



# Corporate Governance Guidelines

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The following Corporate Governance Guidelines have been adopted by the Board of Directors (the “Board”) of CF Industries Holdings, Inc. (the “Company”) to assist the Board in the exercise of its responsibilities. These Corporate Governance Guidelines are not intended to change or interpret any federal or state law or regulation, including the Delaware General Corporation Law, or the Certificate of Incorporation or By-laws of the Company. These Corporate Governance Guidelines are subject to modification from time to time by the Board.

## The Board

### Role of Directors

The business and affairs of the Company shall be managed by or under the direction of the Board. A director is expected to spend the time and effort necessary to properly discharge such director’s responsibilities. Accordingly, a director is expected to regularly attend meetings of the Board and committees on which such director sits, and to review prior to meetings material distributed in advance for such meetings. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Chair of the Board or the Chair of the appropriate committee in advance of such meeting.

### The Board’s Goals

The Board’s goal is to build long-term value for the Company’s shareholders and to assure the vitality of the Company for its customers and employees and the other individuals and organizations who depend on the Company.

To achieve these goals the Board will monitor both the performance of the Company (in relation to its goals, strategy, and competitors) and the performance of the Chief Executive Officer, and offer him or her constructive advice and feedback. When it is appropriate or necessary, it is the Board’s responsibility to remove the Chief Executive Officer and to select his or her successor.

### Selection of the Chair of the Board

The Board does not require the separation of the offices of the Chair of the Board and the Chief Executive Officer. The Board shall be free to choose its Chair of the Board in any way that it deems best for the Company at any given point in time.

### Size of the Board

The Board believes that it should generally have no fewer than 5 and no more than 13 directors. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability. The size of the Board could, however, be increased or decreased if determined to be appropriate by the Board and conducted in accordance with the Company’s Certificate of Incorporation and By-laws. For example, it may be desirable to increase the size of the Board in order to accommodate the availability of an outstanding candidate for director.

## Selection of New Directors

The Board shall be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders. The Corporate Governance and Nominating Committee (“Governance Committee”) is responsible for identifying, screening, and recommending candidates to the Board for Board membership. When formulating its Board membership recommendations, the Governance Committee shall also consider advice and recommendations from others as it deems appropriate.

The Governance Committee will consider candidates recommended by shareholders. In considering candidates submitted by shareholders, the Governance Committee will take into consideration the needs of the Board and the qualifications of the candidate. The Governance Committee may establish procedures, from time to time, regarding shareholder submission of candidates.

## Board Membership Criteria

The Governance Committee shall be responsible for assessing the appropriate balance of criteria required of Board members.

The Governance Committee may apply several criteria in selecting nominees. At a minimum, the Governance Committee shall consider (a) whether each such nominee has demonstrated, by significant accomplishment in his or her field, an ability to make a meaningful contribution to the Board’s oversight of the business and affairs of the Company and (b) the nominee’s reputation for honesty and ethical conduct in his or her personal and professional activities. Additional factors which the Governance Committee may consider include a candidate’s specific experiences and skills, relevant industry background and knowledge, time availability in light of other commitments, age, potential conflicts of interest, material relationships with the Company and independence from management and the Company.

In connection with the selection of nominees, it is the Company’s policy to seek to have the Board represent a diversity of backgrounds, including personal characteristics such as race, gender and age, and the experiences and skills relevant to the Board’s performance of its responsibilities in the oversight of the Company.

## Other Directorships

The Company recognizes the substantial time commitments attendant to Board membership and expects that the members of its Board be fully committed to devoting all such time as is necessary to fulfill their Board responsibilities, both in terms of preparation for and attendance and participation at meetings. Accordingly, directors generally should not serve on more than three other public company boards. A director who also serves as the chief executive officer or named executive officer of a public company generally should not serve on the board of more than one other public company.

The Governance Committee shall also consider the number of boards (or comparable governing bodies) of entities other than public companies on which a member of the Board or prospective nominee to the Board serves.

