this Section 2 represent the entirety of the separation pay and benefits that he is eligible to receive from any Company Party, including pursuant to the Letter Agreement.

#### 3. **General Release**.

(a) For good and valuable consideration, including the Company's provision of certain payments and benefits to Executive in accordance with the Letter Agreement and the Equity Awards (which benefits and payments, Executive acknowledges and agrees, are completely and accurately summarized in Section 2 above), Executive hereby releases, discharges and forever acquits the Company, Rockwater, Select Energy Services, Inc., RESAS, their respective affiliates and subsidiaries, the past, present and future stockholders, members, partners, directors, managers, employees, agents, attorneys, heirs, legal representatives, successors and assigns of the foregoing, as well as all employee benefit plans maintained by the Company, Rockwater, Select Energy Services, Inc., RESAS, or any of their respective affiliates or subsidiaries and all fiduciaries and administrators of any such plan, in their personal and representative capacities (each a "Company Party" and, collectively, the "Company Parties"), from liability for, and hereby waives, any and all claims, rights, damages, or causes of action of any kind related to Executive's employment with any Company Party, the termination of such employment, and any other acts or omissions related to any matter on or prior to the date of this Agreement (collectively, the "Released Claims").

(b) The Released Claims include without limitation those arising under or related to (each as amended, as applicable): (i) the Age Discrimination in
Employment Act of 1967; (ii) Title VII of the Civil Rights Act of 1964; (iii) the Civil Rights Act of 1991; (iv) sections 1981 through 1988 of Title 42 of the United States Code;
(v) the Employee Retirement Income Security Act of 1974 ("ERISA"), including, but not limited to, sections 502(a)(1)(A), 502(a)(1)(B), 502(a)(2), and 502(a)(3) to the extent
the release of such claims is not prohibited by applicable law; (vi) the Immigration Reform Control Act; (vii) the Americans with Disabilities Act of 1990; (viii) the National
Labor Relations Act; (ix) the Occupational Safety and Health Act; (x) the Family and Medical Leave Act of 1993; (xi) the Sarbanes-Oxley Act of 2002; (xii) the Dodd-Frank
Wall Street Reform and Consumer Protection Act; (xiii) any federal, state, or local anti-discrimination or anti-retaliation law, including the Texas Labor Code (including the
Texas Payday Law, the Texas Anti-Retaliation Act, and Chapter 21 of the Texas Labor Code) (xiv) any state, local, or federal wage and hour law; (xv) any other local, state or
federal law, regulation or ordinance; (xvi) any public policy, contract, tort, or common law claim, including claims for breach of fiduciary duty, fraud, breach of implied or
express contract, breach of implied covenant of good faith and fair dealing, wrongful discharge or termination, promissory estoppel, infliction of emotional distress, or tortious
interference; (xvii) costs, fees, or other expenses including attorneys' fees incurred in these matters; (xviii) any employment contract, incentive compensation plan or stock
option plan with any Company Party or to any ownership interest in any Company Party, any stock option agreement, any stockholders agreement or other equity compensation
agreement between Executive and the Company or any other Company Party, and (xix) compensation or benefits of any kind from any Company Party (other than benefits
vested as of the date of this Agreement) not expressly set forth in any such stock option or other equity compensation agreement. THIS RELEASE INCLUDES MATTERS
ATTRIBUTABLE TO THE SOLE OR PARTIAL NEGLIGENCE (WHETHER GROSS OR SIMPLE) OR OTHER FAULT, INCLUDING STRICT LIABILITY, OF ANY OF
THE COMPANY PARTIES.

(c) In no event shall the Released Claims include (i) any claim which arises after the date this Agreement is signed by Executive, (ii) any claims to the equity interests in the Company Parties that Executive holds as of the date of this Agreement which remain subject to the terms and conditions, as applicable, of the Company's stockholders agreement (as may be amended from time to time) and any specific equity award agreement between Executive and a Company Party, (iii) any claim for or right to indemnification under the policies or governing instruments of the Company Parties and for coverage under any directors and officers liability insurance policies maintained by the Company Parties, or (iv) any claim to vested benefits under an employee benefit plan of a Company Party that is subject to ERISA (including any rights to vested benefits under health and retirement plans). Nothing herein prevents Executive from seeking workers' compensation or unemployment insurance benefits.

- (d) Further notwithstanding this release of liability, nothing in this Agreement prevents Executive from filing any non-legally waivable claim (including a challenge to the validity of this Agreement) with the Equal Employment Opportunity Commission, National Labor Relations Board, Occupational Safety and Health Administration, Securities and Exchange Commission, or other federal, state or local governmental agency or commission (collectively "Governmental Agencies") or participating in any investigation or proceeding conducted by any Governmental Agencies or communicating or cooperating with such an agency; however, Executive understands and agrees that, to the extent permitted by law, he is waiving any and all rights to recover any monetary or personal relief from any Company Party as a result of such Governmental Agency proceeding or subsequent legal actions. Nothing herein waives Executive's right to receive an award for information provided to a Governmental Agency. Further, nothing herein (or in the Letter Agreement) shall prohibit or restrict Executive from lawfully: (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by, any Governmental Agency regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Executive from any such Governmental Agency; (iii) testifying, participating or otherwise assisting in any action or proceeding by any such Governmental Agency relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law.
- (e) This Agreement is not intended to indicate that any such claims exist or that, if they do exist, they are meritorious. Rather, Executive is simply agreeing that, in exchange for the consideration recited in the first sentence of Section 2 of this Agreement (and any portion thereof), any and all potential claims of this nature that Executive may have against the Company Parties, regardless of whether they actually exist, are expressly settled, compromised and waived.
- (f) By signing this Agreement, Executive is bound by it. Anyone who succeeds to Executive's rights and responsibilities, such as heirs or the executor of Executive's estate, is also bound by this Agreement. This release also applies to any claims brought by any person or agency or class action under which Executive may have a right or benefit.
- 4. Covenant Not to Sue; Executive's Representation. Executive agrees not to bring or join any lawsuit against any of the Company Parties in any court relating to any of the Released Claims. Executive represents that Executive has not brought or joined any claim, lawsuit or arbitration against any of the Company Parties in any court or before any administrative agency or arbitral authority and has made no assignment of any rights Executive has asserted or may have against any of the Company Parties to any person or entity, in each case, with respect to any Released Claims.

