



LETTER FROM OUR CHAIRMAN OF THE BOARD OF DIRECTORS AND PRESIDENT AND CHIEF EXECUTIVE OFFICER

April 7, 2022

Dear Fellow Stockholders,

It is our pleasure to welcome you to attend our Annual Meeting of stockholders which will be held on Thursday, May 19, 2022 at 10:00 a.m. local time.

2021 Year in Review

Demand fundamentals continued to strengthen throughout 2021 and supported consistent increases in customer activity and demand for Target Hospitality's premium hospitality service offering. Since year-end 2020, Target Hospitality has experienced an over 47% increase in customer demand across its Hospitality and Facilities Service segments. This robust demand resulted in sequential quarterly increases in utilization throughout 2021 and consistent expansion in operating margin. Target has continued to experience positive momentum in customer demand entering 2022 and is well positioned to further benefit from strengthening customer activity. This sustained momentum has supported strong business fundamentals and accelerated Target Hospitality's growth strategy, focused on strategic diversification through a balanced portfolio of service offerings. Target meaningfully advanced its strategy in 2021, with 54% of 2021 revenue derived from its Government segment.

Live Webcast

Please use www.virtualshareholdermeeting.com/THCORP2022 to attend the Annual Meeting, vote, and submit your questions during the meeting via live webcast. You will need the control number included with these proxy materials to attend the Annual Meeting. We adopted this technology in 2019 to expand access to the meeting, improve communications and impose lower costs on our stockholders, the company and the environment. We believe virtual meetings enable increased stockholder participation from locations around the world. Additionally, given the continued concerns around COVID-19, the virtual meeting format allows us to continue to proceed with the meeting while mitigating the health and safety risks to participants.

We appreciate the confidence you have placed in us through your investment in our company.

Sincerely,

Stephen Robertson
Chairman of the Board of Directors

Sincerely,

James B. Archer
President and Chief Executive Officer



"Our extraordinary 2021 results illustrate the strength in Target Hospitality's operating position and commitment to our defined strategic initiatives. Early in 2021, we outlined our intentions to focus on significantly strengthening Target Hospitality's financial position and took deliberate actions in positioning the company to achieve this objective. This focus resulted in a 58% reduction in Target Hospitality's net leverage ratio in 2021 and over \$148 million of total available liquidity at year end 2021.

We believe this enhanced financial position has created the optimal foundation to continue pursuing Target Hospitality's strategic growth initiatives, which we believe provides the greatest opportunity to accelerate value creation for our stockholders," stated Brad Archer, President and Chief Executive Officer.

NOTICE OF 2022 ANNUAL MEETING OF STOCKHOLDERS



Date & Time

May 19, 2022
10:00 a.m. Central Time



Virtual Meeting

www.virtualshareholdermeeting.com/THCORP2022

Items of Business	Board Voting Recommendation
Proposal 1 ELECT AS DIRECTORS THE THREE CLASS I NOMINEES LISTED IN THIS PROXY STATEMENT TO SERVE UNTIL THE 2025 ANNUAL MEETING OF STOCKHOLDERS OR UNTIL THEIR SUCCESSORS ARE DULY ELECTED AND QUALIFIED	"FOR"
Proposal 2 APPROVE AMENDMENTS TO THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION ("A&R CHARTER") OF THE COMPANY TO DECLASSIFY THE BOARD OF DIRECTORS	"FOR"
Proposal 3 AMEND THE TARGET HOSPITALITY CORP. 2019 INCENTIVE AWARD PLAN ("INCENTIVE PLAN") SOLELY TO INCREASE THE NUMBER OF SHARES AUTHORIZED FOR ISSUANCE UNDER THE INCENTIVE PLAN	"FOR"
Proposal 4 RATIFY THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT PUBLIC ACCOUNTING FIRM	"FOR"

Any action on the items of business described above may be considered at the Annual Meeting, at the time and on the date specified above, or at any time and date to which the Annual Meeting may be properly postponed or adjourned. We will also consider any other business items at the Annual Meeting that are properly proposed before adjournment.

Holders of record of our common stock as of the close of business on March 22, 2022 will be entitled to notice of, and to vote at, the Annual Meeting.

By Order of the Board of Directors,

Heidi D. Lewis
Executive Vice President, General Counsel & Secretary

How to Vote

Your vote is very important.

Whether or not you plan to attend the Annual Meeting via live webcast, we hope you will vote as soon as possible. You can vote in person by attending the live webcast or by proxy. Registered holders may vote their shares by mail, while beneficial owners may vote by following the instructions provided by your broker, bank or other agent. See the "Information about the Virtual Annual Meeting and Voting" section for instructions on how to vote your shares.



Attend the meeting live via webcast



Submit your proxy by internet
(proxyvote.com)



Request a printed copy of the proxy materials then complete, sign, date and return the proxy card in the envelope provided



By telephone at
1-800-690-6903

TABLE OF CONTENTS

PROXY SUMMARY	1	PROPOSAL 4 – RATIFICATION OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	34
Meeting Information	1	EXECUTIVE OFFICERS	36
How to Vote	1	EXECUTIVE COMPENSATION	39
Who We Are	1	Summary Compensation Table	39
Corporate Social Responsibility	2	Outstanding Equity Awards at 2021 Fiscal Year-End	41
2021 Performance Highlights	2	Potential Payments Upon Termination or Change in Control	41
Corporate Governance Highlights	2	Equity Compensation Plan Information	41
OUR BOARD OF DIRECTORS & GOVERNANCE	3	Employment Agreements	42
Board Composition and Skills Composite	3	CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	44
Director Structure	5	SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	46
Director Biographies	6	OTHER MATTERS	48
Director Nominations	13	MATTERS RAISED AT THE 2022 ANNUAL MEETING NOT INCLUDED IN THIS PROXY STATEMENT	48
Committees of the Board of Directors	15	STOCKHOLDER PROPOSALS AND DIRECTOR NOMINATIONS FOR THE 2023 ANNUAL MEETING	48
Director Compensation	19	ACCESS TO ANNUAL REPORT ON FORM 10-K	48
2021 Non-Executive Director Compensation Table	20	INFORMATION ABOUT THE VIRTUAL ANNUAL MEETING AND VOTING	49
Board Election & Leadership Structure	20	COMPANY BACKGROUND	54
The Board's Role in Risk Oversight	21		
Duties & Responsibilities of the Chairman	21		
Corporate Governance Guidelines	21		
Majority Voting Policy	22		
Codes of Business Conduct & Ethics	22		
Prohibition against Hedging and Pledging	22		
Stock Ownership Guidelines	22		
Diversity and Inclusion	23		
Board Evaluation Process	24		
Director Independence	24		
Communication with the Board	25		
PROPOSAL 1 – ELECTION OF DIRECTORS	5		
PROPOSAL 2 – APPROVE AMENDMENTS TO THE A&R CHARTER TO DECLASSIFY THE BOARD OF DIRECTORS	26		
PROPOSAL 3 – AMEND THE INCENTIVE PLAN SOLELY TO INCREASE THE NUMBER OF SHARES AUTHORIZED FOR ISSUANCE UNDER THE INCENTIVE PLAN	28		

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on May 19, 2022:

This notice of annual meeting and proxy statement and our annual report to stockholders for the fiscal year ended December 31, 2021 are available on our website at investors.targethospitality.com.

PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all information you should consider. Please read the entire proxy statement carefully before voting.

Meeting Information



DATE & TIME

10:00 a.m. (CT) on May 19, 2022



VIRTUAL MEETING

Live webcast through the following link
www.virtualshareholdermeeting.com/THCORP2022



RECORD DATE

March 22, 2022

How to Vote



For more information on how to vote, please see “Information about the Virtual Meeting” found on pg 49 in this proxy statement.

STOCKHOLDERS OF RECORD

(shares held in certificate form or through an account with our transfer agent)

- you can attend the Annual Meeting, complete a ballot and submit it, all via live webcast
- you may also vote by completing, signing and dating the proxy card that you received from us, and returning it in the accompanying pre-addressed envelope

BENEFICIAL OWNERS

(shares registered in the name of your brokerage firm, bank or other agent)

- you should receive a notice containing voting instructions from that organization rather than our company
- simply follow the voting instructions in the notice to ensure that your vote is counted

Who We Are

Founded in 1978, Target Hospitality builds, owns, and operates customized facilities for a range of end-users. In fact, we are one of the largest specialty rental and hospitality services companies in North America. We also offer a full suite of cost-effective hospitality solutions, including culinary and catering, concierge, laundry, recreational facilities, transportation, and security. The company’s foundation is built on the core values of safety, care, excellence, integrity and collaboration.

We own an extensive network of geographically relocatable specialty rental accommodation units



with approximately
~15,500 beds



across
27 communities

Corporate Social Responsibility

Our business is all about taking care of people and making sure they have what they need – rest, nourishment, wellness, etc. – so they can perform at their best on the job. We are a people business. But we take that a step further. Target Hospitality has a keen sense of corporate citizenship toward the communities and environments, both social and ecological, in which we operate. We demonstrate this by:



ongoing contributions to social and educational programs



adherence to strict waste and pollution reduction



compliance with the spirit of the law, ethical standards and global norms.

2021 Performance Highlights

Our extraordinary 2021 results illustrate the strength in Target Hospitality's operating position and commitment to our defined strategic initiatives. Under the leadership of our NEOs, we reported:

\$291M

TOTAL REVENUE

\$119M

ADJ. EBITDA^(a)

\$39M

INTEREST EXPENSE

\$37M

TOTAL CAPITAL SPENDING

\$93M

**DISCRETIONARY CASH FLOW
("DCF")^(a)**

2.7x

TOTAL NET LEVERAGE RATIO

Corporate Governance Highlights

WHAT WE DO



- Separate Chairman of the Board and Chief Executive Officer positions
- Regular meetings of our non-management and independent directors
- Independent executive compensation consultant hired by and reporting to the Compensation Committee
- Stock ownership guidelines for directors and officers
- Annual Board and Committee evaluation process
- Majority voting policy
- Board diversity
- Active Board oversight of Enterprise Risk Management including cybersecurity
- NACD – Full Board corporate membership to help strengthen director commitment and boardroom practices

(a) Adjusted EBITDA and Discretionary Cash Flow are non-GAAP financial measures. For a discussion of our use of non-GAAP financial measures, including a reconciliation of (i) Adjusted EBITDA to net income (loss) and (ii) Discretionary Cash Flow to net cash provided by operating activities, please see the "Non-GAAP Financial Measures" section beginning on page 63 in Item 7 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

WHAT WE DO NOT DO



- No pledging or hedging of our common stock by directors or executive officers
- No excise tax gross-ups

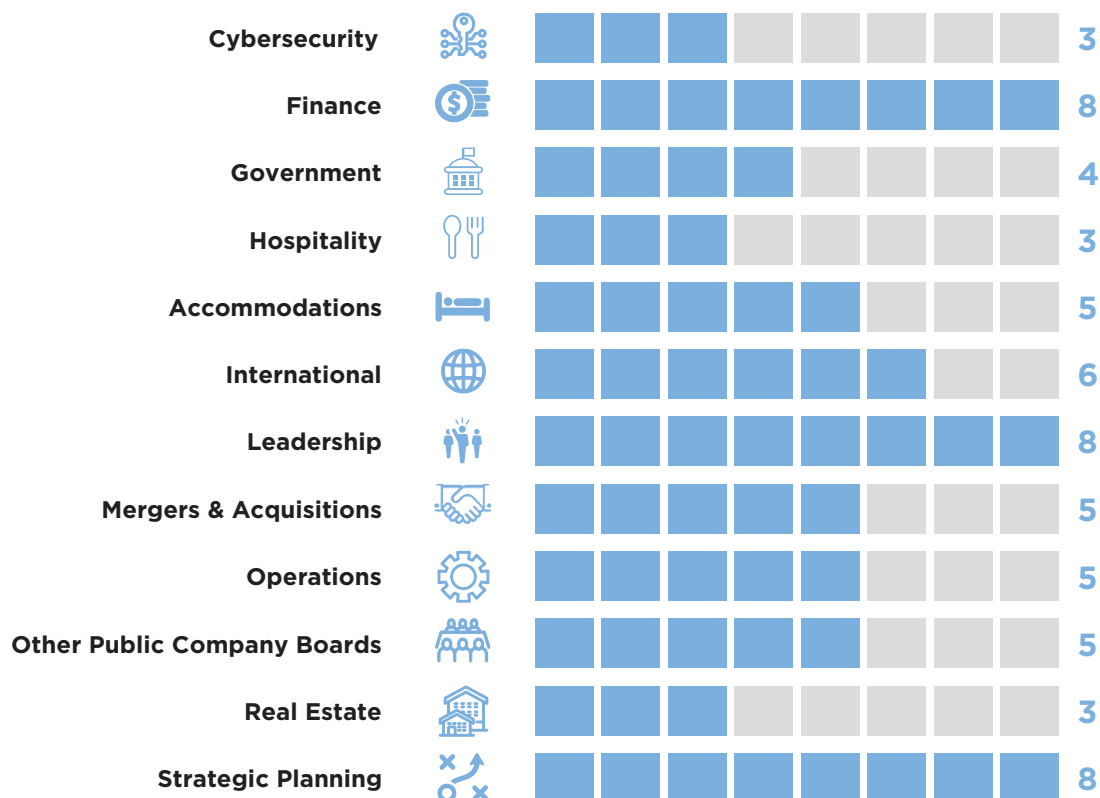
- No single-trigger acceleration of benefits upon change in control and severance

Board Composition and Skills Composite

Name	Director Since	Age	Principal Occupation	Independent	Committee Memberships		
					AC	CC	NCGC
Nominees standing for reelection at the 2022 Annual Meeting							
Martin L. Jimmerson	2019	58	CEO and CFO of NorAm Drilling Company	■	C	●	
Pamela H. Patenaude	2021	61	Former Deputy Secretary of the U.S. Department of Housing and Urban Development; Principal of Granite Housing Strategies, LLC	■	●		C
Jeff Sagansky	2018	70	Founding investor – Flying Eagle Acquisition Corp. (merged with Skillz Inc.) and Soaring Eagle Acquisition Corp. (merged with Gingko Bioworks Holdings, Inc.); Former Chairman and CEO of Diamond Eagle Acquisition Corp.	■		C	●
Directors continuing in office							
James B. Archer	2019	51	President & CEO Target Hospitality				
Joy Berry	2020	64	Former COO of Luxe Hotels & Luxe Collection Hotels	■		●	●
Barbara J. Faulkenberry	2021	62	Retired Major General U.S. Air Force	■	●		●
Linda Medler	2022	65	Retired Brigadier General U.S. Air Force; Founder, President & CEO of LA Medler & Associates, LLC	■	●	●	
Stephen Robertson▲	2019	61	Chairman of the Board & Co-founder of TDR Capital				

AC = Audit Committee CC = Compensation Committee NCGC = Nominating, Corporate Governance Committee
 C = Committee Chairperson ● = Committee Member ▲ = Board Chair

Our Board has a diverse set of skills and experiences that enhances their ability to oversee the management and direction of our company.



PROPOSAL 1: ELECTION OF DIRECTORS

PROPOSAL 1 SNAPSHOT

Stockholders are being asked to elect the three Class I director nominees named in this proxy statement for a three-year term.

The Board has nominated the three individuals below to stand for election for a three-year term expiring at the annual meeting of stockholders in 2025:

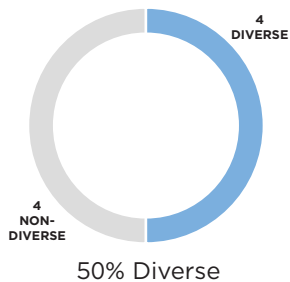
- Martin L. Jimmerson
- Pamela H. Patenaude
- Jeff Sagansky

If a nominee is unable to serve, the Board may identify a substitute nominee or nominees. If that occurs, all valid proxies will be voted for the election of the substitute nominee or nominees designated by the Board. Alternatively, the Board may determine to keep a vacancy open or reduce the size of the Board. Messrs. Jimmerson and Sagansky and Ms. Patenaude are each presently Class I directors of our company. Biographical information about each of our directors, including Messrs. Jimmerson and Sagansky and Ms. Patenaude is contained in the section below. At the Annual Meeting, three directors will be elected to our Board. As noted in Proposal No. 2 below, we are seeking stockholder approval to amend our A&R Charter in order to de-classify our Board. If our stockholders approve Proposal No. 2, the classified board structure would phase out over the next year such that all directors would be up for election on an annual basis beginning at the 2023 Annual Meeting.

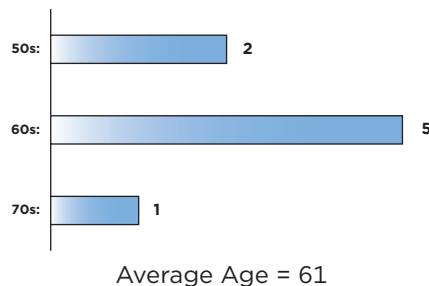
The Board recommends you vote **FOR** each director nominee. These individuals bring a range of relevant experiences and overall diversity of perspectives that is essential to good governance and leadership of our company.