In addition, in recognition of the enhanced time commitments associated with membership on a public company's audit committee, the Board has adopted a policy that no member of the Audit Committee may serve simultaneously on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit Committee.

A director is expected to inform the Chair of the Board, the Chair of the Governance Committee, or the General Counsel before accepting an invitation to serve on the board or audit committee of any other public company to provide the Company with an opportunity to consider any consequences affecting the Company, the Board, or any committee of the Board.

### Independence of the Board

The Board shall be comprised of a majority of directors who qualify as independent directors ("Independent Directors") under the listing standards of the New York Stock Exchange (the "NYSE").

The Board shall review annually the relationships that each director has with the Company (either directly or as a partner, shareholder, or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or as a partner, shareholder, or officer of an organization that has a relationship with the Company) will be considered Independent Directors, subject to additional qualifications prescribed under the listing standards of the NYSE or under applicable law. The Board may adopt and disclose categorical standards to assist it in determining director independence. In the event that a director becomes aware of any change in circumstances that may result in such director no longer being considered independent under the listing standards of the NYSE or under applicable law, the directors shall promptly inform the Governance Committee Chair.

### Lead Independent Director

If the Chair of the Board is not an Independent Director, the Company's Independent Directors will designate one of the Independent Directors on the Board to serve as a lead Independent Director (the "Lead Independent Director"). If the Chair of the Board is an Independent Director then he or she shall serve as Lead Independent Director. The Lead Independent Director's duties will include coordinating the activities of the Independent Directors, coordinating the agenda for and moderating sessions of the Board's Independent Directors and other non-management directors, and facilitating communications between the other members of the Board.

In performing the duties described above, the Lead Independent Director is expected to consult with the Chairs of the appropriate Board committees and solicit their participation in order to avoid diluting the authority or responsibilities of such committee Chairs.

### Directors Who Change Their Present Job Responsibility

The Board does not believe that directors who retire or change the primary position they held when they became a member of the Board should necessarily leave the Board. Promptly following such event, the director must notify the Chair of the Board or Chair of the Governance Committee in order to provide the Governance Committee with an opportunity to consider any

consequences affecting the Company, the Board, or any committee of the Board. The affected director is expected to act in accordance with the Governance Committee's recommendation following such review.

### Resignation Policy Relating to Majority Voting

An incumbent director who fails to receive a majority vote in an uncontested election in accordance with the By-laws 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 Governance Committee.

The Governance Committee shall consider such tendered resignation and, within 45 days following the date of the shareholders' meeting at which the election of directors occurred, shall make a recommendation to the Board concerning the acceptance or rejection of such resignation. In determining its recommendation to the Board, the Governance Committee shall consider all factors deemed relevant by the members of the Governance Committee including, without limitation, the stated reason or reasons why shareholders voted against such director's re-election, the qualifications of the director (including, for example, whether the director serves on the Audit Committee of the Board as an "audit committee financial expert" and whether there are one or more other directors qualified, eligible and available to serve on the Audit Committee in such capacity), and whether the director's resignation from the Board would be in the best interests of the Company and its shareholders.

The Governance Committee also shall consider a range of possible alternatives concerning the director's tendered resignation as the members of the Governance Committee deem appropriate, including, without limitation, acceptance of the resignation, rejection of the resignation or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Governance Committee to have substantially resulted in such director failing to receive the required number of votes for re-election.

The Board shall take formal action on the Governance Committee's recommendation no later than 90 days following the date of the shareholders' meeting at which the election of directors occurred. In considering the Governance Committee's recommendation, the Board shall consider the information, factors and alternatives considered by the Governance Committee and such additional information, factors and alternatives as the Board deems relevant.

Following the Board's decision on the 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 Securities and Exchange Commission, 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.