- 5. Acknowledgments. By executing and delivering this Agreement, Executive acknowledges that:
  - (a) Executive has carefully read this Agreement;
  - (b) Executive has had at least twenty-one (21) days to consider this Agreement before the execution and delivery hereof to the Company;
- (c) Executive has been, and hereby is, advised in writing that Executive may, at Executive's option, discuss this Agreement with an attorney of Executive's choice and that Executive has had adequate opportunity to do so; and
- (d) Executive fully understands the final and binding effect of this Agreement; the only promises made to Executive to sign this Agreement are those stated in the Letter Agreement, Equity Awards and herein; and Executive is signing this Agreement voluntarily and of Executive's own free will, and that Executive understands and agrees to each of the terms of this Agreement.
- 6. Revocation Right. Executive may revoke this Agreement within the seven-day period beginning on the date Executive signs this Agreement (such seven day period being referred to herein as the "Release Revocation Period"). To be effective, such revocation must be in writing signed by Executive and must be delivered to the General Counsel of the Company at the address or e-mail address set forth in Section 2 above before 11:59 p.m., Houston, Texas time, on the last day of the Release Revocation Period. This Agreement is not effective, and no consideration shall be paid to Executive, until the expiration of the Release Revocation Period without Executive's revocation. If an effective revocation is delivered in the foregoing manner and timeframe, this Agreement shall be of no force or effect and shall be null and void ab initio.
- 7. <u>Applicable Law</u>. This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without regard to conflicts of laws principles thereof.

Executed on this day of	_ [●].
	John D. Schmitz
STATE OF	§ S
	§
COUNTY OF	§
	ally appeared John D. Schmitz, by me known or who produced valid identification as described below, who executed at he subscribed to such instrument on this day of, [•].
	NOTARY PUBLIC in and for the
	State of
	My Commission
	Expires:
	Identification produced:
ACKNOWLEDGED AND AGREED:	
SELECT ENERGY SERVICES, LLC	
D	
By:	
Its: Date:	

#### AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement ( "Agreement"), by and between Select Energy Services, LLC, a Delaware limited liability company (the "Company"), and Michael Skarke ("Employee"), is dated and effective as of March 1, 2021 (the "Effective Date").

WHEREAS, the Company and Employee are party to that certain Employment Agreement, dated January 14, 2019 (the "Prior Employment Agreement");

WHEREAS, the Company and Employee desire to amend and restate the Prior Employment Agreement by entering into this Agreement, which shall cancel and supersede the Prior Employment Agreement, effective as of the Effective Date.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. <u>Employment.</u> During the Employment Period (as defined in <u>Section 4</u>), the Company shall employ Employee, and Employee shall serve, as Executive Vice President, Corporate Development, Sales and Operational Support for the Company and in such other position or positions as may be agreed to by Employee and the Company from time to time.

#### 2. <u>Duties and Responsibilities of Employee</u>.

Energy Services, Inc., a Delaware corporation and the parent of the Company ("Parent") and its direct and indirect subsidiaries as may exist from time to time, including the Company (collectively, Parent and its direct and indirect subsidiaries are referred to as the "Company Group") as may be requested by Parent or the Company from time to time. Employee's duties and responsibilities shall include those normally incidental to the position(s) identified in Section 1, as well as such additional duties as may be reasonably assigned to Employee by the Company from time to time, which duties and responsibilities may include providing services to other members of the Company Group in addition to the Company. Employee may, without violating this Section 2(a), (i) as a passive investment, either make or manage personal investments that are unrelated to the Business Opportunity of the Company (as defined in Sections 10(f)(i) and 10(f)(ii)) or own publicly traded securities in such form or manner as will not require any services by Employee in the operation of the entities in which such securities are owned; (ii) engage in charitable and civic activities; or (iii) with the prior written consent of the board of directors of Parent (the "Board"), engage in other personal and passive investment activities, in each case, so long as such ownership, interests or activities do not interfere with Employee's ability to fullfill Employee's duties and responsibilities under this Agreement and are not inconsistent with Employee's obligations to any member of the Company Group or competitive with the business of any member of the Company Group.

- (b) Employee hereby represents and warrants that Employee is not the subject of, or a party to, any employment agreement, non-competition, non-solicitation, restrictive covenant or non-disclosure agreement, or any other agreement, obligation, restriction or understanding that would prohibit Employee from executing this Agreement or fully performing each of Employee's duties and responsibilities hereunder, or would in any manner, directly or indirectly, limit or affect any of the duties and responsibilities that may now or in the future be assigned to Employee hereunder. Employee expressly acknowledges and agrees that Employee is strictly prohibited from using or disclosing any confidential information belonging to any prior employer in the course of performing services for any member of the Company Group, and Employee promises that Employee shall not do so. Employee shall not introduce documents or other materials containing confidential information of any prior employer to the premises or property (including computers and computer systems) of any member of the Company Group.
- (c) Employee owes each member of the Company Group fiduciary duties (including (i) duties of loyalty and disclosure and (ii) such fiduciary duties that an officer of the Company owes under the laws of the State of Delaware), and the obligations described in this Agreement are in addition to, and not in lieu of, the obligations Employee owes each member of the Company Group under statutory and common law.

#### 3. <u>Compensation</u>.

- (a) <u>Base Salary.</u> During the Employment Period, the Company shall pay to Employee an annualized base salary of \$310,000 (the "<u>Base Salary.</u>") in consideration for Employee's services under this Agreement, payable in substantially equal installments in conformity with the Company's customary payroll practices for similarly situated employees as may exist from time to time, but no less frequently than monthly.
- (b) <u>STI Plan</u>. Employee shall be eligible to continue participating in the Company's short-term incentive bonus program (the "<u>STI Plan</u>"), subject to the terms of the STI Plan in effect from time to time. Each bonus, if any, paid pursuant to the STI Plan shall be paid as soon as administratively feasible after the Board (or a committee thereof) certifies whether the applicable performance targets for the applicable calendar year have been achieved. Notwithstanding anything in this <u>Section 3(b)</u> to the contrary, no bonus will be paid under the STI Plan for a particular calendar year unless Employee remains continuously employed by the Company from the Effective Date through the date on which such bonus is paid
- 4. <u>Term of Employment</u>. The initial term of Employee's employment under this Agreement shall be for the period beginning on the Effective Date and ending on the third anniversary of the Effective Date (the "<u>Initial Term</u>"). On the third anniversary of the Effective Date and on each subsequent anniversary thereafter, the term of Employee's employment under this Agreement shall automatically renew and extend for a period of twelve (12) months (each such twelve (12)-month period being a "<u>Renewal Term</u>") unless written notice of non-renewal is delivered by either party to the other not less than sixty (60) days prior to the expiration of the then-existing Initial Term or Renewal Term, as applicable. Notwithstanding any other provision of this Agreement, Employee's employment pursuant to this Agreement may be terminated at any time in accordance with <u>Section 7</u>. The period from the Effective Date through the expiration of this Agreement or, if sooner, the termination of Employee's employment pursuant to this Agreement, regardless of the time or reason for such termination, shall be referred to herein as the "<u>Employment Period</u>."