Snapshot of Our Board

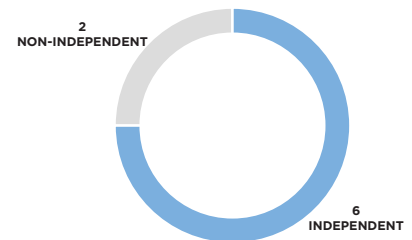
Demographic, Ethnic & Gender Diversity



Age



Independence



BOARD STRUCTURE

Our Board consists of eight members. It is divided into three classes (Class I, Class II, and Class III) with staggered three-year terms and one class of directors elected each year. The division of our Board into staggered classes may delay or prevent a change of control of our management or our company. As noted

in Proposal No. 2 below, we are seeking stockholder approval to amend our A&R Charter in order to de-classify our Board. If our stockholders approve Proposal No. 2, the classified board structure would phase out over the next year such that all directors would be up for election on an annual basis beginning at the 2023 Annual Meeting.

Our Board has three standing committees: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee.

DIRECTOR BIOGRAPHIES

Our business and affairs are overseen by our Board, which currently consists of eight members. Set forth below are the biographies of each of our current directors.

Stephen Robertson

Chairman of the Board Since: 2019
Director Since: 2019
Director Class: III
Term Expires: 2024

Age: 61
Other U.S. Public Company Directorships within last five years:
WillScot Mobile Mini Holdings Corp. (former)

Mr. Robertson is a co-founder of TDR Capital, a London-based private equity firm with more than €8 billion of committed capital. As a founding partner, he is heavily involved in serving on numerous company boards and the firm's strategic investment decisions, including acquisitions, capitalizations and monetizations. Prior to co-founding TDR in 2002, Mr. Robertson was managing partner at DB Capital Partners, where he helped build the European leveraged buyout arm of Deutsche Bank into a leading buyout firm in Europe. He also previously spent a year as managing director of European Leveraged Finance at Merrill Lynch and nine years as managing director of European Leveraged Finance at Bankers Trust.

The Board believes that Mr. Robertson's extensive board service and experience with mergers and acquisitions, private equity and leverage finance, together with his broad knowledge of our company and the industrial services industry, enable him to provide meaningful guidance to our Board.

Key Qualifications and Skills:



Finance



Hospitality



Accommodations



Strategic Planning



M & A



Other Public Boards



International



Leadership

James B. Archer

Director Since: **2019**
Director Class: **III**

Term Expires: **2024**
Age: **51**

Mr. Archer joined Target in 2009 as Chief Operating Officer and has been in his role as CEO of Target since 2014. With 25 years in the specialty rental and hospitality industries, Mr. Archer is a proven leader with a track record of success in executive management which began with GE Capital Modular Space and then Resun Leasing from 1994–2004 where he primarily served in Senior Leadership roles ranging from Senior Vice President, VP of Operations and VP of Sales, before holding COO positions at other specialty rental and manufacturing companies.

The Board believes that Mr. Archer's insight into our company and industry from his role as our president and CEO, together with his leadership and business experience, enable him to provide meaningful guidance to our Board.

Key Qualifications and Skills:



Finance



Government



Hospitality



Accommodations



Strategic Planning



M & A



International



Leadership



Operations



Real Estate

Joy Berry

Independent Director Since: **2020**
Director Class: **III**

Term Expires: **2025**
Age: **64**

Committees: **Compensation, Nominating & Corporate Governance**

Ms. Berry has over 35 years of experience across the hospitality and real estate industries. From 2015 to May 2020, Ms. Berry served as the Chief Operating Officer of Luxe Hotels & Luxe Collection hotels, a curated community of 4- and 5-star luxury properties around the world. She is also Co-Founder of Silver Lining Hospitality, a consulting company founded in 2014 focused on the acquisition, renovation and management of small, independent inns along the California Central Coast. Ms. Berry holds a Bachelor of Science in Business Administration from the University of Arizona.

The Board believes that Ms. Berry's experience in operations or both hospitality and real estate enable her to provide meaningful guidance to our Board.

Key Qualifications and Skills:



Finance



Hospitality



Accommodations



Strategic Planning



M & A



Leadership



Operations



Real Estate

Barbara J. Faulkenberry

Independent Director Since: **2021**
Director Class: **II**
Term Expires: **2023**
Age: **62**

Committees: **Audit, Nominating & Corporate Governance**
Other U.S. Public Company Directorships within last five years:
Callon Petroleum Company, USA Truck
Other Select Directorships: **National Association of Corporate Directors, Colorado Chapter**

Ms. Faulkenberry retired from the U.S. Air Force in 2014 as a Major General (2-stars) after a 32-year career, finishing in the top 150 leaders of a 320,000-person global organization. Her last assignment was as Vice Commander (COO) and interim Commander (CEO) of a 37,000-person organization conducting all global Department of Defense air cargo, passenger, and medical patient movements with 1,100 military aircraft plus contracted commercial aircraft. Ms. Faulkenberry currently serves on the board of directors for Callon Petroleum Company, an independent oil and natural gas company, where she serves on the Audit and Nominating, Environmental, Social & Governance Committees, and USA Truck Inc., a provider of logistics and trucking services across North America, where she serves as chair of the Strategy & Risk Committee and as a member of the Audit and Nominating and Corporate Governance Committees. Ms. Faulkenberry is National Association of Corporate Directors ("NACD") "Director Certified" and also holds a certification in cyber oversight for corporate directors from Carnegie Mellon University and NACD. Ms. Faulkenberry received a B.S. degree from the Air Force Academy in 1982, an M.B.A. from Georgia College in 1986, and a Master of National Security from the National Defense University in 1999. She has also attended strategic leadership courses at Harvard University, University of Cambridge, and Syracuse University.

The Board believes that Ms. Faulkenberry's experience in the U.S. Air Force, commanding global mobilization and logistics efforts, will enhance the Company's ability to evaluate and execute on additional government services opportunities. Additionally, her cyber oversight and commitment to excellence in corporate board governance are crucial to the oversight of both the Audit and Nominating and Corporate Governance committees. Further, Ms. Faulkenberry's expertise in serving a diverse constituency, across a variety of end-market applications, will strengthen the Company's ability to assess a broad range of other value-added growth efforts and thus provide meaningful guidance to our Board.

Key Qualifications and Skills:



Cyber Security



Finance



Government



Strategic Planning



Other Public Boards



International



Leadership



Operations

Martin L. Jimmerson

Independent Director Since: **2019**
 Director Class: **I**

Term Expires: **2022**
 Age: **58**
 Committees: **Audit (Chair), Compensation**

Mr. Jimmerson is currently the CEO and CFO of NorAm Drilling Company, which owns and operates rigs for drilling of horizontal wells in the U.S. Mr. Jimmerson joined NorAm Drilling Company in January 2017 as CFO and Interim CEO. Prior to that, he served as the Senior Vice President and CFO and later the Interim CEO and President of RigNet, Inc., from 2006 to June 2016, a global technology company that provides communications services, applications, real-time machine learning, and cybersecurity solutions. Mr. Jimmerson worked for River Oaks Imaging & Diagnostic, LP, a company that provides full modality technical diagnostic services using magnetic resonance imaging and other diagnostic equipment, as their CFO from 2002 to 2005. Mr. Jimmerson received a bachelor's degree in accounting from Baylor University.

The Board believes that through Mr. Jimmerson's experience in senior executive positions, he brings significant knowledge of accounting, capital structures, finance, financial reporting, strategic planning and forecasting. Further, his experience qualifies him as an "audit committee financial expert." He currently serves as the chair of the Audit Committee and, as the chair, he contributes significantly to the oversight of the integrity of our financial statements, internal controls and ethics and compliance functions thus enabling him to provide meaningful guidance to our Board.

Key Qualifications and Skills:



Cyber Security



Finance



Strategic Planning



M & A



Leadership



Operations

Linda Medler

Independent Director Since: 2022
Director Class: II
Term Expires: 2023
Age: 65

Committees: **Audit, Compensation**
Other U.S. Public Company Directorships within last five years:
PNC Financial Services Group
Other Select Directorships: **TransAmerica Insurance (AEGON North America), Operation Homefront**

Ms. Medler has more than 20 years of experience managing cutting-edge cyber and technology strategies for highly regulated public and private financial institutions as well as within the highest levels of government. In 2014, Ms. Medler completed 30 years of total military service, including 27 years of service in the U.S. Air Force, retiring as a Brigadier General. Her last position held was Director of Capability and Resource Integration for the United States Cyber Command. She currently is Founder, President and CEO of L A Medler & Associates, LLC, providing cyber strategy and operational consulting services to a variety of commercial clients. Ms. Medler previously served from June 2015 to December 2017 as the Chief Information Security Officer and Director of IT Security for Raytheon Missile Systems, a major business unit of Raytheon Company (now Raytheon Technologies), a technology and innovation leader specializing in defense, civil government and cybersecurity solutions. She remained at Raytheon as a Cyber Advisor until 2018. During her Air Force military service, from 1987 to 2014, she served in a myriad of leadership positions, and commanded units at the Squadron, Group and Wing level, as well as serving multiple assignments for the Joint Chiefs of Staff. Ms. Medler currently sits on the board of directors for PNC Financial Services Group, and TransAmerica Insurance (AEGON North America), as well as Operation Homefront, a national nonprofit supporting Veterans and their families. In 2022, she will Chair the Risk Committee for TransAmerica Insurance in addition to a number of private risk, compliance, technology, and nominating and governance committees. Ms. Medler received a BBA in Management & Computer Information Systems from the University of Arkansas at Little Rock, an MS in National Security & Strategic Studies from the Naval War College, and an MBA in Management Information Systems Concentration from the University of Arizona.

The Board believes that Ms. Medler’s experience in enterprise risk oversight, cyber risk mitigation and serving in critical positions across government, private and non-profit organizations will enhance the Company’s ability to pursue strategic value-added growth opportunities within these segments, while building on the Company’s reputation as a trusted provider of critical support services to the United States Government, and thus provide meaningful guidance to our Board.

Key Qualifications and Skills:



Cyber Security



Finance



Government



Accommodations



Strategic Planning



Other Public Boards



International



Leadership



Operations

Pamela H. Patenaude

Independent Director Since: **2021**

Director Class: **I**

Term Expires: **2022**

Age: **61**

Committees: **Audit, Nominating & Corporate Governance (Chair)**

Other U.S. Public Company Directorships within last five years:

loanDepot, Inc., CoreLogic, Inc. (former)

Other Select Directorships: **Habitat for Humanity International, Bipartisan Policy Center, Center Creek's Social Impact Advisory Board; FDIC Advisory Committee on Economic Inclusion (former)**

Ms. Patenaude is a real estate, housing policy and disaster recovery expert with three decades of experience as an executive in government, the nonprofit sector and private industry. From 2017 until 2019, Ms. Patenaude served as the deputy secretary of the U.S. Department of Housing and Urban Development (“**HUD**”). Earlier in her career, Ms. Patenaude served as assistant secretary for community planning and development at HUD. She currently serves on the board of directors of loanDepot, Inc. a financial services company, where she serves on the Audit Committee. She also serves on the board of directors for Habitat for Humanity International and the Bipartisan Policy Center and serves on the social impact advisory board of Center Creek. Ms. Patenaude is a trustee and vice chairman of the Home Builders Institute and formerly a member of the FDIC Advisory Committee on Economic Inclusion. Ms. Patenaude is the principal of Granite Housing Strategies, LLC, where she serves as a strategic advisor for clients engaged in real estate development, affordable housing and disaster recovery management. Ms. Patenaude recently served as an independent director of CoreLogic, Inc., where she was a member of the Audit and Compensation Committees. Ms. Patenaude previously served as the President of the J. Ronald Terwilliger Foundation for Housing America's Families, a national nonprofit, education, and research organization dedicated to illuminating America's affordable housing crisis. Ms. Patenaude earned a Bachelor of Science degree from Saint Anselm College and a Master of Science degree in community economic development from Southern New Hampshire University.

The Board believes that Ms. Patenaude's experience serving as a senior executive in both the federal government and nonprofit organizations enhances our ability to pursue highly economic growth opportunities and builds on the foundation the Company has created as an established provider of essential service offerings to the United States Government. Her diverse experience will provide meaningful guidance to the Nominating and Corporate Governance Committee as Chair as well as to our Board as the Company executes its growth strategy.

Key Qualifications and Skills:



Finance



Government



Strategic Planning



Other Public Boards



Accommodations



International



Leadership



Real Estate

Jeff Sagansky

Independent Director Since: **2018**
 Director Class: **I**
 Term Expires: **2022**
 Age: **70**

Committees: **Compensation (Chair), Nominating & Corporate Governance**
 Other U.S. Public Company Directorships within last five years:
WillScot Mobile Mini Holdings Corp., Screaming Eagle Acquisition Corp., Sharecare, Inc., Falcon Acquisition Corp. (former), Global Eagle Entertainment Inc. (former), Scripps Networks Interactive, Inc. (former), Starz, Inc. (former)

Mr. Sagansky is a founding investor of both Flying Eagle Acquisition Corp., which was merged with Skillz Inc. in December 2020 and Soaring Eagle Acquisition Corp., which was merged with Gingko Bioworks Holdings, Inc. in September of 2021. Mr. Sagansky also served as the Chairman and CEO of Diamond Eagle Acquisition Corp., from May 2019 to April 2020 when it merged with DraftKings Inc. Mr. Sagansky has been a director of WillScot Mobile Mini Holdings Corp. (formerly WillScot Corporation) since Double Eagle Acquisition Corp., WillScot Corporation's predecessor company, was formed on June 26, 2015 and served as Double Eagle's President and Chief Executive Officer from August 2015 until the consummation of its business combination in November 2017. Mr. Sagansky also currently serves on the boards of Screaming Eagle Acquisition Corp. and Sharecare, Inc. Mr. Sagansky was former President of CBS Entertainment and Co-President of Sony Pictures Entertainment.

The Board believes Mr. Sagansky brings significant experience as an executive and director of growth-oriented public and private companies as chair of our Compensation Committee. His prior work on multiple business combinations, mergers and acquisitions and capital raising enable him to provide meaningful guidance to our Board.

Key Qualifications and Skills:



Finance



Strategic Planning



M & A



Other Public Boards



International



Leadership

DIRECTOR NOMINATIONS

Process for Nominating Directors

SOURCING CANDIDATES

The Nominating and Corporate Governance Committee solicits and receives recommendations for potential director candidates from stockholders, management, directors and other sources.

CRITERIA

The Nominating and Corporate Governance Committee will select nominees based on independence, reputation, integrity, diversity of experience and background, depth of business experience, familiarity with national and international business matters, familiarity with the company's industry, other professional commitments, the ability to exercise sound judgment, and other relevant factors.

EMPHASIS ON DIVERSITY

The Board values the full breadth of diversity of personal factors and professional characteristics and believes that board diversity of all types provides significant benefits to the company. The Board recently updated the Nominating and Corporate Governance Committee Charter to specifically focus on its desire to seek diverse Board membership that is representative of our business, stockholders, customers, and employees. In order to build and maintain a group of directors that provides effective oversight of the management of the company, the Nominating and Corporate Governance Committee considers the Board's overall composition when considering director candidates, including whether the Board has an appropriate combination of varied professional experience, skills, knowledge, viewpoints and personal backgrounds in light of the company's current and expected future needs.

RESULTS

Over the past year, members of the Nominating and Corporate Governance Committee have continued their outreach to potential director candidates with a wide range of personal factors and professional characteristics, such as Government services expertise, that could be valuable additions to our Board and have undertaken to include individuals from a variety of diverse backgrounds, including women, persons with ethnically or racially diverse backgrounds, LGBTQ+ status and others with unique perspectives, such as veteran status, and talents in each pool from which we select new director nominees. As of January 1, 2022, 50% of our directors are women, one of which is the Chair of the Nominating and Corporate Governance Committee, two directors are veterans, and one director identifies as a member of the LGBTQ+ community. Our Board also displays age diversity, with an average age of 61 years of age. Our Board and Nominating and Corporate Governance Committee remain committed to actively seeking out candidates who strengthen the diversity of viewpoints on our Board.

Stockholder Nominations

The Nominating and Corporate Governance Committee considers unsolicited inquiries and director nominees recommended by stockholders in the same manner as nominees from all other sources. Recommendations should be sent to:



Corporate Secretary

9320 Lakeside Boulevard, Suite 300
The Woodlands, Texas 77381

PROPOSAL 1: ELECTION OF DIRECTORS

Stockholders may nominate a director candidate to serve on the Board by following the procedures described in our bylaws.

Deadlines for stockholder nominations for Target Hospitality's 2023 annual meeting of stockholders are included in the "Stockholder Proposals and Director Nominations for the 2023 Annual Meeting" section on page 48.

Board Meeting Attendance

BOARD AND COMMITTEE MEETINGS

Directors are expected to participate in (including through remote communications) all meetings of the Board and each Committee on which they serve. In 2021, the Board and each Committee held the following number of meetings:

FULL BOARD OF DIRECTORS	AUDIT	COMPENSATION	NOMINATING & CORPORATE GOVERNANCE
5 MEETINGS 100% attendance	5 MEETINGS 100% attendance	4 MEETINGS 100% attendance	3 MEETINGS 100% attendance

Other Meetings

We regularly schedule executive sessions and independent executive sessions in which non-executive directors meet without the presence or participation of non-independent directors and/or management, including our CEO.

Directors are generally expected to attend our annual stockholders meetings. At our 2021 Annual Meeting of Stockholders, 62.5% of our directors were in attendance.