No director who, in accordance with this resignation policy, is required to tender his or her resignation, shall participate in the Governance Committee's deliberations or recommendation, or in the Board's deliberations or determination, with respect to accepting or rejecting his or her resignation as a director. If a majority of the members of the Governance Committee fail to receive the required number of votes for re-election, then the independent directors then

serving on the Board who were elected at the shareholders' meeting at which the election occurred, and the independent directors, if any, who were not standing for election at such shareholders' meeting, will appoint an ad hoc Board committee from amongst themselves (the "Ad Hoc Committee"), consisting of such number of directors as they may determine to be appropriate, solely for the purpose of considering and making a recommendation to the Board with respect to the tendered resignations. The Ad Hoc Committee shall serve in place of the Governance Committee and perform the Governance Committee's duties for purposes of this resignation policy. Notwithstanding the foregoing, if an Ad Hoc Committee would have been created but fewer than three directors would be eligible to serve on it, the entire Board (other than the individual director whose resignation is being considered) shall make the determination to accept or reject the tendered resignation without any recommendation from the Governance Committee and without the creation of an Ad Hoc Committee.

This resignation policy, as it may from time to time be amended, will be summarized or included in the Company's proxy statement for each meeting of shareholders (annual or special) at which directors are to be elected.

### Retirement Age

It is the general policy of the Company that no director having attained the age of 74 years shall be nominated for re-election or reappointment to the Board. However, the Board may determine to waive this policy in individual cases.

### Director Tenure

In connection with each director nomination recommendation, the Governance Committee shall consider the issue of continuing director tenure and take steps as may be appropriate to ensure that the Board maintains an openness to new ideas and a willingness to critically re-examine the status quo. An individual director's renomination is dependent upon such director's performance evaluation, as well as a suitability review, each to be conducted by the Governance Committee in connection with each director nomination recommendation.

### Board Compensation

A director who is also an officer of the Company shall not receive additional compensation for such service as a director.

The Company believes that compensation for non-employee directors should be competitive and should encourage increased ownership of the Company's stock through the payment of a portion of director compensation in Company stock, options to purchase Company stock, or similar compensation. The Compensation and Management Development Committee will periodically review the level and form of the Company's director compensation, including how such compensation relates to director compensation of companies of comparable size, industry, and complexity. Such review will also include a review of both direct and indirect forms of compensation to the Company's directors, including any charitable contributions by the Company to organizations with which a director is affiliated and consulting or other similar arrangements between the Company and a director. Changes to director compensation will be proposed to the full Board for consideration.

Director's fees (including any additional amounts paid to chairs of committees and to members of committees of the Board) are the only compensation a member of the Audit Committee may receive from the Company; provided, however, that a member of the Audit Committee may also receive fixed amounts of compensation under a retirement plan (including deferred compensation) from the Company for prior service with the Company so long as such compensation is not contingent in any way on continued service.

### Separate Sessions of Non-Management Directors

The non-management directors of the Company shall meet in executive session without management at each regularly scheduled Board meeting. The Lead Independent Director shall preside at such executive sessions, or in such director's absence, another Independent Director designated by the Lead Independent Director shall preside at such executive sessions.

In the event that the non-management directors include directors who are not independent under the NYSE listing standards, the Company should, at least once a year, schedule an executive session including only independent directors.

### Shareholder Communications with Directors

Shareholders and other interested parties may contact the Board of Directors, any individual director, or any group or committee of directors by mail. All such correspondence should be addressed to the Board of Directors, or to any such individual director or group or committee of directors by either name or title, and sent "c/o Corporate Secretary" at the address of the Company's principal executive offices, which can be found on the cover page to the Company's most recent periodic report (e.g., Form 8-K, Form 10-Q, or Form 10-K) filed with the Securities and Exchange Commission.

### Self-Evaluation by the Board and Director Peer Evaluations

The Governance Committee will sponsor an annual self-assessment of the Board's performance as well as the performance of each committee of the Board, the results of which will be discussed with the full Board and each committee. The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the Company. The Governance Committee will consider the results of this self-evaluation process as applicable in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees. The Governance Committee will also sponsor annual director peer evaluations.