5.	Business Expenses. Subject to Section 23, the Company shall reimburse Employee for Employee's reasonable out-of-pocket business-related expenses
actually incurred in t	the performance of Employee's duties under this Agreement so long as Employee timely submits all documentation for such expenses, as required by
Company policy in e	effect from time to time. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of such
documentation (but in	n any event not later than the close of Employee's taxable year following the taxable year in which the expense is incurred by Employee). In no event shal
any reimbursement be	e made to Employee for any expenses incurred after the date of Employee's termination of employment with the Company.

6. Benefits. During the Employment Period, Employee shall be eligible to participate in the same benefit plans and programs in which other similarly situated Company employees are eligible to participate, subject to the terms and conditions of the applicable plans and programs in effect from time to time. The Company shall not, however, by reason of this Section 6, be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such plan or policy, so long as such changes are similarly applicable to similarly situated Company employees generally.

#### 7. <u>Termination of Employment.</u>

- (a) <u>Company's Right to Terminate Employee's Employment for Cause</u>. The Company shall have the right to terminate Employee's employment hereunder at any time for Cause. For purposes of this Agreement, "Cause" shall mean:
  - (i) Employee's material breach of this Agreement or any other written agreement between Employee and one or more members of the Company Group, including Employee's material breach of any representation, warranty or covenant made under any such agreement;
  - (ii) Employee's breach of any law applicable to the workplace or employment relationship, or Employee's breach of any policy or code of conduct established by Parent or the Company and applicable to Employee;
    - (iii) Employee's gross negligence, willful misconduct, breach of fiduciary duty, fraud, theft or embezzlement;
  - (iv) the commission by Employee of, or conviction or indictment of Employee for, or plea of *nolo contendere* by Employee to, any felony (or state law equivalent) or any crime involving moral turpitude; or
  - (v) Employee's willful failure or refusal, other than due to Disability, to perform Employee's obligations pursuant to this Agreement or to follow any lawful directive from the Company, as reasonably determined by the Company; *provided*, *however*, that if Employee's actions or omissions as set forth in this Section 7(a)(v) are of such a nature that the Company reasonably determines are curable by Employee, such actions or omissions must remain uncured thirty (30) days after the Company first provided Employee written notice of the obligation to cure such actions or omissions.

(b)	Company's Right to Terminate for Convenience. The Company shall have the right to terminate Employee's employment for convenience at any
time and for any reason, or no	reason at all, upon written notice to Employee.

- (c) Employee's Right to Terminate for Good Reason. Employee shall have the right to terminate Employee's employment with the Company at any time for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:
  - (i) a material diminution in Employee's Base Salary, other than as part of one or more decreases that shall not exceed, in the aggregate, more than 10% of Employee's Base Salary as in effect at the time of such reduction and that are applied to all of the Company's similarly situated employees;
  - (ii) a material diminution in Employee's title that results in Employee no longer serving as Executive Vice President of Parent, or a material diminution in Employee's authority, duties and responsibilities with the Company Group as a whole; *provided, however*, that if Employee is serving as an officer or member of the board of directors (or similar governing body) of any member of the Company Group (other than the Company or Parent) or any other entity in which a member of the Company Group holds an equity interest, in no event shall the removal of Employee as an officer or board member from such entity, regardless of the reason for such removal, constitute Good Reason or be considered when determining if Good Reason exists;
  - (iii) the relocation of the geographic location of Employee's principal place of employment by more than fifty (50) miles from the location of Employee's principal place of employment as of the Effective Date; or
  - (iv) a material reduction in Employee's target bonus under the STI Plan, other than as part of one or more decreases that are similarly applied to the Chief Executive Officer of the Company.

Notwithstanding the foregoing provisions of this Section 7(c) or any other provision of this Agreement to the contrary, any assertion by Employee of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (A) the condition described in Section 7(c)(i), (ii) or (iii) giving rise to Employee's termination of employment must have arisen without Employee's consent; (B) Employee must provide written notice to the Board of the existence of such condition(s) within thirty (30) days after the initial occurrence of such condition(s); (C) the condition(s) specified in such notice must remain uncorrected for thirty (30) days following the Board's receipt of such written notice; and (D) the date of Employee's termination of employment must occur within sixty (60) days after the initial occurrence of the condition(s) specified in such notice.

(d) <u>Death or Disability.</u> Upon the death or Disability of Employee, Employee's employment with Company shall automatically (and without any further action by any person or entity) terminate with no further obligation under this Agreement of either party hereunder. For purposes of this Agreement, a "<u>Disability</u>" shall mean Employee's inability to perform the essential functions of Employee's position (after accounting for reasonable accommodation, if applicable and required by applicable law), due to physical or mental impairment that continues, or can reasonably be expected to continue, for a period in excess of one hundred-twenty (120) consecutive days or one hundred-eighty (180) days, whether or not consecutive (or for any longer period as may be required by applicable law), in any twelve (12)-month period.

(e) <u>Employee's Right to Terminate for Convenience.</u> In addition to Employee's right to terminate Employee's employment for Good Reason, Employee shall have the right to terminate Employee's employment with the Company for convenience at any time and for any other reason, or no reason at all, upon thirty (30) days' advance written notice to the Company; *provided*, *however*, that if Employee has provided notice to the Company of Employee's termination of employment, the Company may determine, in its sole discretion, that such termination shall be effective on any date prior to the effective date of termination provided in such notice (and, if such earlier date is so required, then it shall not change the basis for Employee's termination of employment nor be construed or interpreted as a termination of employment pursuant to Section 7(b)).

#### (f) Effect of Termination.

(i) If Employee's employment hereunder is terminated prior to the expiration of the then-existing Initial Term or Renewal Term, as applicable, by the Company without Cause pursuant to Section 7(b), by Employee for Good Reason pursuant to Section 7(c) or pursuant to Section 7(d) as a result of Employee's death, then so long as (and only if): (1) Employee (or his executor or estate) executes on or before the Release Expiration Date (as defined below), and does not revoke within any time provided by the Company to do so, a release of all claims in a form reasonably acceptable to the Company (the "Release"), which Release shall release each member of the Company Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Employee's employment with the Company and any other member of the Company Group or the termination of such employment, but excluding all claims to severance payments Employee may have under this Section 7; and (2) Employee abides by the terms of each of Sections 9, 10 and 11, then:

- the Company shall make severance payments to Employee in a total amount equal to (a) twelve (12) months' worth of Employee's Base Salary for the year in which the termination occurs, plus (b) an amount equal to the target bonus under the STI Plan for the year in which such termination occurs (such total severance payments being referred to as the "Severance Payment"); provided, however, that if the Termination Date (as defined below) is on or within: fifteen (15) months following the date of a Change in Control (as defined below) and subject to the terms and conditions set forth in Sections 7(f)(i)(1) and (2) above, then the Company shall, in lieu of the Severance Payment, make severance payments in a total amount equal to (x) eighteen (18) months' worth of Employee's Base Salary for the year in which the Termination Date occurs, plus (y) an amount equal to one and one-half times the target bonus under the STI Plan for the year in which the Termination Date occurs (such total severance payments being referred to as the "CIC Severance Payment"). The Severance Payment or the CIC Severance Payment (as applicable, the "Cash Severance Payment") will be divided into substantially equal installments and paid over a number of months equal to the number of months' worth of Employee's Base Salary included in the Cash Severance Payment. On the Company's first regularly scheduled pay date that is on or after the date that is sixty (60) days after the date on which Employee's employment terminates (the "Termination Date"), the Company shall pay to Employee, without interest, a number of such installments equal to the number of such installments that would have been paid during the period beginning on the Termination Date and ending on the Company's first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Termination Date had the installments been paid commencing on the Company's first regularly scheduled pay date coincident with or next following the Termination Date, and each of the remaining installments shall be paid on the Company's regularly scheduled pay dates during the remainder of such twelve (12)-month period (or, if the Termination Date is on or within fifteen (15) months following the date of a Change in Control, such eighteen (18)-month period); provided, however, that to the extent, if any, that the aggregate amount of the installments of the Cash Severance Payment that would otherwise be paid pursuant to the preceding provisions of this Section 7(f)(i) after March 15 of the calendar year following the calendar year in which the Termination Date occurs (the "Applicable March 15") exceeds the maximum exemption amount under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A), then such excess shall be paid to Employee in a lump sum on the Applicable March 15 (or the first Business Day preceding the Applicable March 15 if the Applicable March 15 is not a Business Day) and the installments of the Cash Severance Payment payable after the Applicable March 15 shall be reduced by such excess (beginning with the installment first payable after the Applicable March 15 and continuing with the next succeeding installment until the aggregate reduction equals such excess). "Business Day" shall mean any day except a Saturday, Sunday or other day on which commercial banks in New York, New York or Houston, Texas are authorized or required by law to be closed. For the avoidance of doubt, in no event shall Employee be eligible to receive both the Severance Payment and the CIC Severance Payment.
- (B) The Company shall pay Employee a pro-rated portion of the bonus under the STI Plan that Employee would have been paid for the calendar year in which the Termination Date occurs, if any (the "Pro-Rata Bonus Payment"), which Pro-Rata Bonus Payment shall be paid (if the applicable criteria for earning a bonus under the STI Plan for such calendar year, other than the requirement with respect to continued employment through the applicable payment date, are satisfied) to Employee at the same time bonuses under the STI Plan for such calendar year are paid to similarly situated employees of the Company, but in no event no later than March 15 of the calendar year following the calendar year in which the Termination Date occurs.

- During the portion, if any, of the fifteen (15)-month period following the Termination Date (the "Reimbursement Period") that Employee elects to continue coverage for Employee and Employee's spouse and eligible dependents, if any, under the Company's group health plans pursuant to Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall promptly reimburse Employee on a monthly basis for the difference between the amount Employee pays to effect and continue such coverage and the employee contribution amount that similarly situated employees of the Company pay for the same or similar coverage under such group health plans (the "COBRA Benefit"). Each payment of the COBRA Benefit shall be paid to Employee on the Company's first regularly scheduled pay date in the calendar month immediately following the calendar month in which Employee submits to the Company documentation of the applicable premium payment having been paid by Employee, which documentation shall be submitted by Employee to the Company within thirty (30) days following the date on which the applicable premium payment is due to be paid. Employee shall be eligible to receive such reimbursement payments until the earliest of: (x) the last day of the Reimbursement Period; (y) the date Employee is no longer eligible to receive COBRA continuation coverage; and (z) the date on which Employee becomes eligible to receive coverage under a group health plan sponsored by another employer (and any such eligibility shall be promptly reported to the Company by Employee); provided, however, that the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage shall remain Employee's sole responsibility, and the Company shall not assume any obligation for payment of any such premiums relating to such COBRA continuation coverage. Notwithstanding the foregoing, if the provision of the benefits described in this paragraph cannot be provided in the manner described above without penalty, tax or other adverse impact on the Company or any other member of the Company Group, then the Company and Employee shall negotiate in good faith to determine an alternative manner in which the Company may provide substantially equivalent benefits to Employee without such adverse impact on the Company or such other member of the Company Group.
- (ii) If the Release is not executed and returned to the Company on or before the Release Expiration Date, and the required revocation period has not fully expired without revocation of the Release by Employee, then Employee shall not be entitled to any portion of the Cash Severance Payment, Pro-Rata Bonus Payment or COBRA Benefit. As used herein, the "Release Expiration Date" is that date that is twenty-one (21) days following the date upon which the Company delivers the Release to Employee (which shall occur no later than seven (7) days after the Termination Date) or, in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967), the date that is forty-five (45) days following such delivery date.

- (iii) For the avoidance of doubt, the Cash Severance Payment, Pro-Rata Bonus Payment and COBRA Benefit (and any portions thereof) shall not be payable (A) if Employee's employment hereunder terminates upon the expiration of the then-existing Initial Term or Renewal Term, as applicable, as a result of a non-renewal of the term of Employee's employment under this Agreement by the Company or Employee pursuant to Section 4; or (B) in the event that the Employment Period ends due to a termination by the Company for Cause pursuant to Section 7(a), due to Disability pursuant to Section 7(d) or by Employee for convenience pursuant to Section 7(e). Further, notwithstanding the preceding provisions of this Section 7(f), Employee will not be eligible for the CIC Severance Payment, Pro-Rata Bonus Payment or COBRA Benefit (or any portions thereof) if: (x) Employee's employment by the Company ends upon or following a Change in Control, and (y) Employee has declined a Comparable Offer from the purchaser (or its affiliate) of the equity in, or all or substantially all of the assets of, Parent or the Company in such Change in Control transaction (such purchaser or its applicable affiliate, the "Buyer"). As used herein, a "Comparable Offer" shall be an offer of employment that includes each of: (1) a geographic location of the principal place of employment that is within fifty (50) miles of the location of Employee's principal place of employment as of the time immediately prior to the Change in Control and (3) Employee serving with a title of Executive Vice President of Parent or Buyer following such Change in Control.
- (g) Change in Control. For purposes of this Agreement, "Change in Control" shall have the meaning of such term in Parent's 2016 Equity Incentive Plan, as in effect on the Effective Date (the "EIP"), without regard to Section 2(g)(i)(C) of the EIP.
- (h) After-Acquired Evidence. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that Employee is eligible to receive the Cash Severance Payment, Pro-Rata Bonus Payment and COBRA Benefit pursuant to Section 7(f) but, after such determination, the Company subsequently acquires evidence that: (i) Employee has failed to abide by the terms of Sections 9, 10 or 11; or (ii) a Cause condition existed prior to the Termination Date that, had the Company been fully aware of such condition, would have given the Company the right to terminate Employee's employment pursuant to Section 7(a), then the Company shall have the right to cease the payment of any future installments of the Cash Severance Payment, Pro-Rata Bonus Payment or COBRA Benefit and Employee shall promptly return to the Company all installments of the Cash Severance Payment, Pro-Rata Bonus Payment and COBRA Benefit received by Employee prior to the date that the Company determines that the conditions of this Section 7(g) have been satisfied.
- 8. <u>Disclosures</u>. Promptly (and in any event, within three (3) Business Days) upon becoming aware of (a) any actual or potential Conflict of Interest or (b) any lawsuit, claim or arbitration filed against or involving Employee or any trust or vehicle owned or controlled by Employee that (with respect to such lawsuit, claim or arbitration) could reasonably be expected to affect Employee's ability to perform his duties hereunder or, if determined adversely, could reasonably be expected to have an adverse effect on any member of the Company Group, in each case, Employee shall disclose such actual or potential Conflict of Interest or such lawsuit, claim or arbitration to the Board. A "<u>Conflict of Interest</u>" shall exist when Employee engages in, or plans to engage in, any activities, associations, or interests that conflict with, or create an appearance of a conflict with, Employee's duties, responsibilities, authorities, or obligations for and to any member of the Company Group.