COMMITTEES OF THE BOARD OF DIRECTORS

Current Committee Membership

AUDIT	COMPENSATION	NOMINATING & CORPORATE GOVERNANCE
■ Martin Jimmerson (Chair) ■ Barbara Faulkenberry ■ Pamela Hughes Patenaude ■ Linda Medler	■ Jeff Sagansky (Chair) ■ Joy Berry ■ Martin Jimmerson ■ Linda Medler	■ Pamela Hughes Patenaude (Chair) ■ Joy Berry ■ Barbara Faulkenberry ■ Jeff Sagansky

Committee Membership January 1—December 31, 2021

AUDIT	COMPENSATION	NOMINATING & CORPORATE GOVERNANCE
■ Martin Jimmerson (Chair) ■ Barbara Faulkenberry ■ Pamela Hughes Patenaude ■ Jeff Sagansky ■ Andrew Studdert**	■ Andrew Studdert (Chair)** ■ Eli Baker** ■ Joy Berry ■ Martin Jimmerson ■ Stephen Robertson*	■ Jeff Sagansky (Chair) ■ Joy Berry ■ Barbara Faulkenberry ■ Andrew Studdert** ■ Gary Lindsay*

* Consistent with Nasdaq rule requirements, effective as of March 15, 2021, Mr. Robertson ceased being a member of our Compensation Committee and Mr. Lindsay ceased being a member of our Nominating and Corporate Governance Committee.

** Effective December 31, 2021, Messrs. Baker, Lindsay and Studdert resigned from the Board.

Each standing Committee of our Board operates under a written charter. The Committee charters are reviewed annually, and more frequently as necessary, to address any new rules or best practices relating to the responsibilities of the applicable Committee, or changes to such rules and best practices. The applicable Committee approves its own charter amendment and submits it and recommends action by the Board.

A copy of each Committee charter is available on our corporate website at investors.targethospitality.com/governance/.

AUDIT COMMITTEE

MEETINGS IN 2021: 5

MARTIN
JIMMERSON
(CHAIR)

BARBARA
FAULKENBERRY

PAMELA HUGHES
PATENAUDE

LINDA
MEDLER

PRIMARY RESPONSIBILITIES:

- the integrity of our financial reporting process and internal control system;
- the independence and performance of our independent registered public accounting firm;
- the disclosure controls and procedures established by management; and
- risk assessment, including cybersecurity, and risk management policies and practices.

In discharging these responsibilities, the Audit Committee, among other things:

- appoints, oversees and retains our independent registered public accounting firm;
- reviews and discusses the scope of the annual audit and written communications by our independent registered public accounting firm to the Audit Committee and management;
- oversees our financial reporting activities, including the annual audit and the accounting standards and principles we follow;
- approves audit and non-audit services by our independent registered public accounting firm and applicable fees;
- reviews and discusses our periodic reports filed with the SEC;
- reviews and discusses our earnings press releases and communications;
- oversees our internal audit activities;
- oversees our disclosure controls and procedures and reviews our internal controls over financial reporting;
- reviews and discusses risk assessment and risk management policies and practices;
- oversees the administration of our Code of Business Conduct and Ethics and other ethics policies; reviews, discusses and approves related-party transactions;
- and administers the policy with respect to the hiring of former employees of our independent registered public accounting firm.
- In addition, the Audit Committee performs an annual self-evaluation, reviews its charter and recommends changes to the Board for approval, and prepares the audit committee report required to be included in our annual proxy statement.

COMPENSATION COMMITTEE

MEETINGS IN 2021: 4

JEFF
SAGANSKY
(CHAIR)JOY
BERRYMARTIN
JIMMERSONLINDA
MEDLER

PRIMARY RESPONSIBILITIES:

- reviewing non-executive director compensation and recommending changes to the Board for approval;
- reviewing and approving the compensation of our CEO and other executive officers; administering our equity-based compensation plans and approving awards thereunder;
- establishing objective performance goals, individual award levels and operative and subjective performance measures, and overseeing all aspects of executive officer incentive compensation;
- reviewing and approving employment, consulting and other contracts, or arrangements with present and former executive officers;
- overseeing the process relating to succession planning for our CEO and other executive officers;
- reviewing the compensation disclosures in the annual proxy statement and annual report on Form 10-K filed with the SEC and discussing the disclosures with management;
- overseeing the company's human capital function, including as it relates to culture, management development and diversity; and
- submitting all equity-based compensation plans, executive officer compensation plans and material revisions to such plans to a vote of the Board, and to a vote of stockholders if required.
- In addition, the Compensation Committee performs an annual self-evaluation, reviews its charter and recommends changes to the Board for approval.

INDEPENDENCE & OTHER MATTERS

The Board has determined that all Compensation Committee members are non-employee directors and qualify as independent directors. In making its determination, the Board has considered all factors specifically relevant to determining whether a director has a relationship with the company that would materially impair the director's ability to make independent judgments about executive officer compensation, including:

- the source of such director's compensation;
- any consulting, advisory or other compensatory fees paid by the company to the director; and
- any other affiliations the director has with the company and its affiliates, including engagements by clients that are companies or affiliates of companies for which members of the Compensation Committee serve as officers or directors.

The Compensation Committee and the Board solicit recommendations from our CEO and other officers regarding compensation matters, including the compensation of executive officers and key employees other than our CEO. They assist the Compensation Committee by providing information such as financial results, short-term and long-term business and financial plans, and strategic objectives, as well as their views on compensation programs and levels. Only members of the Compensation Committee vote on matters before that Committee.

Compensation Consultant

Under its charter, the Compensation Committee is authorized to select, retain and direct the activities, and terminate the services, of compensation advisors, as well as approve fees and expenses of such advisors. The Compensation Committee retained Frederic W. Cook & Company ("**FW Cook**") as its independent compensation consultant. The Compensation Committee periodically evaluates FW Cook's independence from management, taking into consideration all relevant factors, including the independence factors specified in SEC regulations and Nasdaq listing rules.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee serves as, or has in the prior three years served as, one of our officers or employees at any time. None of our executive officers serves as, or in the prior three years has served as, a member of the board or compensation committee of any other company that has an executive officer serving as a member of our Board or the Compensation Committee.

NOMINATING & CORPORATE GOVERNANCE COMMITTEE

MEETINGS IN 2021: 3

PAMELA HUGHES
PATENAUDE
(CHAIR)

JOY
BERRY

BARBARA
FAULKENBERRY

JEFF
SAGANSKY

PRIMARY RESPONSIBILITIES:

- identifying and qualifying the annual slate of directors for nomination by the Board;
- considering director candidates recommended by securityholders;
- assessing the independence of our directors;
- identifying and qualifying the candidates for Chairman of the Board and for membership and chairmanship of the Committees for appointment by the Board;
- identifying and qualifying candidates to fill vacancies occurring between annual meetings of stockholders for election by the Board;
- monitoring compliance with, and reviewing proposed changes to, our Corporate Governance Guidelines, the Committee charters, and other policies and practices relating to corporate governance for submission to the Board for approval;
- monitoring and reviewing responses to stockholder communications with non-management directors together with the Chairman of the Board; and
- overseeing the process for director education and Board and Committee self-evaluations.
- In addition, the Nominating and Corporate Governance Committee performs an annual self-evaluation, reviews its charter and recommends changes to the Board for approval.

INDEPENDENCE & OTHER MATTERS

The Board has determined that all Nominating and Corporate Governance Committee members are non-employee directors and qualify as independent directors.

As part of its consideration of director succession, the Nominating and Corporate Governance Committee will take into account the appropriate personal factors and professional characteristics required of board members, which may include: diversity of race, ethnicity, gender, age, education, cultural background, business skills, financial literacy, demonstrated leadership, qualifications and professional experiences, and the extent to which the candidate would fill present and expected needs on the Board.

Director Compensation

In 2021, the annual compensation package for our non-executive directors consisted of:

Position	Cash Amount	Restricted Stock (one year vesting)
Retainers⁽¹⁾		
Non-Executive Chair	\$250,000	\$250,000
All Other Non-Executive Directors	\$ 75,000	\$100,000
Special Committee Member ⁽²⁾	\$ 12,500	—
Committee Chair Retainer⁽¹⁾		
Audit Committee	\$ 25,000	—
Compensation Committee	\$ 25,000	—
Nominating and Corporate Governance Committee	\$ 25,000	—
Special Committee ⁽²⁾	\$ 25,000	—
Other	Reimbursement for reasonable out-of-pocket expenses incurred in connection with travel to and from, and attendance at, meetings of the Board or its committees and related activities, including director education courses and materials.	

- (1) Directors are compensated an additional \$1,000/meeting for Board or standing Committee meetings in excess of 6 meetings per committee/board per year.
- (2) Directors were compensated for their service on a special committee of the Board convened in November 2020. The special committee was dissolved in March 2021.

We remain committed to ensuring that our compensation structure for our non-executive directors appropriately adjusts for varying levels of responsibilities and time commitments and that the overall annual compensation package enables us to attract and retain qualified and experienced individuals to serve as non-executive directors and to align our director's interests with those of our stockholders.

2021 Non-Executive Director Compensation Table

Position	Fees Earned or Paid in Cash	Stock Awards	All Other Compensation	Total
Stephen Robertson ⁽¹⁾	\$250,000	\$250,000	—	\$500,000
Eli Baker	\$ 75,000	\$100,000	—	\$175,000
Joy Berry	\$ 85,000	\$100,000	—	\$185,000
Barbara Faulkenberry ⁽²⁾	\$ 30,616	\$ 78,629		\$109,245
Martin L. Jimmerson	\$110,000	\$100,000	—	\$210,000
Gary Lindsay ⁽¹⁾	\$ 75,000	\$100,000	—	\$175,000
Pamela Patenaude ⁽³⁾	\$ 22,603	\$ 65,760		\$ 88,363
Jeff Sagansky	\$100,000	\$100,000	—	\$200,000
Andrew Studdert	\$108,356	\$100,000	—	\$208,356

(1) In accordance with the internal policies of TDR Capital, fees and awards paid to Messrs. Robertson and Lindsay, in their capacity as non-executive directors, were transferred to an affiliate of TDR Capital.

(2) Ms. Faulkenberry joined the Board on August 4, 2021.

(3) Ms. Patenaude joined the Board on September 20, 2021.

Board Election & Leadership Structure

Directors are elected by a plurality of the votes cast for such director. As detailed further below, if an incumbent director does not receive a greater number of “for” votes than “withheld” votes, then such director must tender his or her resignation to the Board for its consideration.

The Board’s policy is that the Chairman of the Board must be a non-employee director. The Nominating and Corporate Governance Committee and the Board believe that this leadership structure is the most appropriate one for the company at this time, as it allows our CEO to focus on the day-to-day management of the business and on executing our strategic priorities, while allowing the Chairman to focus on leading the Board, providing its advice and counsel to the CEO, and facilitating the Board’s independent oversight of management.

The Board's Role in Risk Oversight

Each committee reports on discussions of the applicable risks to the Board during the committee reports portion of each meeting of the Board, as appropriate. The Board considers each committee's report, and incorporates the insight provided by the reports into its overall risk management analysis.

Board of Directors

The Board oversees the risk management of our company. In particular, the Board is responsible for monitoring and assessing strategic risk exposure, including a determination of the nature and level of risk appropriate for us. The Board administers its oversight of our material risks directly through the Board as a whole, as well as through the committees of Board.



Audit Committee

The Audit Committee, in addition to overseeing financial report and control risks, is responsible for reviewing and discussing risk assessment and risk management policies and practices. Further, the Audit Committee receives updates at every regularly scheduled meeting on cybersecurity risks from management and reviews how we are executing against our cybersecurity framework. From time to time, the Audit Committee may receive updates on efforts regarding data loss prevention, regulatory compliance, data privacy, threat and vulnerability management, cyber-crisis management, or other topics, as applicable.

Compensation Committee

The Compensation Committee oversees risks related to our executive compensation plans and arrangements and in doing so considers gender and other protected groups' pay equality.

Nominating & Corporate Governance Committee

The Nominating and Corporate Governance Committee oversees risks associated with the independence of the Board and potential conflicts of interest.

DUTIES & RESPONSIBILITIES OF THE CHAIRMAN

- | | |
|---|---|
| <ul style="list-style-type: none"> ■ Presides at all meetings of the Board ■ Encourages and facilitates active participation of all directors ■ Serves as a liaison between the non-executive directors and our CEO ■ Approves Board meeting materials for distribution | <ul style="list-style-type: none"> ■ Approves Board meeting schedules and agendas ■ Has the authority to call meetings of the directors ■ Leads the Board's annual evaluation of our CEO ■ Monitors and coordinates with management on corporate governance issues and developments |
|---|---|

Corporate Governance Guidelines

Our Board has adopted Amended and Restated Corporate Governance Guidelines that reflect its commitment to oversee the effectiveness of policy and decision-making at the Board and management level, with a view to enhancing stockholder value over the long-term. Our Corporate Governance Guidelines are available online at investors.targethospitality.com/governance.

Majority Voting Policy

An incumbent director who receives a greater number of votes “withheld” from his or her election than votes “for” such election in an uncontested election shall, within five days following the certification of the election results, tender his or her written resignation to the Chair of the Board for consideration by the Nominating and Corporate Governance Committee. The Corporate Governance Committee shall consider such resignation and, within 45 days following the date of the stockholder meeting at which the election of directors occurred, shall make a recommendation to the Board concerning the acceptance or rejection of such resignation.

Following the Board’s decision on the Nominated and Corporate Governance Committee’s recommendation, the company, within four business days after such decision is made, shall publicly disclose, in a Form 8-K filed with the SEC, the Board’s decision, together with an explanation of the process by which the decision was made and, if applicable, the Board’s reason or reasons for rejecting the tendered resignation.

Codes of Business Conduct & Ethics

Our Board has adopted a Code of Business Conduct and Ethics, which applies to our directors, officers and employees, and a Code of Ethics for the Chief Executive Officer and Senior Financial Officers, which supplements our Code of Business Conduct and Ethics and applies to our CEO, principal financial officer, principal accounting officer and controller. Copies of the Code of Business Conduct and Ethics and the Code of Ethics for the Chief Executive Officer and Senior Financial Officers are available online at ***investors.targethospitality.com/governance***. If the Board grants a waiver under our Code of Business Conduct and Ethics to any director, executive officer or senior financial officer, or we make any substantive amendment to the Code of Business Conduct and Ethics or grant any waiver thereunder to a covered officer, we will promptly disclose the nature of the applicable waiver or amendment on our website.

Prohibition against Hedging and Pledging

Pursuant to our Corporate Governance Guidelines, Directors and Section 16 officers should not speculate or hedge their interests in our stock. Therefore, Directors and Section 16 officers are prohibited from entering into any derivative transactions in our stock, including any short sale, forward, equity swap, option or collar that is based on the company’s stock price. Notwithstanding such prohibition, certain transactions may be authorized if determined by the Board to be in the best interests of the company. Further, directors and officers shall not, directly or indirectly, pledge, hypothecate, or otherwise encumber our securities as collateral for indebtedness or any other obligation. This prohibition includes, but is not limited to, holding such securities in a margin account.

Stock Ownership Guidelines

We have stock ownership guidelines for directors, members of the executive management team and other officers. We believe that a significant ownership stake by directors and officers leads to a stronger alignment of interests between directors, officers and stockholders. These guidelines, which were developed with the assistance of an independent compensation consultant, support our corporate governance focus and provide further alignment of interests among our directors and executive officers and stockholders.

These guidelines establish the ownership requirements of shares of the company's common stock determined as a multiple of (i) with respect to non-employee directors, a director's annual cash retainer (excluding the additional annual cash retainer for leadership positions) and (ii) with respect to the executive officers, an executive's base salary. The ownership target requirements by the covered individual's position are as follows:

Position	Stock Ownership Guidelines
	Five Time (5x) Cash Retainer
Non-Employee Director	
	Five Times (5x) Base Salary
Chief Executive Officer ("CEO")	
	Three Times (3x) Base Salary
Chief Financial Officer ("CFO") and Chief Commercial Officer ("CCO")	
	Two Times (2x) Base Salary
Section 16 Officers, other than the CEO, CFO and CCO	

Subject to the discretion of the Compensation Committee, a covered individual's failure to meet or show sustained progress toward meeting the applicable ownership guideline may result in an obligation to refrain from the sale (other than for taxes) of certain percentages of stock attained through company equity awards. The shares counted for purposes of our officers' common stock ownership guidelines include shares owned outright, RSUs, stock options (vested, in-the-money), and other share based equivalents that we may use from time to time.

Diversity and Inclusion

Diversity and inclusion are an important part of who we are and are supported at all levels of the company.

We are passionate about building a diverse workforce and realizing the benefits that come from sharing a variety of perspectives. Our approach to diversity and inclusion is comprehensive. With support from the Board and executive team, the company drives its diversity and inclusion initiatives through many efforts.

The initiatives are operationalized through three core elements:

- 1** senior management's endorsement of and alignment with the programs;
- 2** focused efforts in increasing diversity in the talent pipeline and our hiring; and
- 3** creating an inclusive work environment where differences are welcomed.

Over the past year, members of the Nominating and Corporate Governance Committee have continued their outreach to potential director candidates with a diversity of personal factors and professional characteristics that could be valuable additions to our Board. Our Board and Nominating and Corporate Governance Committee remain committed to actively seeking out candidates who strengthen the diversity of viewpoints on our Board and have undertaken to include women and persons with ethnically or racially diverse backgrounds, as well as those who identify as members of the LGBTQ+ community, in each pool from which we select new director nominees. Evidencing this commitment to diversity and inclusion, in 2021, we announced the appointment of three new female directors Ms. Faulkenberry, Medler and Patenaude to our Board. As of January 1, 2022, women constituted 50% of our Board.