### Strategic Direction of the Company

Normally it is management's job to formalize, propose, and implement strategic choices and the Board's role to approve strategic direction and evaluate strategic results. However, as a practical matter, the Board and management will be better able to carry out their respective strategic responsibilities if there is an ongoing dialogue among the Chief Executive Officer, other members of top management, and other Board members. To facilitate such discussions, members of senior management who are not directors may be invited to participate in Board meetings when appropriate.

## Board Oversight of Risk Management

Management is responsible for establishing and maintaining systems to assess and manage the Company's risk exposure, and the Board provides oversight in connection with those efforts. In fulfilling its risk oversight role, the Board focuses on the adequacy of the Company's risk management process and the effectiveness of its overall risk management system.

Management has established an enterprise risk management ("ERM") program that includes an annual assessment process that is designed to identify risks that could affect the Company and the achievement of its objectives; to understand, assess, and prioritize those risks; and to facilitate the implementation of risk management strategies and processes across the company that are responsive to the Company's risk profile, business strategies, and specific material risk exposures. The ERM program seeks to integrate consideration of risk and risk management into business decision-making throughout the Company, including through the implementation of policies and procedures intended to ensure that necessary information with respect to material risks is transmitted to senior executives and, as appropriate, to the Board or relevant Committees.

Each year, the Board shall review and discuss with the key members of management responsible for management of risk the guidelines and policies governing the ERM program, the key risks identified in the ERM process, the likelihood of occurrence and the potential impact assigned to those risks by management, and the risk mitigation strategies in each instance. The standing Committees of the Board shall assist the Board in its oversight role with respect to risks relating to the Committees' respective areas of responsibility.

## Board Access to Management

Board members shall have access to the Company's management and, as appropriate, to the Company's outside advisors. Board members shall coordinate such access through the Chair of the Board or the Chief Executive Officer and Board members will use judgment to assure that this access is not disruptive to the business operation of the Company.

## Attendance of Management Personnel at Board Meetings

The Board encourages the Chief Executive Officer to bring members of management from time to time into Board meetings to (i) provide management insight into items being discussed by the Board which involve the manager; (ii) make presentations to the Board on matters which involve the manager; and (iii) bring managers with significant potential into contact with the Board. Attendance of such management personnel at Board meetings is at the discretion of the Board. Should the Chief Executive Officer desire to add additional members of management as attendees on a regular basis, this should be suggested to the Board for its concurrence.

## Board Materials Distributed in Advance

Information and materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting should, to the extent practicable, be distributed sufficiently in advance of the meeting to permit prior review by the directors. In the event of a pressing need for the Board to meet on short notice or if such materials contain



highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

## Board Interaction with Institutional Investors, Analysts, Press, and Customers

The Board believes that management generally should speak for the Company. It is suggested that each director shall refer all inquiries from institutional investors, analysts, the press, or customers to the Chief Executive Officer or his or her designee.

## Board Orientation and Continuing Education

The Company shall provide new directors with a director orientation program to familiarize such directors with, among other things, the Company's business, strategic plans, significant financial, accounting, and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, principal officers, internal auditors, and independent auditors. Each director is expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director.

## Director Attendance at Annual Meetings of Shareholders

Directors are expected to attend the Company's annual meeting of shareholders. A director who is unable to attend the Company's annual meeting of shareholders (which it is understood will occur on occasion) is expected to notify the Chair of the Board.

## Board Meetings

### Frequency of Meetings

There shall be at least four regularly scheduled meetings of the Board each year. At least one regularly scheduled meeting of the Board shall be held quarterly.

### Selection of Agenda Items for Board Meetings

The Chair of the Board, in consultation with the Chief Executive Officer (if the Chair of the Board is an Independent Director or else in consultation with the Lead Independent Director), shall annually prepare a "Board of Directors Master Agenda." This Master Agenda shall set forth a general agenda of items to be considered by the Board at each of its specified meetings during the year. Thereafter, the Chair of the Board, in consultation with the Chief Executive Officer (or the Lead Independent Director as applicable), may adjust the agenda to include special items not contemplated during the initial preparation of the annual Master Agenda.