9.	Confidentiality. In the course of Employee's employment with the Company and the performance of Employee's duties on behalf of the Company Group
hereunder, Employe	ee has been provided and will continue to be provided with, and have access to, Confidential Information (as defined below). In consideration of Employee's
receipt and access to	such Confidential Information, and as a condition of Employee's continued employment, Employee shall comply with this <u>Section 9</u> .

- Both during the Employment Period and thereafter, except as expressly permitted by this Agreement or by directive of the Board, Employee shall not disclose any Confidential Information to any person or entity (other than a legal or financial advisor of Employee who maintains such Confidential Information in strict confidence) and shall not use any Confidential Information except for the benefit of the Company Group. Employee shall follow all written Company policies and protocols regarding the security of all documents and other materials containing Confidential Information (regardless of the medium on which Confidential Information is stored). The covenants of this Section 9(a) shall apply to all Confidential Information, whether now known as a result of Employee's employment with the Company or later to become known to Employee during the period that Employee is employed by or affiliated with the Company or any other member of the Company Group.
  - (b) Notwithstanding any provision of Section 9(a) to the contrary, Employee may make the following disclosures and uses of Confidential Information:
  - (i) disclosures to other employees of a member of the Company Group who have a need to know the information in connection with the businesses of the Company Group;
  - (ii) disclosures to customers and suppliers when, in the reasonable and good faith belief of Employee, such disclosure is in connection with Employee's performance of Employee's duties under this Agreement and is in the best interests of the Company Group;
    - (iii) disclosures and uses that are approved in writing by the Board; or
  - (iv) disclosures to a person or entity that has (x) been retained by a member of the Company Group to provide services to one or more members of the Company Group and (y) agreed in writing, or otherwise has a professional responsibility, to abide by the terms of a confidentiality agreement or keep such Confidential Information confidential, as applicable.
- (c) Upon the expiration of the Employment Period, and at any other time upon written request of the Company, Employee shall promptly surrender and deliver to the Company all documents (including electronically stored information) and all copies thereof and all other materials of any nature containing or pertaining to all Confidential Information and any other Company Group property (including any Company Group-issued computer, mobile device or other equipment) in Employee's possession, custody or control and Employee shall not retain any such documents or other materials or property of the Company Group. Within five (5) days of any such request, Employee shall certify to the Company in writing that all such documents, materials and property have been returned to the Company.

- All trade secrets, non-public information, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed or acquired by or disclosed to Employee, individually or in conjunction with others, during the period that Employee is employed and has previously been employed by the Company or any other member of the Company Group (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to any member of the Company Group's businesses or properties, products or services (including all such information relating to corporate opportunities, operations, future plans, methods of doing business, business plans, strategies for developing business and market share, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or acquisition targets or their requirements, the identity of key contacts within customers' organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks) is defined as "Confidential Information." Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type including or embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression are and shall be the sole and exclusive property of the Company or the applicable member of the Company Group and be subject to the same restrictions on disclosure applicable to all Confidential Information pursuant to this Agreement. For purposes of this Agreement, Confidential Information shall not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Employee or any of Employee's agents; (ii) was available to Employee on a nonconfidential basis before its disclosure by a member of the Company Group; or (iii) becomes available to Employee on a non-confidential basis from a source other than a member of the Company Group; provided, however, that such source is not known by Employee to be bound by a confidentiality agreement with, or other obligation with respect to confidentiality to, a member of the Company Group.
- (e) Notwithstanding the foregoing, nothing in this Agreement shall prohibit or restrict Employee from lawfully: (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by, any governmental authority (including the Securities and Exchange Commission) regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Employee from any such governmental authority; (iii) testifying, participating or otherwise assisting in any action or proceeding by any such governmental authority relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; (B) is made to the individual's attorney in relation to a lawsuit for retaliation against the individual for reporting a suspected violation of law; or (C) is made in a complaint or other document filed in a lawsuit or proceeding, if such filing is made under seal. Nothing in this Agreement requires Employee to obtain prior authorization before engaging in any conduct described in this paragraph, or to notify the Company that Employee has engaged in any such conduct.

#### 10. Non-Competition; Non-Solicitation.

- (a) The Company has provided and shall, during the Employment Period, continue to provide Employee access to Confidential Information for use only during the Employment Period, and Employee acknowledges and agrees that the Company Group will be entrusting Employee, in Employee's unique and special capacity, with developing the goodwill of the Company Group, and in consideration of the Company providing Employee with access to Confidential Information, and as an express incentive for the Company to enter into this Agreement and to continue to employ Employee hereunder, Employee has voluntarily agreed to the covenants set forth in this Section 10. Employee agrees and acknowledges that the limitations and restrictions set forth herein, including geographical and temporal restrictions on certain competitive activities, are reasonable in all respects, will not cause Employee undue hardship, and are material and substantial parts of this Agreement intended and necessary to prevent unfair competition and to protect the Company Group's Confidential Information, goodwill and legitimate business interests.
- (b) During the Prohibited Period, Employee shall not, without the prior written approval of the Board, directly or indirectly, for Employee or on behalf of or in conjunction with any other person or entity of any nature:
  - (i) engage in or participate within the Market Area in competition with any member of the Company Group in any aspect of the Business, which prohibition shall prevent Employee from directly or indirectly: (A) owning, managing, operating, or being an officer or director of, any business that competes with any member of the Company Group in the Market Area; or (B) joining, becoming an employee or consultant of, or otherwise being affiliated with, any person or entity engaged in, or planning to engage in, the Business in the Market Area in competition, or anticipated competition, with any member of the Company Group in any capacity (with respect to this clause (B)) in which Employee's duties or responsibilities are the same as or similar to the duties or responsibilities that Employee had on behalf of any member of the Company Group;
    - (ii) appropriate any Business Opportunity of, or relating to, any member of the Company Group located in the Market Area;
  - (iii) solicit, canvass, approach, encourage, entice or induce any customer or supplier of any member of the Company Group to cease or lessen such customer's or supplier's business with any member of the Company Group; or
  - (iv) solicit, canvass, approach, encourage, entice or induce any employee or contractor of any member of the Company Group to terminate his, her or its employment or engagement with any member of the Company Group.

