



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 Chairman of the Board or the Chairman 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 stockholders 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 Chairman of the Board

The Board does not require the separation of the offices of the Chairman of the Board and the Chief Executive Officer. The Board shall be free to choose its Chairman 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 stockholders. The Corporate Governance and Nominating Committee is responsible for identifying, screening, and recommending candidates to the Board for Board membership. When formulating its Board membership recommendations, the Corporate Governance and Nominating Committee shall also consider advice and recommendations from others as it deems appropriate.

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

Board Membership Criteria

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

The Corporate Governance and Nominating Committee may apply several criteria in selecting nominees. At a minimum, the 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 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 Public Company Directorships

The Company does not have a policy limiting the number of other public company boards of directors upon which a director may sit, in general. However, the Corporate Governance and Nominating Committee shall consider the number of other public company boards and other boards (or comparable governing bodies) on which a prospective nominee is a member.

Although the Company does not impose a limit on outside directorships, it does recognize 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.

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 Committee.

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 Chairman of the Corporate Governance and Nominating Committee.

Lead Independent Director

If the Chairman 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 Chairman 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 Chairmen of the appropriate Board committees and solicit their participation in order to avoid diluting the authority or responsibilities of such committee Chairmen.

Directors Who Change Their Present Job Responsibility

The Board does not believe that directors who retire or change the 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 Corporate Governance and Nominating Committee, which shall review the continued appropriateness of the affected director remaining on the Board under the circumstances. The affected director is expected to act in accordance with the Corporate Governance and Nominating 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 Chairman of the Board for consideration by the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee shall consider such tendered resignation and, within 45 days following the date of the stockholders' 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 Corporate Governance and Nominating Committee shall consider all factors deemed relevant by the members of the Corporate Governance and Nominating Committee including, without limitation, the stated reason or reasons why stockholders 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 stockholders.

The Corporate Governance and Nominating Committee also shall consider a range of possible alternatives concerning the director's tendered resignation as the members of the Corporate Governance and Nominating 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 Corporate Governance and Nominating 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 Corporate Governance and Nominating Committee's recommendation no later than 90 days following the date of the stockholders' meeting at which the election of directors occurred. In considering the Corporate Governance and Nominating Committee's recommendation, the Board shall consider the information, factors and alternatives considered by the Corporate Governance and Nominating Committee and such additional information, factors and alternatives as the Board deems relevant.

Following the Board's decision on the Corporate Governance and Nominating 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 Corporate Governance and Nominating 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 Corporate Governance and Nominating 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 stockholders' meeting at which the election occurred, and the independent directors, if any, who were not standing for election at such stockholders' 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 Corporate Governance and Nominating Committee and perform the Corporate Governance and Nominating 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 Corporate Governance and Nominating 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 stockholders (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 Corporate Governance and Nominating 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 Corporate Governance and Nominating 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 in 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 on a regularly scheduled basis, but no less than four times a year. 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 4 Parkway North, Suite 400, Deerfield, Illinois 60015.

Self-Evaluation by the Board

The Corporate Governance and Nominating 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 Corporate Governance and Nominating 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.

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 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 Chairman

of the Board or the Chief Executive Officer and Board members will use judgment to assure that this access is not distracting 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 would otherwise 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 Chairman 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 Chairman of the Board, in consultation with the Chief Executive Officer (if the Chairman 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 Chairman 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 three standing committees: Audit; Corporate Governance and Nominating; and Compensation and Management Development. 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 Corporate Governance and Nominating Committee, and the Compensation and Management Development 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 Corporate Governance and Nominating Committee shall be responsible, after consultation with the Chairman of the Board, for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the Corporate Governance and Nominating Committee’s recommendations, the Board shall be responsible for appointing the Chairman and members to the committees on an annual basis.

The Corporate Governance and Nominating Committee shall annually review the Committee assignments and shall consider the rotation of the Chairman 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:

- The Chief Executive Officer will develop a self-evaluation and provide this to the Board in advance of the last regularly scheduled meeting of the Board each fiscal year, in writing.
- With this information, each non-management director will provide his or her assessment of the Chief Executive Officer's performance to the Corporate Governance and Nominating Committee Chair.¹
- The Corporate Governance and Nominating 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 Chairman of the Board (if the Chairman 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

¹ These assessments should include the director's appraisal of: (i) the Company's performance and the Chief Executive Officer's contribution to it, both compared to competitors and the Company's own strategic goals; (ii) achievement of personal goals set by the Chief Executive Officer for the year, as part of his or her self-evaluation; and (iii) other aspects of the Chief Executive Officer's performance which the non-management director deems relevant.

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 Chairman of the Board (if the Chairman 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 Chairman of the Board should unexpectedly become unable to perform his or her duties, the Chief Executive Officer (if the Chairman of the Board is an Independent Director or else the Lead Independent Director) shall assume the duties of the Chairman 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.