Board Diversity Matrix (As of March 22, 2022)

Total Number of Directors	8			
	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	4	4	0	0
Part II: Demographic Background				
African American or Black	0	0	0	0
Alaskan Native or Native American	0	0	0	0
Asian	0	0	0	0
Hispanic or Latinx	0	0	0	0
Native Hawaiian or Pacific Islander	0	0	0	0
White	4	3	0	0
Two or More Races or Ethnicities	0	0	0	0
LGBTQ+			1	
Did Not Disclose Demographic Background			1	

As of December 31, 2021, women constituted 38% of our workforce and self-identified racial or ethnic minorities represented 75% of our workforce.



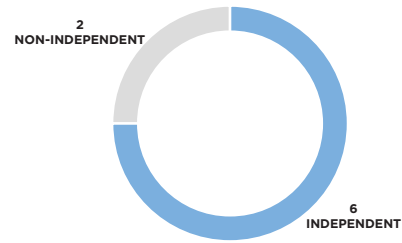
Board Evaluation Process

Each year, the Board expects to conduct a rigorous annual self-evaluation to help determine whether the Board and its committees are functioning effectively. The Nominating and Corporate Governance Committee oversees this process. The self-evaluation process solicits input from the directors regarding the performance and effectiveness of the Board, the Committees and the individual directors, and provides an opportunity for directors to identify areas for improvement. The Nominating and Corporate Governance Committee reviews the results and feedback from the self-evaluation process and makes recommendations for improvements, as appropriate.

Director Independence

Nasdaq listing rules require a majority of our Board to be independent. An “independent director” is defined as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which, in the opinion of the company’s Board, would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director.

Our Board annually makes an affirmative determination regarding the independence of each director based upon the recommendation of the Nominating and Corporate Governance Committee and pursuant to the standards in our Corporate Governance Guidelines. Applying these standards, the Board has affirmatively determined that Mses. Berry, Faulkenberry, Medler and Patenaude and Messrs. Jimmerson and Sagansky are “independent directors.”



In making this determination, the Board considered the following factors, among others: the ownership positions and contractual arrangements of our Board members and their affiliates with our company; the corporate governance and other policies adopted by the Board to help avoid conflicts and potential conflicts of interest; the contractual arrangements and annual payments between our company and other companies upon which our directors also serve as directors; and, the alignment of the long-term interests of the stockholders that appointed our Board members with the long-term interests of our other stockholders. Mr. Robertson is a founding partner of TDR Capital, the beneficial owner of a majority of the outstanding shares of our common stock. Due to TDR Capital's majority ownership, the Board believes it cannot affirmatively determine Mr. Robertson is “independent” as defined by the rules and regulations of Nasdaq.

Communication with the Board

Stockholders, employees and other interested parties may communicate with any of our directors, our Board as a group, our independent directors as a group or any Board committee as a group by sending such communications to the Corporate Secretary to be forwarded to the Chairman of the Board. The Corporate Secretary may respond directly or redirect any such communication to another department of the company for an appropriate response if, in the discretion of the Corporate Secretary, such a direct response is more appropriate. The Corporate Secretary may also ignore any communication that she determines to be of a commercial or frivolous nature or otherwise inappropriate for Board consideration.



Corporate Secretary

9320 Lakeside Boulevard, Suite 300
The Woodlands, Texas 77381

PROPOSAL 2: APPROVE AMENDMENTS TO THE A&R CHARTER OF THE COMPANY TO DECLASSIFY THE BOARD OF DIRECTORS

PROPOSAL 2 SNAPSHOT

The Board seeks approval from stockholders to amend the company's A&R Charter to declassify the Board.

The Board recommends you vote **FOR** this proposal. The Board considered several potential advantages of declassification in light of our current circumstances, including the ability of stockholders to evaluate directors annually.

Background

Our A&R Charter currently provides that the Board shall be divided into three classes, with each class to consist, as nearly as may be possible, of one-third of the total number of directors. The classification of the Board results in staggered elections, with a different class of directors standing for election every third year at the company's Annual Meeting. After careful consideration, the Board approved, declared advisable, and recommended that our stockholders approve at the Annual Meeting amendments to the A&R Charter to declassify the Board.

Rationale for the Declassification of Our Board

The Board took into consideration arguments in favor of and against continuation of the classified board structure and determined that it is in the best interests of the company and its stockholders to declassify the Board. The Board considered the advantages of maintaining the classified board structure in light of our current circumstances, including that a classified board structure enhances the continuity and stability of the Board and helps our company attract and retain committed directors who are able to develop a deeper knowledge of our business and the environment in which we operate and focus on long-term strategies. A classified board structure also provides protection against certain abusive takeover tactics and more time to solicit higher bids in a hostile takeover situation because it is more difficult to change a majority of directors on the Board in a single year. While the Board continues to believe that these are important considerations, the Board also considered potential advantages of declassification in light of our current circumstances, including the ability of stockholders to evaluate directors annually. A structure which requires annual elections for the entire Board of Directors is perceived by some institutional stockholders as increasing the accountability of directors to all stockholders. After carefully weighing all of these considerations, the Board approved and deemed advisable the proposed amendments to the A&R Charter set forth below and recommended that the stockholders adopt such amendments by voting in favor of this proposal.

Proposed Amendments

The proposed amendments to the company's A&R Charter would phase out the classified board structure and provide for the annual election of all directors beginning at the 2023 Annual Meeting. The general description of the amendments set forth below is a summary only and is qualified in its entirety by, and subject to, the full text of the proposed amendments, which is attached as Annex A to this proxy statement.

The annual election of all directors will commence with the 2023 Annual Meeting under the proposed amendments. Accordingly, Class I directors elected at the 2022 Annual Meeting would serve a one-year term. Beginning with the 2023 Annual Meeting, all directors elected to the Board of Directors would serve a one-year term and would stand for election at each subsequent Annual Meeting. After the 2023 Annual Meeting, directors appointed to fill any newly created directorships resulting from an increase in the number of directors or any vacancies on the Board of Directors would serve until the next Annual Meeting.

Under Delaware law, directors of companies that have a classified board may be removed only for cause, unless the certificate of incorporation provides otherwise, and directors of companies that do not have a classified board may be removed with or without cause. Therefore, if the proposed amendments to the A&R Charter are approved by our stockholders, upon the effectiveness of the amendments, each director may be removed with or without cause from and after the 2023 Annual Meeting.

Vote Required

The affirmative vote of the holders of a majority of the voting power of the then outstanding shares of common stock is required to adopt the proposed amendments. Accordingly, abstentions and broker non-votes will have the same effect as votes against the proposal. If the stockholders approve the proposed amendments, the amendments to the A&R Charter will become effective upon the filing of a Certificate of Amendment to the A&R Charter setting forth the proposed amendments with the Delaware Secretary of State, which the Company expects to file promptly after the Annual Meeting. If the proposed amendments are not approved, the Board of Directors will remain classified.

PROPOSAL 3: AMEND THE INCENTIVE PLAN SOLELY TO INCREASE THE NUMBER OF SHARES AUTHORIZED FOR ISSUANCE UNDER THE INCENTIVE PLAN

PROPOSAL 3 SNAPSHOT

The Board seeks approval from stockholders to amend the Target Hospitality Corp. 2019 Incentive Award Plan solely to increase the number of shares of common stock authorized for issuance under the Incentive Plan by 4,000,000 shares to a total of 8,000,000 shares.

The Board recommends you vote **FOR** this proposal. The Board believes that the Amendment to the Incentive Plan will provide us with the continued ability to link participants' pay to stockholder returns, is a critical compensation component in its ability to attract, retain and motivate employees by aligning their interests with the interests of stockholders.

Overview

On February 24, 2022, our Board approved and adopted, subject to stockholder approval, an Amendment to the Target Hospitality Corp. 2019 Incentive Award Plan (the "Amended Incentive Plan"), under which we would be authorized to grant cash and equity incentive awards to eligible participants. The Amended Incentive Plan is intended as the successor to and continuation of our current incentive plan, the Incentive Plan. Under the Incentive Plan, initially adopted by the Board on March 15, 2019 in connection with the Business Combination, the Compensation Committee was authorized to grant an aggregate of 4,000,000 shares of our common stock in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, stock bonus awards, and performance compensation awards. The Amended Incentive Plan seeks to increase the number of shares of common stock authorized for issuance under the Amended Incentive Plan by 4,000,000 shares, to a total of 8,000,000 shares.

Purpose of and Reasons for the Amended Incentive Plan

The purpose of the Amended Incentive Plan is to assist us in attracting, motivating and retaining selected individuals who serve as our employees, directors and consultants, whose judgment, interest and special effort is critical to the successful conduct of our operation. We believe that the equity based awards to be issued under the Amended Incentive Plan will motivate the recipients to offer their maximum effort to us and help focus them on the creation of long-term value consistent with the interests of our stockholders. Further, we believe that grants of incentive awards are necessary to enable us to attract and retain top talent. As of March 22, 2022, shares under our existing incentive plan are largely exhausted. If the Amended Incentive Plan is not approved, we will be significantly limited in our ability to issue long term equity awards in 2022 and in subsequent years, which we believe will significantly impair our efforts in aligning employee's interests with those of stockholders, hiring and retaining top talent, and effecting the pay for performance component of our compensation philosophy.

Material Terms of the Amended Incentive Plan

The material terms of the Amended Incentive Plan are summarized below. As noted above, the Board approved and adopted, subject to stockholder approval, the Amended Incentive Plan on February 24, 2022. A copy of the Amended Incentive Plan is attached to this proxy statement as Annex B.

Administration. The Compensation Committee of the Board will administer the Amended Incentive Plan. The Compensation Committee will generally have authority to designate participants, determine the type or types of awards to be granted to a participant, determine the terms and conditions of any agreements evidencing any awards granted under the Amended Incentive Plan and to adopt, alter and repeal rules, guidelines and practices relating to the Amended Incentive Plan and to make any other determination and take any other action that it deems necessary or desirable for the administration of the Amended Incentive Plan. The Compensation Committee will have full discretion to administer and interpret the Amended Incentive Plan and to make any other determination and take any other action that it deems necessary or desirable for the administration of the Amended Incentive Plan.

Eligibility. Our employees, directors, officers, advisors or consultants and prospective employees, directors, officers, advisors or consultants are eligible to participate in the Amended Incentive Plan. The basis for participation in the Amended Incentive Plan is the Compensation Committee's decision, in its sole discretion, that an award to an eligible participant will further its purposes.

Number of Shares Authorized. If approved, the Amended Incentive Plan will reserve for issuance an aggregate of 8,000,000 shares of common stock. No more than 1,500,000 shares of Target Hospitality common stock may be granted under the Amended Incentive Plan to any participant during any fiscal year with respect to stock options and stock appreciation rights ("SARs"), no more than 1,500,000 shares of Target Hospitality common stock may be granted under the Amended Incentive Plan to any participant during any fiscal year with respect to performance compensation awards that are restricted stock, restricted stock units or stock bonus awards. The maximum aggregate grant-date fair value of awards granted and cash fees paid to any non-employee director pursuant to the Amended Incentive Plan during any fiscal year may not exceed a total value of \$600,000 provided that the Board may make exceptions to this limit for a non-executive Chair of the Board. Shares of Target Hospitality common stock underlying awards under the Amended Incentive Plan that are forfeited, cancelled, expired, unexercised or are settled in cash will be available again for new awards under the Amended Incentive Plan. If there is any change in our corporate capitalization, the Compensation Committee in its sole discretion may make substitutions or adjustments to the number of shares of Target Hospitality common stock reserved for issuance under the Amended Incentive Plan, the number of shares of Target Hospitality common stock covered by awards then outstanding under the Amended Incentive Plan, the limitations on awards under the Amended Incentive Plan, the exercise price of outstanding options and such other equitable substitution or adjustments as it may determine appropriate.

Term. The Amended Incentive Plan will have a term of ten years from the date it is approved by stockholders and no further awards may be granted under the Amended Incentive Plan after that date.

Awards Available for Grant. The Compensation Committee may grant awards of nonqualified stock options, ISOs, SARs, restricted stock awards, restricted stock units, stock bonus awards, performance compensation awards (including cash bonus awards) or any combination of the foregoing.

Options. The Compensation Committee will be authorized to grant options to purchase shares of Target Hospitality common stock that are either "qualified," meaning they are intended to satisfy the requirements of Section 422 of the Code, for ISOs, or "nonqualified," meaning they are not intended to satisfy the requirements of Section 422 of the Code. Options granted under the Amended Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Compensation Committee and specified in the applicable award agreement. In general, the exercise price per shares of Target Hospitality common stock for each option granted under the Amended Incentive Plan will not be less than the fair market value of such share at the time of grant. The maximum term of an option granted under the Amended Incentive Plan will be ten years from the date of grant (or five years in the case of ISOs granted to a 10% stockholder). However, if the option (including any options granted under the Amended Incentive Plan prior to the present amendment and restatement that are currently outstanding) would expire at a time when the exercise of the option by means of a cashless exercise or net exercise method (to the extent such method is otherwise then permitted by the Compensation Committee for purposes of payment of the exercise price and/or applicable withholding taxes) would violate applicable securities laws or any securities trading policy adopted by us, the expiration date applicable to the option will be automatically extended to a date that is thirty (30) calendar days following the date such cashless exercise or net exercise would no longer violate applicable securities laws or applicable securities trading policy (so long as such extension does not violate Section 409A of the Code), but not later than the expiration of the original exercise period.

Unless otherwise provided in an award agreement, options granted under the Amended Incentive Plan will vest on the fourth anniversary of the grant date. Payment in respect of the exercise of an option may be made in cash or by check, by surrender of unrestricted shares (at their fair market value on the date of exercise) that have been held by the participant for any period deemed necessary by our accountants to avoid an additional compensation charge or have been purchased on the open market, or the Compensation Committee may, in its discretion and to the extent permitted by law, allow such payment to be made through a broker-assisted cashless exercise mechanism, a net exercise method, or by such other method as the Compensation Committee may determine to be appropriate.

Stock Appreciation Rights. The Compensation Committee will be authorized to award SARs under the Amended Incentive Plan. SARs will be subject to the terms and conditions established by the Compensation Committee. A SAR is a contractual right that allows a participant to receive, either in the form of cash, shares of Target Hospitality common stock or any combination of cash and shares of Target Hospitality common stock, the appreciation, if any, in the value of a common share over a certain period of time. An option granted under the Amended Incentive Plan may include SARs and SARs may also be awarded to a participant independent of the grant of an option. SARs granted in connection with an option shall be subject to terms similar to the option corresponding to such SARs. SARs shall be subject to terms established by the Compensation Committee and reflected in the award agreement. Unless otherwise provided in an award agreement, SARs granted pursuant to the Amended Incentive Plan will vest and become exercisable on the fourth anniversary of the grant date.

Restricted Stock. The Compensation Committee will be authorized to award restricted stock under the Amended Incentive Plan. Unless otherwise provided by the Compensation Committee and specified in an award agreement, restrictions on restricted stock will lapse after four years of service with us. The Compensation Committee will determine the terms of such restricted stock awards, including any dividend or voting rights. Restricted stock is shares of Target Hospitality common stock that generally are non-transferable and subject to other restrictions determined by the Compensation Committee for a specified period. Unless the Compensation Committee determines otherwise or specifies otherwise in an award agreement, if the participant terminates employment or services during the restricted period, then any unvested restricted stock is forfeited. Dividends, if any, that may have been withheld by the Compensation Committee shall be distributed to the Participant in cash or, at the sole discretion of the Compensation Committee, in shares of Target Hospitality common stock having a fair market value equal to the amount of such dividends, upon the release of any applicable restrictions, if the applicable share is forfeited, the participant shall have no right to such dividends (except as otherwise provided in the applicable award agreement).

Restricted Stock Unit Awards. The Compensation Committee will be authorized to award restricted stock unit awards. Unless otherwise provided by the Compensation Committee and specified in an award agreement, restricted stock units will vest after four years of service with us. The Compensation Committee will determine the terms of such restricted stock units, including any dividend rights. Unless the Compensation Committee determines otherwise or specifies otherwise in an award agreement, if the participant terminates employment or services during the period of time over which all or a portion of the units are to be earned, then any unvested units will be forfeited. At the election of the Compensation Committee, the participant will receive a number of shares of Target Hospitality common stock equal to the number of units earned or an amount in cash equal to the fair market value of that number of shares of Target Hospitality common stock at the expiration of the period over which the units are to be earned or at a later date selected by the Compensation Committee. Dividends, if any, that may have been withheld by the Compensation Committee shall be distributed to the Participant in cash or, at the sole discretion of the Compensation Committee, in shares of Target Hospitality common stock having a fair market value equal to the amount of such dividends, upon the release of any applicable restrictions, if the applicable share is forfeited, the participant shall have no right to such dividends (except as otherwise provided in the applicable award agreement).

Stock Bonus Awards. The Compensation Committee will be authorized to grant awards of unrestricted shares of Target Hospitality common stock or other awards denominated in shares of Target Hospitality common stock, either alone or in tandem with other awards, under such terms and conditions as the Compensation Committee may determine.