- (c) Notwithstanding the foregoing, following the Termination Date, the above-referenced limitations in Sections 10(b)(i), (ii) and (iii) shall not apply in those portions of the Market Area located within the State of Oklahoma. Instead, Employee agrees that, following the Termination Date, the restrictions on Employee's activities within those portions of the Market Area located within the State of Oklahoma (in addition to those restrictions set forth in Section 9 and Section 10(b)(iv) above) shall be as follows: during that portion of the Prohibited Period that follows the Termination Date, Employee will not directly solicit the sale of goods, services, or a combination of goods and services from the established customers of the Company or any other member of the Company Group. Further, Employee will not be deemed to be engaging in the Business in violation of Section 10(b)(i)(B) by virtue of performing duties similar to those performed for a member of the Company Group in the course of employment with an entity whose primary business is as an operator in the oil and gas exploration and production industry (an "Operator"), so long as such Operator only performs the services that constitute the Business for its own operations, and such Operator does not perform such services for customers.
- (d) Notwithstanding the restrictions contained in Section 10(b)(i), (ii) and (iii), Employee may own an interest in a private equity fund or hedge fund that has a direct or indirect investment in a company engaged in the Business that competes or has plans to compete with the Company (a "Competitor") so long as such investment contemplated by this Section 10(d) does not result in Employee violating any of his obligations under Section 9 or Section11, and such investment is not (A) directly in, or directly tied to, equity interests of the Competitor, (B) Employee does not participate in any director, officer, consulting or similar role relating to such Competitor and (C) any Business Opportunity made known to Employee during his employ with any member of the Company Group is retained by the Company Group and is not presented or otherwise made known to such Competitor, in each case without violating the provisions of Section 10(b)(i), provided that neither Employee nor any of Employee's affiliates has the power, directly or indirectly, to control or direct the management or affairs of any such entity and is not involved in the management of such entity.
- (e) Because of the difficulty of measuring economic losses to the Company Group as a result of a breach or threatened breach of the covenants set forth in Section 9 and in this Section 10, and because of the immediate and irreparable damage that would be caused to the members of the Company Group for which they would have no other adequate remedy, the Company and each other member of the Company Group shall be entitled to seek to enforce the foregoing covenants, in the event of a breach or threatened breach, by injunctions and restraining orders from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall not be the Company's or any other member of the Company Group's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company and each other member of the Company Group at law and equity.
- (f) The covenants in this Section 10, and each provision and portion hereof, are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which such arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.
  - (g) The following terms shall have the following meanings:

- (i) "Business" shall mean the business and operations that are the same or similar to those performed by the Company and any other member of the Company Group for which Employee provides services or about which Employee obtains Confidential Information during the Employment Period, which business and operations include such businesses and operations as may be described in Parent's periodic and current reports filed with the Securities and Exchange Commission from time to time, and other services ancillary thereto, specifically as applied to any equipment, hardware, software, knowledge, processes, customers, strategies, known future plans, and vendors which are contained, classified, known or performed in connection with such services.
  - (ii) "Business Opportunity" shall mean any commercial, investment or other business opportunity relating to the Business.
- (iii) "Market Area" shall mean: (A) the counties and parishes set forth on Exhibit A hereto; and (B) and any other geographic area or market where or with respect to which (x) Employee provides or has provided services on behalf of the Company or any other member of the Company Group during the Employment Period or (y) the Company or any other member of the Company Group has specific plans to conduct any business and Employee provides material services with respect to such plans.
- (iv) "Prohibited Period" shall mean the period during which Employee is employed by any member of the Company Group and continuing for a period of twelve (12) months following the date that Employee is no longer employed by any member of the Company Group.
- Ownership of Intellectual Property. Employee agrees that the Company shall own, and Employee shall (and hereby does) assign, all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information authored, created, contributed to, made or conceived or reduced to practice, in whole or in part, by Employee during the period in which Employee is or has been employed by or affiliated with the Company or any other member of the Company Group that either (a) relate, at the time of conception, reduction to practice, creation, derivation or development, to any member of the Company Group's time or with the use of any member of the Company Group's equipment, supplies, facilities or trade secret information (all of the foregoing collectively referred to herein as "Company Intellectual Property."), and Employee shall promptly disclose all Company Intellectual Property to the Company. All of Employee's works of authorship and associated copyrights created during the period in which Employee is employed by or affiliated with the Company or any other member of the Company Group and in the scope of Employee's employment or engagement shall be deemed to be "works made for hire" within the meaning of the Copyright Act. Employee shall perform, during and after the period in which Employee is or has been employed by or affiliated with the Company or any other member of the Company Group, all acts deemed reasonably necessary by the Company to assist each member of the Company Group, at the Company's expense, in obtaining and enforcing its rights throughout the world in the Company Intellectual Property. Such acts may include execution of documents and assistance or cooperation (i) in the filing, prosecution, registration, and memorialization of assignm

#### 12. **Arbitration**.

- Subject to Section 12(b), any dispute, controversy or claim between Employee and any member of the Company Group arising out of or relating to this Agreement or Employee's employment or engagement with any member of the Company Group will be finally settled by arbitration in Houston, Texas in accordance with the then-existing American Arbitration Association ("AAA") Employment Arbitration Rules. The arbitration award shall be final and binding on both parties. Any arbitration conducted under this Section 12 shall be heard by a single arbitrator (the "Arbitrator") selected in accordance with the then-applicable rules of the AAA. All disputes shall be arbitrated on an individual basis, and each party hereto hereby foregoes and waives any right to arbitrate any dispute as a class action or collective action or on a consolidated basis or in a representative capacity on behalf of other persons or entities who are claimed to be similarly situated, or to participate as a class member in such a proceeding. The Arbitrator shall expeditiously hear and decide all matters concerning the dispute. Except as expressly provided to the contrary in this Agreement, the Arbitrator shall have the power to (i) gather such materials, information, testimony and evidence as the Arbitrator deems relevant to the dispute before him or her (and each party will provide such materials, information, testimony and evidence requested by the Arbitrator), and (ii) grant injunctive relief and enforce specific performance. The decision of the Arbitrator shall be reasoned, rendered in writing, be final and binding upon the disputing parties and the parties agree that judgment upon the award may be entered by any court of competent jurisdiction.
- (b) Notwithstanding Section 12(a), either party may make a timely application for, and seek to obtain, judicial emergency or temporary injunctive relief to enforce any of the provisions of Sections 9 through 11; provided, however, that the remainder of any such dispute (beyond the application for emergency or temporary injunctive relief) shall be subject to arbitration under this Section 12.
- (c) By entering into this Agreement and entering into the arbitration provisions of this <u>Section 12</u>, THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY ARE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVING THEIR RIGHTS TO A JURY TRIAL.
- (d) Nothing in this Section 12 shall prohibit a party to this Agreement from (i) instituting litigation to enforce any arbitration award, or (ii) joining the other party to this Agreement in a litigation initiated by a person or entity that is not a party to this Agreement. Further, nothing in this Section 12 precludes Employee from filing a charge or complaint with a federal, state or other governmental administrative agency.
- 13. **Defense of Claims**. During the Employment Period and thereafter, upon request from the Company, Employee shall cooperate with the Company Group in the defense of any claims or actions that may be made by or against any member of the Company Group that relate to Employee's actual or prior areas of responsibility.