Upon completion, a copy of the Master Agenda shall be provided to the entire Board. Each Board member shall be free to suggest inclusion of items on the agenda as well as free to raise at any Board meeting subjects that are not specifically on the agenda for that meeting.

## Committee Matters

### Number and Names of Board Committees

The Company shall have four standing committees: Audit; Corporate Governance and Nominating; Compensation and Management Development; and Environmental Sustainability and Community. The purpose and responsibilities for each of these committees shall be outlined in committee charters adopted by the Board. The Board may want, from time to time, to form a new committee or disband a current committee depending on circumstances. In addition, the Board may determine to form ad hoc committees from time to time, and determine the composition and areas of competence of such committees.

### Independence of Board Committees

Each of the Audit Committee, the Governance Committee, the Compensation and Management Development Committee and the Environmental Sustainability and Community Committee shall be composed entirely of Independent Directors satisfying applicable legal, regulatory, and stock exchange requirements necessary for an assignment to any such committee.

### Assignment and Rotation of Committee Members

The Governance Committee shall be responsible, after consultation with the Chair of the Board, for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the Governance Committee's recommendations, the Board shall be responsible for appointing the Chair and members to the committees on an annual basis.

The Governance Committee shall annually review the Committee assignments and shall consider the rotation of the Chair and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

## Leadership Development

### Selection of the Chief Executive Officer

The Board shall be responsible for identifying potential candidates for, and selecting, the Company's Chief Executive Officer. In identifying potential candidates for, and selecting, the Company's Chief Executive Officer, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, knowledge, skills, expertise, integrity, and reputation in the business community.

### Evaluation of Chief Executive Officer

The Board will provide the Chief Executive Officer with an annual performance review at the last regularly scheduled meeting of the Board each fiscal year. The following steps will be utilized to carry out this review:

- In advance of the last regularly scheduled meeting of the Board each fiscal year, the Governance Committee Chair circulates a questionnaire to each non-management

director to gather his or her assessment of the Chief Executive Officer's performance based upon pre-established objectives.

- The Chief Executive Officer will independently develop a self-evaluation and provide this to the Chairman of the Board and the Governance Committee Chair in advance of the last regularly scheduled meeting of the Board each fiscal year, in writing.
- The Governance Committee Chair will synthesize this information and report a summary of this information to the non-management directors in executive session at the last regularly scheduled meeting of the Board each fiscal year.

After agreement by the non-management directors to the evaluation, one or more of the Chair of the Board (if the Chair of the Board is an Independent Director or else the Lead Independent Director) and the chairs of the Board's committees will meet with the Chief Executive Officer to discuss the Board's assessment. The Chief Executive Officer may then take the opportunity to discuss his or her reaction to the evaluation.

### Succession and Succession Planning

The Board shall plan for the succession to the position of the Chief Executive Officer. To assist the Board, the Chief Executive Officer shall prepare and distribute to the Board an annual report on succession planning for all senior officers of the Company with an assessment of senior managers and their potential to succeed the Chief Executive Officer and other senior management positions. In addition, the Chief Executive Officer shall prepare, on a continuing basis, a short-term succession plan which delineates a temporary delegation of authority to certain officers of the Company, if all or a portion of the senior officers should unexpectedly become unable to perform their duties. The short-term succession plan shall be approved by the Board and shall be in effect until the Board has the opportunity to consider the situation and take action, when necessary. Unless otherwise provided in a short-term succession plan approved by the Board:

- in the event that the Chief Executive Officer should unexpectedly become unable to perform his or her duties, the Chair of the Board (if the Chair of the Board is an Independent Director or else the Lead Independent Director) shall allocate the duties of the Chief Executive Officer among the Company's other senior officers; and
- in the event that the Chair of the Board should unexpectedly become unable to perform his or her duties, the Chief Executive Officer (if the Chair of the Board is an Independent Director or else the Lead Independent Director) shall assume the duties of the Chair of the Board,

in each case, until the Board has the opportunity to consider the situation and take action.

### Management Development

The Board shall determine that a satisfactory system is in effect for education, development, and orderly succession of senior and mid-level managers throughout the Company.