Performance Compensation Awards. The Compensation Committee will be authorized to grant any award, including in the form of cash, under the Amended Incentive Plan in the form of a performance

compensation award by conditioning the vesting of the award on the satisfaction of certain performance goals, measured on an absolute or relative basis. The Compensation Committee may establish these performance goals with reference to one or more of the following: (i) net earnings or net income (before or after taxes); (ii) basic or diluted earnings per share (before or after taxes); (iii) net revenue or revenue growth; (iv) gross profit or gross profit growth; (v) operating profit (before or after taxes); (vi) return measures (including, but not limited to, return on assets, capital, invested capital, equity, or sales); (vii) cash flow (including, but not limited to, operating cash flow, free cash flow, net cash provided by operations and cash flow return on capital); (viii) financing and other capital raising transactions (including, but not limited to, sales of the Company's equity or debt securities); (ix) earnings before or after taxes, interest, depreciation and/or amortization; (x) gross or operating margins; (xi) productivity ratios; (xii) share price (including, but not limited to, growth measures and total stockholder return); (xiii) expense targets; (xiv) margins; (xv) productivity and operating efficiencies; (xvi) objective measures of customer satisfaction; (xvii) customer growth; (xviii) working capital targets; (xix) measures of economic value added; (xx) inventory control; (xxi) enterprise value; (xxii) sales; (xxiii) debt levels and net debt; (xxiv) combined ratio; (xxv) timely launch of new facilities; (xxvi) client retention; (xxvii) employee retention; (xxviii) timely completion of new product rollouts; (xxix) cost targets; (xxx) reductions and savings; (xxxi) productivity and efficiencies; (xxxii) strategic partnerships or transactions; and (xxxiii) objective measures of personal targets, goals or completion of projects; or any combination of the foregoing.

Minimum Vesting. Notwithstanding any provision of the Amended Incentive Plan to the contrary, awards granted under the Amended Incentive Plan (other than cash-based Awards) shall vest no earlier than the first anniversary of the date on which the award is granted. Certain awards are exempt from the minimum vesting requirement, which include any (i) Substitute Awards (as defined in the Amended Incentive Plan), (ii) common shares delivered in lieu of fully vested cash awards, (iii) awards to non-employee directors that vest on the earlier of the one-year anniversary of the date of grant and the next annual meeting of stockholders which is at least 50 weeks after the immediately preceding year's annual meeting, and (iv) additional awards the Compensation Committee may grant. The minimum vesting requirement does not apply to the Compensation Committee's discretion to provide for accelerated exercisability or vesting of any award including, but not limited to, cases of retirement, death, disability or a Change in Control (as defined in the Amended Incentive Plan).

Transferability. Each award may be exercised during the participant's lifetime only by the participant or, if permissible under applicable law, by the participant's guardian or legal representative and may not be otherwise transferred or encumbered by a participant other than by will or by the laws of descent and distribution. The Compensation Committee, however, may permit awards (other than ISOs) to be transferred to family members, a trust for the benefit of such family members, a partnership or limited liability company whose partners or stockholders are the participant and his or her family members or anyone else approved by it.

Amendment and Termination. In general, the Board may amend, suspend or terminate the Amended Incentive Plan at any time. However, stockholder approval to amend the Amended Incentive Plan may be necessary if the law or the Amended Incentive Plan so requires (e.g., repricing, performance goals, approval is necessary to comply with any tax or regulatory requirement, etc.). No amendment, suspension or termination will impair the rights of any participant or recipient of any award without the consent of the participant or recipient.

Change in Control. Except as otherwise provided in an award agreement or the Amended Incentive Plan, if a participant experiences a "Qualifying Termination" (as defined in the Amended Incentive Plan), in the event of a "Change in Control" (as defined in the Amended Incentive Plan), the Compensation Committee may provide that all outstanding options and equity awards (other than performance compensation awards) issued under the Amended Incentive Plan will become fully vested and performance compensation awards will vest based on the level of attainment of the specified performance goals. The Compensation Committee may, in its discretion, cancel outstanding awards and pay the value of such awards to the participants in connection with a Change in Control.

Material U.S. Federal Income Tax Consequences

The following is a general summary under current law of the principal United States federal income tax consequences related to awards under the Amended Incentive Plan. This summary deals with the general federal income tax principles that apply and is provided only for general information. Other kinds of taxes, such as state, local and foreign income taxes and federal employment taxes, are not discussed. This summary is not intended as tax advice to participants, who should consult their own tax advisors.

Non-Qualified Stock Options. If an optionee is granted a non-qualified stock option under the Amended Incentive Plan, the optionee should not have taxable income on the grant of the option. Generally, the optionee should recognize ordinary income at the time of exercise in an amount equal to the fair market value of the shares acquired on the date of exercise, less the exercise price paid for the shares. The optionee's basis in the common stock for purposes of determining gain or loss on a subsequent sale or disposition of such shares generally will be the fair market value of Target Hospitality common stock on the date the optionee exercises such option. Any subsequent gain or loss will be taxable as a long-term or short-term capital gain or loss. We or our subsidiaries or affiliates generally should be entitled to a federal income tax deduction at the time and for the same amount as the optionee recognizes ordinary income.

Incentive Stock Options. A participant receiving ISOs should not recognize taxable income upon grant. Additionally, if applicable holding period requirements are met, the participant should not recognize taxable income at the time of exercise. However, the excess of the fair market value of the shares of Target Hospitality common stock received over the option exercise price is an item of tax preference income potentially subject to the alternative minimum tax. If stock acquired upon exercise of an ISO is held for a minimum of two years from the date of grant and one year from the date of exercise and otherwise satisfies the ISO requirements, the gain or loss (in an amount equal to the difference between the fair market value on the date of disposition and the exercise price) upon disposition of the stock will be treated as a long-term capital gain or loss, and we will not be entitled to any deduction. If the holding period requirements are not met, the ISO will be treated as one that does not meet the requirements of the Code for ISOs and the participant will recognize ordinary income at the time of the disposition equal to the excess of the amount realized over the exercise price, but not more than the excess of the fair market value of the shares on the date the ISO is exercised over the exercise price, with any remaining gain or loss being treated as capital gain or capital loss. We are not entitled to a tax deduction upon either the exercise of an ISO or upon disposition of the shares acquired pursuant to such exercise, except to the extent that the participant recognizes ordinary income on disposition of the shares.

Stock Appreciation Rights. Generally, a participant will recognize ordinary income upon the receipt of payment pursuant to SARs in an amount equal to the aggregate amount of cash and the fair market value of any shares of common stock received. We or our subsidiaries or affiliates generally will be entitled to a corresponding tax deduction equal to the amount includible in the participant's income.

Restricted Stock. A participant should not have taxable income on the grant of unvested restricted stock, nor will we or our subsidiaries or affiliates then be entitled to any deduction, unless the participant makes a valid election under Section 83(b) of the Code. However, when restrictions on shares of restricted stock lapse, such that the shares are no longer subject to a substantial risk of forfeiture, the participant generally will recognize ordinary income, and we or our subsidiaries or affiliates will be entitled to a corresponding deduction in an amount equal to the difference between the fair market value of the shares at the date such restrictions lapse over the purchase price, if any, paid for the restricted stock. Stock bonus awards are taxed in a similar manner as when a restricted stock award is no longer subject to a substantial risk of forfeiture.

If the participant makes a valid election under Section 83(b) of the Code with respect to restricted stock, the participant generally will recognize ordinary income at the date of issuance of the restricted stock in an amount equal to the difference, if any, between the fair market value of the shares at that date over the purchase price, if any, for the restricted stock, and we or our subsidiaries or affiliates will be entitled to a deduction for that same amount.

Restricted Stock Units. A participant will not recognize taxable income at the time of the grant of the restricted stock units, and neither we nor our subsidiaries or affiliates will be entitled to a deduction at that time. When a restricted stock unit is paid, whether in cash or common stock, the participant will have ordinary income equal to the fair market value of the shares delivered or the cash paid, and we or our subsidiaries or affiliates will be entitled to a corresponding deduction.

Cash-Based Awards. A participant generally will not recognize taxable income at the time of the grant of a cash-based award, and neither we nor our subsidiaries or affiliates will be entitled to a deduction at that time. When any such cash-based award is paid, whether in cash or common stock, the participant will have ordinary income equal to the cash paid, and we or our subsidiaries or affiliates will be entitled to a corresponding deduction.

Section 409A of the Code

Certain types of awards under the Amended Incentive Plan may constitute, or provide for, a deferral of compensation subject to Section 409A of the Code. Unless certain requirements set forth in Section 409A of the Code are complied with, holders of such awards may be taxed earlier than would otherwise be the case (e.g., at the time of vesting instead of the time of payment) and may be subject to an additional 20% tax (and, potentially, certain interest and penalties). To the extent applicable, the Amended Incentive Plan and awards granted under the Amended Incentive Plan are intended to be structured and interpreted in a manner intended to either comply with or be exempt from Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance that may be issued under Section 409A of the Code. To the extent determined necessary and appropriate by the plan administrator, the Amended Incentive Plan and applicable award agreements may be amended to further comply with Section 409A of the Code or to exempt the applicable awards from Section 409A of the Code.

Deductibility of Executive Compensation

Section 162(m) of the Code places a limit of \$1,000,000 on the amount of compensation that we are allowed to deduct in any taxable year with respect to each “covered employee” within the meaning of Section 162(m) of the Code, including payments made under the Amended and Restated Incentive Plan. The Compensation Committee believes that the potential deductibility of the compensation payable under the Amended and Restated Incentive Plan and its other compensation plans and arrangements should be only one of a number of relevant factors taken into consideration in establishing those plans and arrangements for our executive officers and not the sole governing factor.

New Plan Benefits

Grants of awards under the Amended Incentive Plan are subject to the discretion of the plan administrator. Therefore, it is not possible to determine the future benefits that will be received by these participants under the Amended Incentive Plan.

PROPOSAL 4: RATIFICATION OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PROPOSAL 4 SNAPSHOT

The Board seeks an indication from stockholders of their approval or disapproval of the Audit Committee's appointment of Ernst & Young LLP as the company's independent registered public accounting firm for the fiscal year ending December 31, 2022.

The Board recommends you vote **FOR** this proposal. We have a positive working relationship with Ernst & Young who has consistently provided us with service that is on par with the best in the industry.

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the company's independent auditor. Ernst & Young LLP ("EY") has been our independent auditor since April 26, 2019. The Audit Committee believes that the retention of EY to serve as the company's independent auditor for 2022 is in the best interests of the company and its stockholders. If the appointment of EY is not approved by our stockholders, the Audit Committee will consider whether it is appropriate to select another independent auditor.

EY representatives will be present at the Annual Meeting and will have the opportunity to make a statement and respond to questions.

Audit Fees & Approval Process

The Audit Committee pre-approves all audit and non-audit services to be performed by the independent auditors in compliance with the Sarbanes-Oxley Act and the SEC rules regarding auditor independence. These services may include audit services, audit-related services, tax services and all other services. Proposed services may either be pre-approved without consideration of specific case-by-case services by the Audit Committee or require the specific pre-approval of the Audit Committee. Unless a type of service has received general pre-approval, it will require specific pre-approval if it is to be provided by EY.

Fees for all services to be provided by EY are approved by the Audit Committee. Any proposed fees exceeding these levels or amounts require specific advanced approval by the Audit Committee. The Audit Committee may delegate either type of approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee has delegated to its Chair the authority to approve any permissible non-audit services with a fee of \$50,000 or less.

Independent Registered Public Accounting Firm Fee Information

Fees for professional services provided by our independent auditor included the following:

Fees	Ernst & Young LLP	
	2020	2021
Audit ⁽¹⁾	\$980,000	\$850,000
Audit-Related	\$ 0	\$ 0
Tax	\$ 0	\$ 0
All Other	\$ 0	\$ 0

(1) Audit fees include, without limitation, fees billed for professional services rendered for the audit of annual financial statements, including the review of interim financial statements.

Audit Committee Report

The Audit Committee is composed of four directors, all of whom meet the independence standards of Nasdaq, the SEC and our Corporate Governance Guidelines, and operates under a written charter adopted by the Board.

Management is responsible for the company's internal controls and the financial reporting process. EY, acting as independent auditor of the company, is responsible for performing an independent audit of the company's consolidated financial statements and internal control over financial reporting in accordance with standards established by the Public Company Accounting Oversight Board ("PCAOB").

The Audit Committee discussed with EY the overall scope and execution of the independent audit and reviewed and discussed the audited financial statements with management. The Audit Committee also discussed with EY other matters required by PCAOB auditing standards.

EY provided to the Audit Committee the written communications required by applicable standards of the PCAOB regarding EY's communications with the Audit Committee concerning independence, and the Audit Committee discussed EY's independence with management and the auditors. The Audit Committee also considered whether the provision of other non-audit services by EY to the company is compatible with maintaining independence.

The Audit Committee concluded that the independent auditors' independence had not been impaired.

Based on the reviews and discussion referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the company's Annual Report on Form 10-K for the year ended December 31, 2021.

By the members of the Audit Committee as of March 7, 2022 consisting of:

Martin L. Jimmerson
(Chairman)

Barbara Faulkenberry

Linda Medler

Pamela Patenaude

The information contained in the "Audit Committee Report" is not considered to be "soliciting material," "filed" or incorporated by reference in any past or future filing by the company under the Exchange Act or the Securities Act of 1933, as amended, unless and only to the extent that the company specifically incorporates it by reference.

EXECUTIVE OFFICERS

The following table sets forth information regarding our executive officers as of March 22, 2022:

					
JAMES B. ARCHER, 51	ERIC T. KALAMARAS, 48	TROY C. SCHRENK, 47	HEIDI D. LEWIS, 49	J. TRAVIS KELLEY, 46	JASON VLACICH, 44
President, Chief Executive Officer, and Director	Executive Vice President and Chief Financial Officer	Chief Commercial Officer	Executive Vice President, General Counsel and Secretary	Executive Vice President, Operations	Chief Accounting Officer

James B. Archer's biography is set forth under the heading "Our Board" above.

ERIC T. KALAMARAS serves as our Executive Vice President and Chief Financial Officer. In this role, he is responsible for all strategic financial and administrative operations of the company. Mr. Kalamaras joined Target Hospitality in September 2019.

- Mr. Kalamaras previously served from 2016 to August 2019 as Executive Vice President & Chief Financial Officer of American Midstream Partners, L.P., a formerly-New York Stock Exchange listed natural gas midstream company.
- From 2013 to 2016, Mr. Kalamaras served as Executive Vice President & Chief Financial Officer for Azure Midstream Holdings, LLC & Azure Midstream Partners, L.P., two companies overseeing midstream energy assets.
- Mr. Kalamaras holds an MBA from Wake Forest University and a bachelor's degree in business administration from Central Michigan University.

TROY C. SCHRENK serves as our Chief Commercial Officer. In this role, he is responsible for commercial strategy, business development, government relations, public relations and marketing of the company. Mr. Schrenk joined Target in 2012 as Senior Vice President and has been in his current role since October 2018.

- With over twenty years of experience in modular manufacturing, specialty rentals, home building and real estate development, Mr. Schrenk is a proven commercial leader with a track record of success in revenue and strategic growth management which began with Fortune 500, Centex Homes (NYSE: CTX) from 2000 – 2005 as Area Sales Manager, Director of Sales and VP of Sales and Marketing before holding similar positions at several other homebuilding, specialty rental and manufacturing companies.
- Mr. Schrenk holds an MBA from Boise State University and a bachelor's degree in sociology from George Fox University.

HEIDI D. LEWIS serves as our Executive Vice President, General Counsel and Secretary. In this role, she is responsible for leading the company's legal, compliance, human resources, and corporate secretary functions. Ms. Lewis joined Target in January 2019.

- She has over twenty years of legal experience in capital markets and securities, IPOs, mergers and acquisitions, board advisement, corporate governance, and corporate law.
- Prior to joining Target, she was Corporate and Commercial Counsel and Assistant Secretary at Bristow Group Inc. (NYSE: BRS) from July 2018 to January 2019, where she executed on M&A, governance, capital markets and corporate transactions.
- Prior to that, Ms. Lewis was the Vice President, Group General Counsel and Assistant Secretary at Dynegy Inc. (NYSE: DYN) (now Vistra Energy Group (NYSE: VST)), from 2013 until June 2018, where she led the company's corporate legal group with her expertise in SEC and NYSE regulations and requirements. Ms. Lewis joined Dynegy in 2006, as a corporate counsel.
- Ms. Lewis began her legal career at King & Spalding LLP and Akin Gump Strauss Hauer & Feld LLP.
- Ms. Lewis holds a Juris Doctor from the University of Houston Law Center, a master's degree from Northern Illinois University and a bachelor's degree from Colorado State University.

J. TRAVIS KELLEY serves as our Executive Vice President, Operations. In this role, he is responsible for leading the company's operations including construction and catering/food services. Mr. Kelley joined Target in October 2009.

- Mr. Kelley has over twenty years of experience in the modular building industry.
- Prior to his promotion to EVP of Operations on May 4, 2021, Mr. Kelley served as the Company's Senior Vice President of Operations since 2017. In this role, he has overseen the management and operations of all of the Company's communities across North America.
- Mr. Kelley began his time at the Company as Project Manager for the Bakken region. From 2009 to 2017, Mr. Kelley served as Regional Vice President for the Rockies region during which time he oversaw the operations and management of 11 facilities and over 5,000 rooms.
- Mr. Kelley served as a member of the Williston, ND Chamber of Commerce for six years (three as Chairman) and on the board of the Greater North Dakota Chamber of Commerce for three years.