- 14. Withholdings; Deductions. The Company may withhold and deduct from any benefits and payments made or to be made pursuant to this Agreement (a) all federal, state, local and other taxes as may be required pursuant to any law or governmental regulation or ruling and (b) any deductions consented to in writing by Employee.
- Title and Headings; Construction. Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Any and all Exhibits or Attachments referred to in this Agreement are, by such reference, incorporated herein and made a part hereof for all purposes. Unless the context requires otherwise, all references to laws, regulations, contracts, agreements and instruments refer to such laws, regulations, contracts, agreements and instruments as they may be amended from time to time, and references to particular provisions of laws or regulations include a reference to the corresponding provisions of any succeeding law or regulation. All references to "dollars" or "\$" in this Agreement refer to United States dollars. The word "or" is not exclusive. The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement, including all Exhibits attached hereto, and not to any particular provision hereof. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely. All references to "including" shall be construed as meaning "including without limitation." Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.
- 16. <u>Applicable Law; Submission to Jurisdiction</u>. This Agreement shall in all respects be construed according to the laws of the State of Texas without regard to its conflict of laws principles that would result in the application of the laws of another jurisdiction. With respect to any claim or dispute related to or arising under this Agreement, the parties hereby consent to the arbitration provisions of <u>Section 12</u> and recognize and agree that should any resort to a court be necessary and permitted under this Agreement, then they consent to the exclusive jurisdiction, forum and venue of the state and federal courts (as applicable) located in Harris County, Texas.
- Entire Agreement and Amendment. This Agreement contains the entire agreement of the parties with respect to the matters covered herein and supersedes all prior and contemporaneous agreements and understandings, oral or written, between the parties hereto concerning the subject matter hereof, including, without limitation, the Prior Employment Agreement. Employee acknowledges that the Company and each other member of the Company Group has fully and finally satisfied all obligations that it has had and may ever have under the Prior Employment Agreement, as the Prior Employment Agreement has been replaced in its entirety by this Agreement. In entering into this Agreement, Employee expressly acknowledges and agrees that Employee has received all sums and compensation that Employee has been owed, is owed, or ever could be owed for services provided to any member of the Company Group through the date Employee signs this Agreement, with the exception of any unpaid Base Salary for the pay period that includes the date on which Employee signs this Agreement. This Agreement may be amended only by a written instrument executed by both parties hereto.

- 18. **Waiver of Breach**. Any waiver of this Agreement must be executed by the party to be bound by such waiver. No waiver by either party hereto of a breach of any provision of this Agreement by the other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, will operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either party hereto to take any action by reason of any breach will not deprive such party of the right to take action at any time.
- 19. <u>Assignment</u>. This Agreement is personal to Employee, and neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise transferred by Employee. The Company may assign this Agreement without Employee's consent, including to any member of the Company Group and to any successor to or acquirer of (whether by merger, purchase or otherwise) all or substantially all of the equity, assets or businesses of the Company.
- Notices. Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly received (a) when delivered in person, (b) when sent by facsimile transmission (with confirmation of transmission) on a Business Day to the number set forth below, if applicable; *provided*, *however*, that if a notice is sent by facsimile transmission after normal business hours of the recipient or on a non-Business Day, then it shall be deemed to have been received on the next Business Day after it is sent, (c) on the first Business Day after such notice is sent by express overnight courier service, or (d) on the second Business Day following deposit with an internationally-recognized second-day courier service with proof of receipt maintained, in each case, to the following address, as applicable:

#### If to the Company, addressed to:

Select Energy Services, LLC 1820 N I-35 Gainesville, Texas 76240 Attn: Chief Executive Officer

If to Employee, addressed to Employee's last known address on file with the Company.

- 21. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, including by electronic mail or facsimile, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signature pages, each signed by one party, but together signed by both parties hereto.
- Deemed Resignations. Except as otherwise determined by the Board or as otherwise agreed to in writing by Employee and any member of the Company Group prior to the termination of Employee's employment with the Company or any member of the Company Group, any termination of Employee's employment shall constitute, as applicable, an automatic resignation of Employee: (a) as an officer of the Company and each member of the Company Group; (b) from the Board; and (c) from the board of directors or board of managers (or similar governing body) of any corporation, limited liability entity, unlimited liability entity or other entity in which any member of the Company Group holds an equity interest and with respect to which board of directors or board of managers (or similar governing body) Employee serves as such Company Group member's designee or other representative.

#### 23. Section 409A.

- (a) Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Internal Revenue Code of 1986 (the "Code"), and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "Section 409A") or an exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of Employee's employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A.
- (b) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (i) any such expense reimbursement shall be made by the Company no later than the last day of Employee's taxable year following the taxable year in which such expense was incurred by Employee, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; provided, that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period in which the arrangement is in effect
- (c) Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Employee's receipt of such payment or benefit is not delayed until the earlier of (i) the date of Employee's death or (ii) the date that is six (6) months after the Termination Date (such date, the "Section 409A Payment Date"), then such payment or benefit shall not be provided to Employee's estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall any member of the Company Group be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.
- 24. Certain Excise Taxes. Notwithstanding anything to the contrary in this Agreement, if Employee is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Employee has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by Employee from the Company or any of its affiliates shall be one dollar (\$1.00) less than three times Employee's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Employee shall be subject to the excise tax imposed by Section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to Employee (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company or any of its affiliates used in determining if a "parachute payment" exists, exceeds one dollar (\$1.00) less than three times Emp

- 25. Clawback. To the extent required by applicable law or any applicable securities exchange listing standards, or as otherwise determined by the Board (or a committee thereof), amounts paid or payable under this Agreement shall be subject to the provisions of any applicable clawback policies or procedures adopted by the Company, which clawback policies or procedures may provide for forfeiture and/or recoupment of amounts paid or payable under this Agreement. Notwithstanding any provision of this Agreement to the contrary, the Company reserves the right, without the consent of Employee, to adopt any such clawback policies and procedures, including such policies and procedures applicable to this Agreement with retroactive effect.
- 26. <u>Effect of Termination</u>. The provisions of <u>Sections 7</u>, <u>9-14</u> and <u>22</u> and those provisions necessary to interpret and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Employee and the Company.
- 27. **Third-Party Beneficiaries.** Each member of the Company Group that is not a signatory to this Agreement shall be a third-party beneficiary of Employee's obligations under Sections 8, 9, 10, 11, 12 and 22 and shall be entitled to enforce such obligations as if a party hereto.
- 28. <u>Severability.</u> If an arbitrator or court of competent jurisdiction determines that any provision of this Agreement (or portion thereof) is invalid or unenforceable, then the invalidity or unenforceability of that provision (or portion thereof) shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

IN WITNESS WHEREOF, Employee and the Company each have caused this Agreement to be executed and effective as of the Effective Date.