JASON VLACICH serves as our Chief Accounting Officer. In this role, he is responsible for Target's accounting, business applications and tax functions. Mr. Vlacich joined Target in October 2018.

- He has over twenty years of experience in public accounting, hospitality accounting and finance.
- Prior to joining Target, he was the Chief Accounting Officer at Highgate Hotels, L.P., a third-party hotel management company, in their Irving, Texas corporate office from 2012, where he oversaw the company's corporate accounting department and global accounting services platform and led the company's domestic and European accounting expansion and centralization as well as implementation of global accounting systems.
- Prior to that, Mr. Vlacich was Senior Audit Manager at PricewaterhouseCoopers, LLP's Dallas, Texas office, from 2008 to 2012, where he serviced public and private companies across multiple industries with a heavy concentration in the hospitality industry.
- He also worked in the Hartford, Connecticut and Orlando, Florida offices of PricewaterhouseCoopers, LLP during his tenure with the firm.
- Mr. Vlacich has several years of additional industry experience with General Electric (GE Asset Management) and Siemens in financial reporting, Sarbanes-Oxley compliance and corporate accounting roles.
- Mr. Vlacich holds a bachelor's degree in Accountancy from Bentley College and is a Certified Public Accountant in the State of Texas.

EXECUTIVE COMPENSATION

We are an “emerging growth company,” as defined in Section 101(a)(19)(C) of the Jumpstart Our Business Startups Act of 2012, as amended (the “JOBS Act”). As an emerging growth company, we are not required under SEC rules to include a Compensation Discussion and Analysis section or Compensation Committee Report in this proxy statement. We have elected to comply with these reduced compensation disclosure requirements, as permitted under the JOBS Act.

Summary Compensation Table

The following table shows, for the fiscal years ended December 31, 2021, 2020, and 2019 compensation awarded or paid to, or earned by, our CEO, CFO and the next highly paid individual, our NEOs, as of December 31, 2021.

Name and Principal Position ⁽¹⁾	Year	Salary (\$)	Bonus (\$)	Stock Awards ⁽⁶⁾ (\$)	Option/SAR Awards ⁽⁶⁾ (\$)	Non-equity Incentive Plan Compensation ⁽⁷⁾ (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation ⁽⁸⁾ (\$)	Total (\$)
James B. Archer President and Chief Executive Officer	2021	660,000	—	426,190	423,913	2,045,274	—	26,012	3,581,389
	2020	259,385 ⁽³⁾⁽⁴⁾	—	758,481	488,096	658,350	—	32,878	2,264,781
	2019	261,538 ⁽³⁾	16,500,000 ⁽⁵⁾	800,010	500,001	798,000	—	36,000	18,895,549
Eric T. Kalamaras⁽²⁾ Executive Vice President and Chief Financial Officer	2021	415,000	—	255,714	254,348	821,908	—	30,676	1,777,646
	2020	373,500 ⁽⁴⁾	—	329,066	292,858	265,562	—	34,840	1,315,403
	2019	134,077	93,187	800,005	300,001	117,583	—	17,382	1,462,235
Troy C. Schrenk Chief Commercial Officers	2021	350,000	—	170,476	169,565	693,175	—	25,600	1,408,816
	2020	180,000 ⁽⁴⁾	—	115,539	97,618	112,500	—	338,593	851,093
	2019	191,346	59,996	350,004	350,002	150,000	—	1,071,946	2,173,294

(1) Reported amounts include payments made by Target prior to the consummation of the Business Combination.

(2) Mr. Kalamaras was appointed Executive Vice President and Chief Financial Officer effective September 3, 2019.

(3) Mr. Archer elected to receive his salary for July 1—December 31, 2019 in the form of shares of our common stock. He also elected to receive his salary for January 1—July 31, 2020 in the form of shares of our common stock. Values for the salary replacement RSUs are included under Stock Awards as detailed in Note 6 below.

(4) Effective April 1, 2020, we implemented the Salary Reduction Equity Award Program (the “Salary Retainer Program”) in light of strategic and operational changes and the economic volatility from the impact of COVID-19. Pursuant to the Salary Retainer Program, we reduced the cash salary paid to officers including each NEO by 20% for the period from April 1, 2020 through December 31, 2020. On October 1, 2020, we entered into agreements (the “Salary Retainer Program Termination Agreements”) with each officer including our NEOs following the decision by the Compensation Committee to terminate the Salary Retainer Program. Pursuant to the Salary Retainer Program Termination Agreements, effective October 1, 2020, we recommenced payment of 100% of the salary of each officer, including the NEOs, and each officer agreed to forfeit RSUs awarded to him or her pursuant to the Salary Retainer Program scheduled to vest on or after October 1, 2020.

(5) Includes bonus paid for consummation of the Business Combination and other payments under legacy agreements.

(6) The amounts shown under “Stock Awards” for 2019, 2020 and 2021 reflect the aggregate grant date fair value for RSUs calculated in accordance with FASB ASC Topic 718. The amounts shown under “Option/SAR Awards” for 2019, 2020 and 2021 reflect the aggregate grant date fair value for options or SARs (using the Black Scholes valuation model) calculated in accordance with FASB ASC Topic 718. Please read the discussion of the assumptions used in such valuation in Note 21 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2021. Amounts for 2020 include issued awards of RSUs to each NEO with a value equal to his reduced salary of \$314,167, \$41,500 and \$20,000 for Messrs. Archer, Kalamaras and Schrenk, respectively, which ratably vested on a monthly basis for the period of the Salary Retainer Program.

EXECUTIVE COMPENSATION

- (7) The amounts shown under “Non-Equity Incentive Plan Compensation” for 2019, 2020 and 2021 reflect cash bonuses awarded under the company’s short term incentive plan. The 2019 incentive payments were earned in 2019 and paid in March 2020, the 2020 incentive payments were earned in 2020 and paid in March 2021 and the 2021 incentive payments were earned in 2021 and paid in February 2022.
- (8) Amounts in this column are detailed in the table below:

Name and Principal Position ⁽¹⁾	Year	Commission (\$)	Health Reimb. ^(a) (\$)	Auto Allowance ^(b) (\$)	Personal Vehicle Company Car ^(c) (\$)	Car Service ^(d) (\$)	401K Match (\$)	Total All Other Compensation (\$)
James B Archer <i>President and CEO</i>	2021	—	12,685	—	7,615	—	5,712	26,012
	2020	—	18,397	—	12,403	—	2,078	32,878
	2019	—	9,357	—	14,874	—	11,769	36,000
Eric T. Kalamaras <i>EVP and CFO</i>	2021	—	12,685	14,400	—	—	3,591	30,676
	2020	—	12,969	14,400	—	—	7,471	34,840
	2019	—	—	4,984	—	12,398	—	17,382
Troy C. Schrenk <i>CCO</i>	2021	3,363	12,685	—	3,641	—	5,911	25,600
	2020	317,183	13,014	—	6,486	—	1,910	338,593
	2019	1,062,000	8,216	—	—	—	1,730	1,071,946

- (a) Our executive officers participate in our broad-based employee welfare plans, including medical, dental and vision insurance.
- (b) Mr. Kalamaras receives an auto allowance of \$1,200/month per his employment agreement.
- (c) Represents the aggregate incremental cost to the company of personal use of a company vehicle.
- (d) Car Service was provided for approximately 6 weeks in 2019 to Mr. Kalamaras following a personal injury.
- (e) 401(k) match is for the 401(k) plan contribution provided to all employees who participate in the 401(k) plan.

Outstanding Equity Awards at 2021 Fiscal Year-End

The following table presents certain information concerning equity awards held by our CEO, CFO and the next highly paid individual as of December 31, 2021. The table does not include information regarding equity based awards related to 2021 performance that were or may be granted to the NEOs in 2022. The vesting schedules for each type of award are described in the footnotes to the table, and the vesting date for each award can be determined by referring to the grant date for each award in the table.

Name and Principal Position	Grant Date	Option/SAR Awards				Stock Awards				
		Number of Securities Underlying Unexercised Options Exercisable ⁽¹⁾ (#)	Number of Securities Underlying Unexercised Options Unexercisable ⁽¹⁾ (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested ⁽²⁾ (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights that Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights that Have Not Vested (\$)
James B. Archer President and CEO	2/25/2021	—	543,478	—	\$ 1.79	2/25/2031	238,095	\$847,618	—	—
	3/4/2020	99,207	297,619	—	\$ 4.51	3/4/2030	80,300	\$285,868	—	—
	5/21/2019	74,850	74,851	—	\$10.83	5/21/2029	23,085	\$ 82,183	—	—
Eric T. Kalamaras EVP and CFO	2/25/2021	—	326,087	—	\$ 1.79	2/25/2031	142,857	\$508,571	—	—
	3/4/2020	59,524	178,572	—	\$ 4.51	3/4/2030	48,180	\$171,521	—	—
	9/3/2019	85,714	85,715	—	\$ 6.14	9/3/2029	24,430	\$ 86,971	—	—
Troy C. Schrenk CCO	2/25/2021	—	217,391	—	\$ 1.79	2/25/2031	95,238	\$339,047	—	—
	3/4/2020	19,842	59,523	—	\$ 4.51	3/4/2030	16,060	\$ 57,174	—	—
	5/21/2019	52,395	52,396	—	\$10.83	5/21/2029	16,159	\$ 57,526	—	—

(1) Stock Options granted in 2019 and 2020 have a four-year ratable vesting schedule, with 25% vesting each year starting on the anniversary grant date. SARs granted in 2021 vest 50% two years from the anniversary of the grant date and the remaining 50% three years from the anniversary of the grant date.

(2) The market value of the RSUs is based on the closing market price of our common stock on December 31, 2021 of \$3.56.

Potential Payments Upon Termination or Change in Control

Each of Messrs. Archer, Kalamaras and Schrenk are party to certain employment agreements, as amended, with the company which provide that in the event of a change of control, if such individual's employment is terminated other for cause or by the relevant NEO for good reason within 12 months of such change of control, all unvested time-based equity awards shall vest in full. Messrs. Archer, Kalamaras and Schrenk's employment agreements, as amended, also provide for other severance benefits, the terms of which are described below under the heading "Employment Agreements."

Equity Compensation Plan Information

On March 6, 2019, our stockholders approved the Target Hospitality Corp. 2019 Incentive Award Plan (the "Incentive Plan") in connection with the Business Combination. The Incentive Plan is administered by the Compensation Committee. Under the Incentive Plan, the Compensation Committee may grant an aggregate of 4,000,000 shares of common stock in the form of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, and performance compensation awards. As noted in Proposal No. 3 above, we are seeking stockholder approval to amend and restate the Incentive Plan in its entirety solely to increase the number of shares of common stock authorized for issuance under the Incentive Plan. If our stockholders approve Proposal No. 3, under the Amended Incentive Plan, the Compensation Committee may grant an additional 4,000,000 shares of common stock in the form of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, and performance compensation awards.

As of December 31, 2021, 6,734,387 securities had been granted under the Incentive Plan, including 1,578,537 of Stock Appreciation Right Awards, which are intended to settle in cash.

Plan Category	Common Shares to be Issued Upon Exercise of Outstanding Options and Restricted Stock Units (a)	Weighted Average Exercise Price of Outstanding Options (b)	Common Shares Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Shares Reflected in the first column in this table) (c)
Equity compensation plans approved by Target Hospitality stockholders ⁽¹⁾	2,968,678	\$6.11	—
Equity compensation plans not approved by stockholders	—	—	—
Total	2,968,678	\$6.11	—

- (1) The number of common shares reported in Column (a) excludes liability-based stock appreciation right awards of 1,578,537 and liability-based RSUs of 537,047 and shares associated with grants that were withheld for tax liabilities and grants that were forfeited or expired on or before December 31, 2021, as shares associated with grants that were withheld for tax liabilities and forfeited and expired grants are available for reissuance under the Plan. The amounts and values in Column (a) comprise 1,325,543 equity-based RSUs at a weighted average grant price of \$3.00, and 1,643,135 stock options at a weighted average exercise price of \$6.11. For additional information on the awards outstanding under the Incentive Plan, see Note 21 of the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2021.

Employment Agreements

The employment arrangements we have with our NEOs are summarized below.

JAMES B. ARCHER, PRESIDENT AND CHIEF EXECUTIVE OFFICER

In connection with the Business Combination, Target entered into an employment agreement with Mr. Archer, which was subsequently amended effective January 1, 2022. The agreement provides for an additional employment term of 36 months beginning January 1, 2022, with automatic successive one-year extensions after the end of the initial term, unless either party provides a non-renewal notice to the other party at least 120 days before the expiration of the initial term or the renewal term, as applicable. Mr. Archer's agreement provides for an annual base salary of \$600,000, subject to increases approved by the Board, which he may elect to receive in whole in the form of restricted stock units under the Incentive Plan. Mr. Archer's agreement provides for an annual cash performance bonus target of 133% of annual base salary and a long term incentive annual equity award with a target grant value of \$1,000,000 (the grant value may be more or less than this amount and is determined annually by the Compensation Committee). For the 2021 fiscal year, Mr. Archer received salary of \$660,000 and an equity award under the Incentive Plan of \$1,000,000 — of 50% time-vested SARs and 50% time-vested restricted stock units, both vesting 50% upon the second anniversary of the grant date and the remaining 50% on the third anniversary of the grant date. Mr. Archer's agreement also includes a 12-month non-competition and non-solicitation provision.

If Mr. Archer's employment is terminated other than for cause or with good reason, he will be entitled to 125% of the sum of his annual base salary and target annual bonus for the year of termination, prorated target bonus, accrued and unpaid benefits plus including a payment for costs that would be incurred for continued health insurance coverage for 15 months and continued vesting of any unvested awards granted to Mr. Archer under the Incentive Plan during the severance period if such awards would have vested had he remained employed during the severance period. In the event of a change of control, if Mr. Archer is terminated other than for cause or by Mr. Archer for good reason within 12 months of such change of control, he will be entitled to 250% of the sum of his base salary and his target annual bonus, prorated target bonus, as well as a lump sum payment of the costs that would be incurred by him for continued health insurance coverage for 18 months and vesting of any unvested time-based equity awards.

ERIC T. KALAMARAS, EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

In connection with Mr. Kalamaras' appointment as Executive Vice President and Chief Financial Officer, Mr. Kalamaras entered into an employment agreement with Target, which was subsequently amended effective January 1, 2022. The agreement provides for an additional employment term of 36 months from January 1, 2022, with automatic successive one-year extensions after the end of the initial term, unless either party provides a non-renewal notice to the other party at least 120 days before the expiration of the initial term or the renewal term, as applicable. Mr. Kalamaras' agreement provides for an annual base salary of \$415,000, subject to annual increases, which he may elect to receive in whole in the form of restricted stock units under the Incentive Plan. Mr. Kalamaras' agreement provided for a one-time sign-on bonus of \$93,187 which was paid in equal installments on the 6- and 12-month anniversaries of Mr. Kalamaras' employment with the company and a one-time legacy retention buyout equity award under the Incentive Plan having a grant value of \$500,000 in the form of restricted stock units that vested on March 15, 2020. Mr. Kalamaras' agreement provides for an annual cash performance bonus target of 85% of annual base salary and a long term incentive annual equity award with a target grant value of \$600,000. For the 2021 fiscal year, Mr. Kalamaras received an equity award under the Incentive Plan of \$600,000 — of 50% time-vested SARs and 50% time-vested restricted stock units, both vesting 50% upon the second anniversary of the grant date and the remaining 50% on the third anniversary of the grant date. The Employment Agreement also includes a 12-month non-competition and non-solicitation provision.

If Mr. Kalamaras' employment is terminated other than for cause or good reason, he will be entitled to 100% of the sum of his annual base salary and target annual bonus for the year of termination, prorated target bonus, accrued and unpaid benefits plus a payment for costs that would be incurred for continued health insurance coverage for 12 months and continued vesting of any unvested awards granted to Mr. Kalamaras under the Incentive Plan during the severance period if such awards would have vested had he remained employed during the severance period. In the event of a change of control, if Mr. Kalamaras is terminated other than for cause or by Mr. Kalamaras with good reason within 12 months of such change of control, he will be entitled to 200% of his base salary and his target annual bonus, prorated target bonus, as well as a lump sum payment of the costs that would be incurred by him for continued health insurance coverage for 18 months and vesting of any unvested time-based equity awards.

TROY SCHRENK, CHIEF COMMERCIAL OFFICER

In connection with the Business Combination, Target entered into an employment agreement with Mr. Schrenk, which was subsequently amended on February 25, 2021 and further amended effective January 1, 2022. The agreement provides for an additional employment term of 36 months, beginning January 1, 2022, with automatic successive one-year extensions after the end of the initial term, unless either party provides a non-renewal notice to the other party at least 120 days before the expiration of the initial term or the renewal term, as applicable. Mr. Schrenk's agreement, as amended, provides for an annual base salary of \$350,000, which he may elect to receive in whole in the form of restricted stock units under the Incentive Plan. Under the terms of Mr. Schrenk's amended agreement, he is no longer entitled to receive quarterly commission payments. Mr. Schrenk's amended agreement provides for an annual cash performance bonus target of 85% of annual base salary and a long term incentive annual equity award with a target grant value of \$400,000. For the 2021 fiscal year, Mr. Schrenk received an equity award under the Incentive Plan of \$400,000 — of 50% time-vested SARs and 50% time-vested restricted stock units, both vesting 50% upon the second anniversary of the grant date and the remaining 50% on the third anniversary of the grant date. Mr. Schrenk's agreement also includes a 12-month non-competition and non-solicitation provision. Upon the occurrence of an initial public offering, Mr. Schrenk was entitled to certain additional benefits including a \$500,000 one-time grant of 50% time-vested stock options and 50% restricted stock vesting ratably over 4 years at the closing of such offering.