# **EMPLOYEE**

/s/ Michael Skarke

Michael Skarke

# SELECT ENERGY SERVICES, LLC

By: /s/ John Schmitz
Name: John Schmitz

Title: President and Chief Executive Officer

SIGNATURE PAGE TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

# EXHIBIT A

# MARKET AREA

STATE	COUNTY/PARISH/BORO	OUGHS		
Alaska	Anchorage Kenai Peninsula	Kodiak Island	Matanuska-Susitna	North Slope
COLORADO	Adams	Arapahoe	Weld	
LOUISIANA	Bossier	De Soto	Lincoln	Sabine
	Caddo	Jackson	Red River	
NEW MEXICO	Chaves	Eddy	Lea	San Juan
NORTH DAKOTA	Billings	Divide	Golden Valley	Mountrail
	Burke	Dunn	McKenzie	Williams
OHIO	Ashland	Guernsey	Jefferson	Summit
	Belmont	Harrison	Monroe	Trumbull
	Carroll			
OKLAHOMA	Alfalfa	Dewey	Lincoln	Pittsburg
	Beckham	Ellis	Logan	Roger Mills
	Blaine	Garfield	Love	Stephens
	Canadian	Garvin	Major	Washita
	Carter	Grady	McClain	Woods
	Coal	Hughes	Oklahoma	Woodward
	Custer	Kingfisher		
PENNSYLVANIA	Armstrong	Greene	Tioga	Westmoreland
	Bradford	Lycoming	Washington	Wyoming
	Elk	Sullivan		
TEXAS	Andrews	Hemphill	Maverick McMullen	Shelby
	Angelina	Henderson	Midland	Tarrant
	Atascosa	Howard	Nacogdoches	Tom Green
	Borden	Irion	Panola	Upton
	Culberson	Jackson	Pecos	Ward
	DeWitt	Karnes	Reagan	Webb
	Dimmit	La Salle	Reeves	Wheeler
	Ector	Lavaca	Roberts	Winkler
	Frio	Live Oak	Rusk	Wise
	Glasscock	Loving	San Augustine	Zavala
	Gonzales	Martin		
UTAH	Duchesne			
WEST VIRGINIA	Brooke	Marion	Ohio	Tyler
	Doddridge	Marshall	Ritchie	Wetzel
	Harrison	Monongalia		
VYOMING	Campbell Converse	Johnson	Laramie	Sweetwater

Exhibit  $\mathbf{A}$ 

March 1, 2021 Michael Skarke

Dear Michael:

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This letter memorializes the understanding between you and Select Energy Services, LLC, a Delaware limited liability company (the "Company") regarding your compensation for your employment as Executive Vice President of the Company beginning March 1, 2021 (the "Effective Date"). As of March 1, 2020 your annualized base salary was reduced from \$310,000 (your "2020 Annual Base Salary") to \$279,000, reflecting a 10% temporary reduction in your annualized base salary, and on June 1, 2020, your 2020 Annual Base Salary was reduced by an additional 5% such that your temporarily reduced base salary is \$263,500. The Company intends to reevaluate your annualized based salary quarterly.

As you know, you and the Company are parties to that certain Employment Agreement effective as of March 1, 2021 (as amended, the "Employment Agreement"). This letter shall be deemed to amend the Employment Agreement as of the Effective Date, to the extent any provision of your Employment Agreement is inconsistent with this letter. All other provisions of the Employment Agreement, including the restrictive covenants set forth in Sections 9, 10 and 11 of the Employment Agreement, shall remain in full force and effect. In signing below, you hereby explicitly consent to the changes described in this letter, and in return for your continued employment as described above, you hereby waive any and all rights you may have to terminate your employment with the Company or its affiliates for Good Reason (or similar or related definitions) (as such term is defined in the Employment Agreement) as a result of these changes (including any right to receive any payments or benefits pursuant to the Employment Agreement or any other plan, program, or agreement sponsored or maintained by the Company or any of its affiliates (collectively, the "Company Plans") as a result of these changes). For the avoidance of doubt, execution of this letter will not be deemed to constitute a (i) consent to any future modification to your responsibilities, duties or compensation that are not described in this letter (such modifications, if any, the "Future Modifications") or (ii) waiver of your right, if any, to terminate your employment with the Company or its Affiliates for Good Reason pursuant to the terms of your Employment Agreement or any other Company Plan as a result of any Future Modifications.

You further acknowledge that nothing in this letter shall be construed in any way to limit the right of the Company or its affiliates to terminate your employment, with or without cause, or for you to terminate your employment with the Company or its affiliates, with or without reason, nor shall this letter limit the rights of the stockholders of the Company under the Company's Second Amended and Restated Bylaws.

This letter shall still be terminated and become null and void following 30 days' advance written notice by any of the parties hereto, and the terms of your Employment Agreement shall be reinstated to the extent amended by this letter. If your annualized base salary on the 30<sup>th</sup> day following delivery of such notice is not at least equal to your 2020 Annual Base Salary, then as of such date, you shall have the right to terminate your employment with the Company or its affiliates for Good Reason for 60 days thereafter as a result of the reduction of your 2020 Annual Base Salary pursuant to the terms of your Employment Agreement and the Company shall have no right to cure such circumstances giving rise to your resignation for Good Reason.

Notwithstanding anything in this letter to the contrary, in the event your employment with the Company terminates in any manner such that a payment is required to be made to you pursuant to the provisions of Section 7 of the Employment Agreement, such payment shall be calculated using your 2020 Annual Base Salary as the "Base Salary" for purposes of such calculation. Any short-term incentive compensation targets for 2020 shall be calculated based on your 2020 Annual Base Salary.

Please indicate your agreement with the foregoing by signing and dating below and returning an executed copy of this letter to me.

[Signature Page to Follow]

# SELECT ENERGY SERVICES, LLC

By: /s/ John Schmitz
Name: John Schmitz

Title: President and Chief Executive Officer

AGREED AND ACKNOWLEDGED:

/s/ Michael Skarke
Michael Skarke
Date: March 1, 2021