If Mr. Schrenk's employment is terminated other than for cause or good reason, he will be entitled to 100% of the sum of his annual base salary and target annual bonus for the year of termination, prorated target bonus, accrued and unpaid benefits plus a payment for costs that would be incurred for continued health insurance coverage for 12 months and continued vesting of any unvested awards granted to Mr. Schrenk under the Incentive Plan during the severance period if such awards would have vested had he remained employed during the severance period. In the event of a change of control, if Mr. Schrenk is terminated other than for cause or by Mr. Schrenk with good reason within 12 months of such change of control, he will be entitled to 200% of his base salary and his target annual bonus, prorated target bonus, as well as a lump sum payment of the costs that would be incurred by him for continued health insurance coverage for 18 months and vesting of any unvested time-based equity awards.

CERTAIN RELATIONSHIP AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements, we describe below transactions to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers, or holders of more than 5% of our capital stock, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

Compensation arrangements for our directors and NEOs are described elsewhere in this proxy statement.

The following persons and entities that participated in the transactions listed in this section were “related persons” (as defined below) at the time of the transaction:

EARNOUT AGREEMENT

On March 15, 2019 (the “**Closing Date**”), in connection with the closing of the Business Combination, Harry E. Sloan, Jeff Sagansky and Eli Baker (together, the “**Founder Group**”) and we entered into an earnout agreement (the “**Earnout Agreement**”), pursuant to which, on the Closing Date, 5,015,898 Founder Shares were placed in escrow (the “**Founder Restricted Shares**”), to be released at any time during the period of three years following the Closing Date upon the occurrence of the following triggering events: (i) fifty percent (50%) of the Founder Restricted Shares will be released to the Founder Group if the closing price of the shares of Target Hospitality’s common stock as reported on Nasdaq exceeds \$12.50 per share for twenty (20) of any thirty (30) consecutive trading days and (ii) the remaining fifty percent (50%) of the Restricted Shares will be released to the Founder Group if the closing price of the shares of Target Hospitality’s common stock as reported on Nasdaq exceeds \$15.00 per share for twenty (20) of any thirty (30) consecutive trading days, in each case subject to certain notice mechanics.

On March 15, 2022 and as contemplated by the Earnout Agreement, the Earnout Agreement terminated and the Founder Restricted Shares were returned to the Company to be held in treasury.

ESCROW AGREEMENT

On the Closing Date, pursuant to the terms and conditions of the Earnout Agreement described above, Target Hospitality, the Founder Group and Continental Stock Transfer & Trust Company, as escrow agent, entered into an escrow agreement (the “**Escrow Agreement**”) that provides for, among other things, holding the Founder Restricted Shares in an escrow account until such time as the Founder Restricted Shares are to be released by the escrow agent to the Founder Group upon the occurrence of certain triggering events as described above and as more specifically set forth in the Earnout Agreement. All voting rights and other shareholder rights with respect to the Founder Restricted Shares shall be suspended until such Restricted Shares are released from the escrow account.

On March 15, 2022, the Escrow Agreement terminated upon the termination of the Earnout Agreement.

AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

On the Closing Date, in connection with the closing of the Business Combination, Target Hospitality, Arrow, Algeco Investments, and certain other parties named on the signature pages thereto, entered into an amended and restated registration rights agreement (the “**Registration Rights Agreement**”), that amends and restates that certain registration rights agreement, dated January 11, 2018 by and among Platinum Eagle and certain of its initial investors and provides such initial investors, Arrow and Algeco Investments with certain demand, shelf and piggyback registration rights covering all shares of Target Hospitality common stock and warrants to purchase shares of Target Hospitality common stock owned by each holder, until such shares or warrants, as applicable, cease to be “Registrable Securities” as defined

in the Registration Rights Agreement. The Registration Rights Agreement provides each of Arrow Seller, the Algeco Seller and certain of the initial investors (the **“Initiating Holders”**) the right to request an unlimited number of demands at any time following the Closing Date and customary shelf registration rights, subject to certain conditions. In addition, the agreement grants each of Arrow, Algeco Investments and the Initiating Holders (as defined in the Registration Rights Agreement) piggyback registration rights with respect to registration statements filed subsequent to the Closing Date. The company is responsible for all Registration Expenses (as defined in the Registration Rights Agreement) in connection with any demand, shelf or piggyback registration by any of the Initiating Holders. The registration rights under the Registration Rights Agreement are subject to customary lock-up provisions.

Review, Approval or Ratification of Transactions with Related Persons

Our Board adopted a written statement of policy for the evaluation of and the approval, disapproval and monitoring of transactions involving us and “Related Persons.” For the purposes of the policy, a **“Related Person”** is (i) any director or executive officer, and any individual who was a director or executive officer at any time since the beginning of the last fiscal year; (ii) any nominee for election as a director of the company; (iii) any individual or entity known to the company to be the beneficial owner of more than five percent (5%) of any class of the company’s voting securities; and (iv) any immediate family member of an individual identified in clauses (i) through (iii) above.

Our related person transactions policy requires that all related person transactions shall be consummated or continued only if the Audit Committee shall approve or ratify such transaction as in, or not inconsistent with, the best interests of the company and its stockholders. In reviewing any such related person transaction, the Audit Committee will consider all of the material facts of such transaction, including consideration of the following factors to the extent relevant:

- a general description of the transaction, including the material terms and conditions;
- the basis on which such individual or entity is a Related Person;
- the Related Person’s interest in the transaction, including the Related Person’s position or relationship with,
- or ownership of, any entity that is a party to or has an interest in the transaction;
- the approximate dollar value of the transaction, and the approximate dollar value of the Related Person’s interest in the transaction without regard to amount of profit or loss;
- in the case of (i) a lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments expected to be made, or (ii) indebtedness, the aggregate amount of principal to be outstanding and the rate or amount of interest to be payable on such indebtedness;
- any other material information regarding the transaction or the Related Person’s interest in the transaction.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Beneficial Ownership

The following table sets forth information regarding the beneficial ownership of our common stock as of March 22, 2022 by each person who is the beneficial owner of more than 5% of our common shares; each of our executive officers and directors; and all of our executive officers and directors as a group. The beneficial ownership of our common stock is based on 101,593,995 shares of common stock issued and outstanding as of March 22, 2022.

Unless otherwise indicated, we believe that all persons named in the table below have sole voting and investment power with respect to all common shares beneficially owned by them. To our knowledge, no common shares beneficially owned by any executive officer, director or director nominee have been pledged as security.

Name and Address of Beneficial Owner	Number of Shares	%
Current Directors and Executive Officers⁽¹⁾		
James B. Archer ⁽²⁾	1,545,029	1.5%
Eric T. Kalamaras ⁽³⁾	352,705	*
Troy C. Schrenk ⁽⁴⁾	151,738	*
Heidi D. Lewis ⁽⁵⁾	82,901	*
J. Travis Kelley ⁽⁶⁾	80,538	*
Jason P. Vlacich ⁽⁷⁾	82,055	*
Stephen Robertson ⁽⁸⁾	65,294,465	64.2%
Joy Berry ⁽⁹⁾	98,104	*
Barbara Faulkenberry ⁽¹⁰⁾	22,087	*
Martin L. Jimmerson ⁽¹¹⁾	120,441	*
Linda Medler ⁽¹²⁾	10,861	*
Pamela Hughes Patenaude ⁽¹³⁾	17,351	*
Jeff Sagansky ⁽¹⁴⁾	3,437,891	3.3%
All Directors and Executive Officers as a Group (13 Individuals)	71,296,166	68.2%
Five Percent Holders		
Arrow ⁽¹⁵⁾	49,490,600	48.7%
Modulaire Global ⁽¹⁶⁾	15,628,865	15.4%
Private Capital Management, LLC ⁽¹⁷⁾	5,259,772	5.2%

* Less than one percent

- (1) Beneficial ownership is determined in accordance with the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she, or it possesses sole or shared voting or investment power over that security, including options or warrants that are currently exercisable or exercisable within 60 days. Unless otherwise noted, the business address of each of the stockholders listed is 9320 Lakeside Boulevard, Suite 300, The Woodlands, Texas 77381.
- (2) Includes (i) 11,542 shares of common stock that Mr. Archer will have the right to receive within 60 days of the record date through the vesting of restricted stock units and (ii) 310,689 shares of common stock that Mr. Archer will have the right to acquire within 60 days of the record date through the vesting and exercise of stock options.

- (3) Includes 204,762 shares of common stock that Mr. Kalamaras will have the right to acquire within 60 days of the record date through the vesting and exercise of stock options.
- (4) Includes (i) 8,079 shares of common stock that Mr. Schrenk will have the right to receive within 60 days of the record date through the vesting of restricted stock units and (ii) 118,276 shares of common stock that Mr. Schrenk will have the right to acquire within 60 days of the record date through the vesting and exercise of stock options.
- (5) Includes (i) 2,308 shares of common stock that Ms. Lewis will have the right to receive within 60 days of the record date through the vesting of restricted stock units and (ii) 62,139 shares of common stock that Ms. Lewis will have the right to acquire within 60 days of the record date through the vesting and exercise of stock options.
- (6) Includes (i) 2,308 shares of common stock that Mr. Kelley will have the right to receive within 60 days of the record date through the vesting of restricted stock units and (ii) 62,139 shares of common stock that Mr. Kelley will have the right to acquire within 60 days of the record date through the vesting and exercise of stock options.
- (7) Includes (i) 2,308 shares of common stock that Mr. Vlacich will have the right to receive within 60 days of the record date through the vesting of restricted stock units and (ii) 62,139 shares of common stock that Mr. Vlacich will have the right to acquire within 60 days of the record date through the vesting and exercise of stock options.
- (8) TDR Capital is manager of the investment fund which is the ultimate beneficial owner of Arrow and Modulaire Global S.a.r.l. ("Modulaire Global"). See Notes (15) and (16) below. TDR Capital is run by its board and investment committee which consists of the partners of the firm. As one of the founding partners of TDR Capital, Mr. Robertson may be deemed to beneficially own the securities held by the Arrow and Modulaire Global through his ability to either vote or direct the vote of the securities or dispose or direct the disposition of the securities, either through his role at TDR Capital, contract, understanding or otherwise. Mr. Robertson disclaims beneficial ownership of such securities, if any, except to the extent of his pecuniary interest in the funds owned or managed by TDR Capital. The reported number also includes 175,000 shares of common stock held directly by Mr. Robertson.
- (9) Includes 38,462 shares of common stock that Ms. Berry will have the right to receive within 60 days of the record date through the vesting of restricted stock units.
- (10) Includes 22,087 shares of common stock that Ms. Faulkenberry will have the right to receive within 60 days of the record date through the vesting of restricted stock units.
- (11) Includes 38,462 shares of common stock that Mr. Jimmerson will have the right to receive within 60 days of the record date through the vesting of restricted stock units.
- (12) Includes 10,861 shares of common stock that Ms. Medler will have the right to receive within 60 days of the record date through the vesting of restricted stock units.
- (13) Includes 17,351 shares of common stock that Ms. Patenaude will have the right to receive within 60 days of the record date through the vesting of restricted stock units.
- (14) Includes (i) 38,462 shares of common stock that Mr. Sagansky will have the right to receive within 60 days of the record date through the vesting of restricted stock units and (ii) 1,866,666 shares of common stock issuable upon exercise of warrants held by Mr. Sagansky.
- (15) TDR Capital is manager of the investment fund which is the ultimate beneficial owner of Arrow. TDR Capital controls all of Arrow's voting rights in respect of its investments and no one else has equivalent control over the investments. The investors in Arrow are passive investors (as they are limited partners) and no investor directly or indirectly beneficially owns 20% or more of the shares or voting rights through their investment in Arrow. TDR Capital is run by its board and investment committee which consists of the partners of the firm. See Note (8). The reported number includes 96,154 shares of common stock common stock that Arrow will have the right to receive within 60 days of the record date through the vesting of restricted stock units, which were issued to Mr. Robertson as part of our annual non-executive director compensation program and subsequently transferred to Arrow in accordance with the internal policies of TDR Capital.
- (16) On November 17, 2021, Modulaire Investments B.V. (f/k/a Algeco Investments) transferred all of its 15,628,865 shares of common stock to Modulaire Global. TDR Capital is manager of the investment fund which is the ultimate beneficial owner of Modulaire Global and is the controlling shareholder of the group of entities forming the direct and indirect ownership chain from Modulaire Global to the investment fund of which TDR Capital is the manager. TDR Capital controls the majority of Modulaire Global's voting rights in respect of its investment and no one else has equivalent control over the investments. TDR Capital is run by its board and investment committee which consists of the partners of the firm. See Note (8).
- (17) According to a Schedule 13G filed February 4, 2022 on behalf of Private Capital Management, LLC, Private Capital Management, LLC has beneficial ownership over the shares reported. Private Capital Management, LLC has shared voting power with respect to 1,694,874 shares, and sole and shared dispositive power with respect to 1,694,874 shares and 3,564,898 shares, respectively. The business address of this stockholder is 8889 Pelican Bay Boulevard, Suite 500, Naples, Florida 34108.

OTHER MATTERS

Delinquent Section 16(A) Reports

The company believes that all reports for the company's executive officers and directors that were required to be filed under Section 16 of the Securities Exchange Act of 1934 in 2021 were timely filed, except that one Form 4 to report a transaction for Mr. Kalamaras was filed late due to an unintentional administrative error.

Matters Raised at the 2022 Annual Meeting Not Included in this Proxy Statement

We do not know of any matters to be acted upon at the Annual Meeting other than those discussed in this proxy statement. If any other matter is properly presented, proxy holders will vote on the matter in their discretion.

Stockholder Proposals and Director Nominations for the 2023 Annual Meeting

For any proposal to be considered for inclusion in our proxy statement and form of proxy for submission to the stockholders at our 2023 Annual Meeting of Stockholders (the "2023 Annual Meeting"), it must be submitted in writing and comply with the requirements of Rule 14a-8 of the Exchange Act. Generally, such proposals are due 120 days before the anniversary of the date we release our proxy materials for the prior year, which was April 7, 2022. Therefore, we have determined that Rule 14a-8 stockholder proposals must be received by the company at its office at 9320 Lakeside Boulevard, Suite 300, The Woodlands, Texas 77381, no later than December 8, 2022.

In addition, our bylaws provide notice procedures for stockholders to nominate a person as a director and to propose business to be considered by stockholders at a meeting. Notice of a nomination or proposal must be delivered to us not earlier than the close of business on the 120th day, and not later than the close of business on the 90th day, prior to the first anniversary of the preceding year's annual meeting. In the event that the date of the annual meeting is greater than 30 days before, or greater than 60 days after such anniversary date, notice by the stockholders to be timely must be so delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting and, (ii) if the first public announcement of the date of such meeting is fewer than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made by the company. Currently, we expect our 2023 Annual Meeting to be no greater than 30 days before and no greater than 60 days after the anniversary date of the 2022 Annual Meeting. Accordingly, for our 2023 Annual Meeting, assuming that we do not issue a public announcement changing the date of the meeting, notice of a nomination or proposal must be delivered to us no later than February 18, 2022 and no earlier than January 19, 2022. Nominations and proposals also must satisfy other requirements set forth in the bylaws. The Chairman of the Board may refuse to acknowledge the introduction of any stockholder proposal not made in compliance with the foregoing procedures, or the procedures set forth in the bylaws.

Access to Annual Report on Form 10-K

The 2021 annual report to stockholders, including financial statements, was delivered or made available with this proxy statement. On written request, we will provide, without charge to each record or beneficial holder of our common stock as of March 22, 2022, a copy of our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC, including the financial statements, schedules and a

list of exhibits thereto. Written requests should be directed to our executive office located at 9320 Lakeside Boulevard, Suite 300, The Woodlands, Texas 77381.

Information about the Virtual Annual Meeting and Voting

WHY AM I RECEIVING THESE PROXY MATERIALS?

You are invited to attend the Virtual Annual Meeting via live webcast and are entitled to vote on the items of business described in this proxy statement because you are a stockholder of our company as of the record date. The proxy materials include the notice of Annual Meeting, this proxy statement for the Annual Meeting and our annual report, which includes our Form 10-K. If you received a paper copy of these materials by mail or email, the proxy materials also include a proxy card or voting instruction card for the Annual Meeting.

WHEN AND WHERE WILL THE COMPANY HOLD THE VIRTUAL ANNUAL MEETING?

The Annual Meeting will be a completely virtual meeting of stockholders, which will be conducted via live webcast on May 19, 2022. You are entitled to participate in the Annual Meeting only if you were a stockholder as of the record date or if you hold a valid proxy for the Annual Meeting.

You will be able to attend the Annual Meeting online and submit your questions during the meeting by visiting **www.virtualshareholdermeeting.com/THCORP2022**. You will also be able to vote your shares electronically at the Annual Meeting.

To participate in the Annual Meeting, you will need the control number included with these proxy materials.

The meeting webcast will begin promptly at 10:00 a.m., Central Time. We encourage you to access the meeting prior to the start time. Online check-in will begin at 9:45 a.m., Central Time, and you should allow ample time for the check-in procedures.

WHY A VIRTUAL MEETING?

We are pleased to offer our stockholders a completely virtual Annual Meeting, which provides worldwide access, improved communication and cost savings for our stockholders and Target Hospitality. Additionally, given the continued concerns around COVID-19, the virtual meeting format allows us to continue to proceed with the meeting while mitigating the health and safety risks to participants.

You will be able to attend the Annual Meeting online and submit your questions during the meeting by visiting **www.virtualshareholdermeeting.com/THCORP2022**. You also will be able to vote your shares electronically at the Annual Meeting.

WHAT IF DURING THE CHECK-IN TIME OR DURING THE MEETING I HAVE TECHNICAL DIFFICULTIES OR TROUBLE ACCESSING THE VIRTUAL MEETING WEBSITE?

If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the technical support number that will be posted on the Virtual Shareholder Meeting log in page.

WHO MAY VOTE AT THE ANNUAL MEETING?

As of the record date, March 22, 2022, there were 101,593,995 shares of our common stock issued and outstanding. You may vote all of the shares of our common stock that you own at the close of business on the record date. You may cast one vote for each share that you own. We do not have cumulative voting rights for the election of directors.

WHAT IS A QUORUM?

A quorum must be present at the Annual Meeting in order to transact business. A quorum will be present if a majority of our shares of common stock entitled to vote are represented at the Annual Meeting,

either in person or by proxy. If a quorum is not present, no business may be conducted at the Annual Meeting, in which case the Annual Meeting may be adjourned, without a vote of stockholders by the chairman of the Annual Meeting, until such time as a quorum is present.

Proxies received and marked as abstentions from voting on a proposal, and broker non-votes are counted for determining whether a quorum is present. A “broker non-vote” results when a trust, broker, bank, or other nominee or fiduciary that holds shares for another person has not received voting instructions from the owner of the shares and, under the applicable rules, does not have the discretionary authority to vote on a matter. If a properly executed proxy has not been returned, the holder is not present for quorum purposes.

WHAT AM I VOTING ON, HOW MANY VOTES ARE REQUIRED TO ELECT DIRECTORS AND APPROVE THE OTHER PROPOSALS, AND HOW DOES THE BOARD RECOMMEND THAT I VOTE?

Proposal No. 1: Elect as directors the three nominees named in the proxy statement

As there are three nominees for the three seats up for election, each nominee will be elected as a director if he receives the affirmative vote, a plurality of the total votes cast “FOR” with respect to his election as a director at the Annual Meeting. Any abstentions or broker non-votes are not counted as votes cast either “FOR” or “WITHHELD” with respect to a director’s election and will have no effect on the election of directors.

The Board recommends a vote FOR the election of each nominee as a director.

Proposal No. 2: Approve amendments to the A&R Charter to declassify the Board

The approval of amendments to the A&R Charter to implement a declassified Board requires the affirmative vote of the holders of a majority of the outstanding shares of the company’s common stock entitled to vote on the matter. Abstentions and Broker non-votes will have the same effect as a vote “AGAINST” the amendments to the A&R Charter to declassify the Board.

The Board recommends a vote FOR the amendments to the A&R Charter to declassify the Board.

Proposal No. 3: Amend and restate the Incentive Plan solely to increase the number of shares authorized for issuance under the incentive plan

Broker non-votes are not counted as votes cast either “FOR” or “WITHHELD” with respect to the Amended Incentive Plan. An abstention with respect to the Amended Incentive Plan will have the same effect as a vote cast “AGAINST” the Amended Incentive Plan.

The Board recommends a vote FOR the Amended Incentive Plan.

Proposal No. 4: Ratify the appointment of EY as our independent registered public accounting firm for the year ending December 31, 2021

Ratification of the appointment of EY as our independent registered public accounting firm for the year ending December 31, 2022 requires a majority of the votes cast on the proposal at the Annual Meeting to be voted “FOR” this proposal. Abstentions will not count as votes cast either “FOR” or “AGAINST” Proposal No. 2 and will have no effect on the results of the vote on this proposal.

The Board recommends a vote FOR the ratification of EY’s appointment.

HOW MANY VOTES DO I HAVE?

You have one vote on each proposal for each share of common stock that you owned as of the record date, March 22, 2022.

HOW DO I VOTE MY SHARES?

Stockholders of Record

If you are a stockholder of record (i.e., you hold your shares in certificate form or through an account with our transfer agent, Continental Stock Transfer & Trust Company), then you can attend the Annual Meeting via live webcast, complete a ballot and submit it. You may also vote by completing, signing and dating the proxy card that you received from us, and returning it in the accompanying pre-addressed envelope. **IF YOU VOTE BY MAIL, YOUR PROXY CARD WILL BE VALID ONLY IF YOU COMPLETE, SIGN, DATE AND RETURN IT BEFORE THE ANNUAL MEETING DATE.**

Beneficial Owners

If you are a beneficial owner of shares registered in the name of your brokerage firm, bank or other agent, then you should receive a notice containing voting instructions from that organization rather than our company. Simply follow the voting instructions in the notice to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials or contact your broker or bank to request a proxy form. See “How do I attend the Annual Meeting in person?” below for more information on how to attend the annual meeting.

Even if you plan to attend the Annual Meeting via webcast, please authorize a proxy to vote your shares right away, by following the instructions on the proxy card that you received from us or the voting instruction card that you received from your broker, bank or other agent. By voting by proxy, you will be directing the persons designated as proxy holders as your proxies to vote your shares at the Annual Meeting in accordance with your instructions.

WILL MY SHARES BE VOTED IF I DO NOT COMPLETE, SIGN, DATE AND RETURN MY PROXY CARD OR VOTING INSTRUCTION CARD, OR VOTE BY SOME OTHER METHOD?

If you are a registered “record” stockholder and you do not vote your shares by completing, signing, dating and returning a proxy card, your shares will not be voted unless you attend the Annual Meeting via webcast and vote in person. In addition, if you sign, date and return a proxy card, but do not complete voting instructions for a proposal, your shares will be voted with respect to such proposal by the named proxies in accordance with the Board’s recommendations and in the discretion of the proxy holder on any other matter that may properly come before the Annual Meeting.

If your shares are held in a brokerage account or by a bank or other agent, you are considered the “beneficial owner” of shares held in “street name” and the proxy materials were forwarded to you by that organization. In order to vote your shares, you must follow the voting instructions provided to you by

that organization. Brokerage firms, banks and other agents are required to request voting instructions for shares they hold on behalf of customers and others. As the beneficial owner, you have the right to direct the record holder how to vote and you are also invited to attend the Annual Meeting via webcast. We encourage you to provide instructions to your brokerage firm, bank or other agent on how to vote your shares. Because a beneficial owner is not the record stockholder, you may not vote the shares at the Annual Meeting via webcast unless you obtain a legal proxy from the record holder giving you the right to vote the shares at the meeting.

Even if you do not provide voting instructions on your voting instruction card, your shares may be voted if you hold shares through an account with a brokerage firm, bank or other agent. Brokerage firms have the authority under Nasdaq rules to vote shares for which their customers do not provide voting instructions on certain routine matters. Proposal No. 4, to ratify the appointment of EY as our independent registered public accounting firm for the year ending December 31, 2021, is considered a routine matter for which brokers, banks and other agents may vote in the absence of specific instructions.

When a proposal is not considered routine and the broker, bank or other agent has not received voting instructions from the beneficial owner of the shares with respect to such proposal, such firm cannot vote the shares on that proposal. All proposals, other than Proposal No. 4, are non-routine proposals. Votes that cannot be cast by a broker, bank or other agent on non-routine matters are known as “broker non-votes.”

HOW CAN I REVOKE MY PROXY AND CHANGE MY VOTE PRIOR TO THE ANNUAL MEETING?

You may revoke your proxy or change your vote at any time prior to the vote taken at the Annual Meeting.

Stockholders of Record

You may revoke your proxy by (i) notifying our Corporate Secretary, at our office at 9320 Lakeside Boulevard, Suite 300, The Woodlands, Texas 77381, in writing that you wish to revoke your proxy; (ii) submitting a proxy dated later than your original proxy; or (iii) attending the Annual Meeting via webcast and voting by ballot. Attending the Annual Meeting via webcast will not by itself revoke a proxy; you must submit a ballot and vote your shares at the Annual Meeting.

Beneficial Owners

For shares you hold beneficially or in street name, you may change your vote by following the specific voting instructions provided to you by the record holder to change or revoke any instructions you have already provided, or, if you obtained a legal proxy from your brokerage firm, bank or other agent giving you the right to vote your shares, by attending the Annual Meeting and voting in person.

WHO PAYS THE COSTS OF THE PROXY SOLICITATION?

We will pay the cost of soliciting proxies. Beyond these proxy materials, our directors and employees may solicit proxies in person, by telephone or by electronic communication. Directors and employees will not receive any additional compensation for soliciting proxies. We have engaged Morrow Sodali LLC (“**Morrow**”) to assist in the solicitation of proxies for the Annual Meeting, and we expect that Morrow’s fee will be \$6,500, plus reimbursement of disbursements. Morrow’s address is 333 Ludlow Street, 5th Floor, South Tower, Stamford, CT 06902. Stockholders can reach Morrow at (800) 662-5200. Banks and brokers may call collect at (203) 658-9400. We will also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

WHAT DOES IT MEAN IF I RECEIVED MORE THAN ONE PROXY CARD OR VOTING INSTRUCTION CARD?

If you receive more than one proxy card or voting instruction card, it means that you have multiple accounts with our transfer agent and/or brokerage firm, bank or other agent, or you may hold shares in

different ways or in multiple names (such as through joint tenancy, trusts and custodial accounts). Please vote all of your shares.

HOW CAN I FIND OUT THE RESULTS OF THE VOTING AT THE ANNUAL MEETING?

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be provided in a Current Report on Form 8-K that we expect to file within four business days after the Annual Meeting.

WHAT IS “HOUSEHOLDING” AND HOW DOES IT WORK?

Under the rules adopted by the SEC, we may deliver a single Notice to one address shared by two or more of our stockholders. This delivery method is referred to as “householding” and can result in significant cost savings. To take advantage of this opportunity, we have delivered only one Notice to multiple stockholders who share an address, unless we received contrary instructions from the impacted stockholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the Notice, as requested, to any stockholder at the shared address to which a single copy of the Notice was delivered. If you prefer to receive separate copies of the Notice, contact Broadridge Financial Solutions, Inc. by calling 1-800-542-1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

In addition, if you currently are a stockholder who shares an address with another stockholder and would like to receive only one copy of future Notices for your household, you may notify your broker if your shares are held in a brokerage account or you may notify us if you hold registered shares. Registered stockholders may notify us by contacting Broadridge Financial Solutions, Inc. at the above telephone number or address or sending a written request to our executive office located at 9320 Lakeside Boulevard, Suite 300, The Woodlands, Texas 77381.

BACKGROUND

Explanatory Note

Target Hospitality Corp. (“**Target Hospitality**”, the “**company**”, “**we**” or “**us**”) is a holding company. We have no direct operations, and our principal asset is our equity interest in Topaz Holdings LLC (“**Holdings**”), which is the owner of Arrow Bidco, LLC, which is the owner of each of Target Logistics Management, LLC (“**Target**”) and RL Signor Holdings, LLC (“**Signor**”) and each of their respective subsidiaries.

We are an “emerging growth company” under applicable federal securities laws, and therefore are permitted to take advantage of certain reduced public company reporting requirements. As an emerging growth company, we provide in this proxy statement the scaled disclosure permitted under the JOBS Act, including the compensation disclosures required of a “smaller reporting company,” as that term is defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). In addition, as an emerging growth company, we are not required to conduct votes seeking approval, on an advisory basis, of the compensation of our named executive officers (“**NEOs**”), or the frequency with which such votes must be conducted.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of \$1.07 billion or more; (ii) the last day of the fiscal year following the fifth anniversary of completion of our initial public offering, which we completed in January 2018; (iii) the date on which we have issued more than \$1 billion in nonconvertible debt during the preceding three-year period; or (iv) the date on which we are deemed to be a large accelerated filer under the Securities and Exchange Commission’s (“**SEC**”) rules.

2019 Business Combination

Platinum Eagle Acquisition Corp. (“**Platinum Eagle**”), our legal predecessor, was originally incorporated as a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or other similar business combination with one or more target businesses. On March 15, 2019 (the “**Combination Date**”), we completed a transaction in which we acquired the businesses of Target and Signor (the “**Business Combination**”). In conjunction with the Business Combination:

- we indirectly acquired Signor and Target and each of their respective subsidiaries for an aggregate purchase price of \$1.311 billion, of which \$563,136,728 was paid in cash and the remaining \$747,863,272 was paid in shares of our common stock, par value \$0.0001 per share (our “**common stock**”);
- Arrow Holdings S.à r.l (“**Arrow**”) and Algeco Investments B.V. (“**Algeco Investments**”), which are investment holding companies controlled by TDR Capital LLP (“**TDR Capital**”), acquired a controlling interest in our voting securities. Arrow received 49,100,000 shares of our common stock and Algeco Investments received 25,686,327 shares of our common stock, in each case as partial consideration in the Business Combination; and
- our company changed its name to Target Hospitality Corp., reconstituted its Board of Directors (“**Board**”), and appointed new management. In reconstituting our Board, our former sponsor, Platinum Eagle Acquisition LLC (“**PEAL**”), and TDR Capital appointed all seven members of our Board pursuant to the terms of (i) the agreement and plan of merger, dated as of November 13, 2018, as amended on January 4, 2019, by and among Platinum Eagle, Signor Merger Sub LLC, Holdings and Arrow, and (ii) the agreement and plan of merger, dated as of November 13, 2018, as amended on January 4, 2019, by and among Platinum Eagle, Holdings, Arrow Bidco LLC and Algeco Investments. Additional information regarding the Business Combination and the transactions related thereto is available in our Annual Report on Form 10-K filed with the SEC on March 22, 2021.

ANNEX A

CERTIFICATE OF AMENDMENT OF AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF TARGET HOSPITALITY CORP.

Target Hospitality Corp. (the “Corporation”), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, as amended (the “DGCL”), DOES HEREBY CERTIFY as follows:

FIRST: That the Amended and Restated Certificate of Incorporation of the Corporation is hereby amended as follows:

Paragraph 2 of Article 7 thereof shall read in its entirety as follows:

2. Number; Term; Election; Qualification. The number of directors that constitutes the Board shall be fixed from time to time by resolution of the Board in accordance with the Bylaws. Prior to the 2023 annual meeting of stockholders, the Board shall be divided into three classes, as nearly equal in number as possible, designated as Class I, Class II and Class III, respectively. From and after the election of directors at the 2023 annual meeting of stockholders, the Board shall cease to be classified and each director at the 2023 annual meeting of stockholders (and at each succeeding annual meeting of stockholders) shall hold office for a term expiring at the next annual meeting of stockholders held after such director’s election. Each director shall serve until his or her successor is duly elected and qualified or until his or her death, resignation, or removal. If the number of directors is hereafter changed, no decrease in the number of directors constituting the Board shall shorten the term of any incumbent director.

Paragraph 3 of Article VII thereof shall read in its entirety as follow:

“3. Vacancies. Subject to the rights of the holders of any series of Preferred Stock, (x) any vacancies on the Board resulting from death, resignation, disqualification, removal or other causes shall be filled by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board and not by the stockholders and (y) newly created directorships resulting from any increase in the number of directors shall be filled by the affirmative vote of the directors then in office, even though less than a quorum of the Board and not by the stockholders. Any director elected in accordance with this Article VII shall hold office (i) in the event of a new directorship created or vacancy occurring prior to the 2023 annual meeting of stockholders, for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and (ii) in the event of a new directorship created or vacancy occurring after the 2023 annual meeting of stockholders, until the next annual meeting of stockholders and, in each case, until such director’s successor shall have been elected and qualified.”

SECOND: That the aforesaid amendments were duly adopted in accordance with the applicable provisions of Section 242 of the DGCL.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be duly executed on its behalf as of the date first indicated above.

ANNEX B

FIRST AMENDMENT TO THE TARGET HOSPITALITY CORP. 2019 INCENTIVE AWARD PLAN

This First Amendment to the Target Hospitality Corp. 2019 Incentive Award Plan, dated as of February 24, 2022 (this “Amendment”) is made and adopted by Target Hospitality Corp., a Delaware corporation (the “Company”). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Target Hospitality Corp. 2019 Incentive Award Plan (the “Plan”).

RECITALS

WHEREAS, the Company previously adopted the Plan to provide equity compensation awards to certain of its employees;

WHEREAS, the Company desires to amend the Plan by increasing the numbers of shares of common stock available for issuance under the plan by 4,000,000 shares, so that the aggregate number of shares of common stock available for issuance under the Plan is increased from 4,000,000 shares to 8,000,000 shares; and

WHEREAS, Section 14 of the Plan gives the Company the authority to amend the Plan from time to time.

NOW THEREFORE, the Company hereby amends Section 5(b) of the Plan, effective as of May 19, 2022, to be and to read as follows:

1. Section 5(b)(i) shall be and hereby is amended by revising the sentence to read: “(i) the Committee is authorized to deliver under the Plan an aggregate of 8,000,000 Common Shares”.

IN WITNESS WHEREOF, the Company has caused the Plan to be amended by this Amendment this 24th day of February, 2022, to be effective as stated herein.

TARGET HOSPITALITY CORP.

By: _____

Its: _____