



# Anti-corruption Compliance Policy

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# Anti-corruption Compliance Policy

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It is the firm policy of CF Industries Holdings, Inc. (the “Company”) to comply fully with the letter and the spirit of anti-corruption laws applicable to the Company (collectively, the “Anti-corruption Laws”). The primary Anti-corruption Laws applicable to the Company include the United States Foreign Corrupt Practices Act (the “FCPA”) and the U.K. Bribery Act (the “Bribery Act”). Other countries where we operate and do business have laws similar to the FCPA and the Bribery Act, and many are signatories to the Anti-Bribery Convention of the Organisation for Economic Co-operation and Development. This Policy addresses the primary points that we need to keep in mind regarding the Anti-corruption Laws, but you should ensure your actions comply with all applicable laws at all times. If you require information on applicable laws you should contact a Compliance Officer or the legal department.

Generally, the Anti-corruption Laws make it unlawful to bribe government officials (“Government Officials”) or people in business by offering them money or anything else in an effort to influence any official or business decision that would assist the Company in either obtaining or retaining business, or securing some improper commercial advantage. Because these laws are passed by specific countries, they refer to *foreign* officials or individuals, but given the international nature of our operations and business, it applies to any Government Official or business person with whom we may interact.

Beyond the direct bribery of Government Officials or business persons, the Anti-corruption Laws may be implicated by a wide range of activities. For instance, consulting arrangements, gifts to Government Officials, or entertainment of or reimbursement of travel expenses for Government Officials have all been found to raise issues under the Anti-corruption Laws. Further, applicable Anti-corruption Laws contain accounting provisions that require the Company to keep accurate records and to maintain a system of internal controls to ensure that all transactions are properly authorized by management.

The Anti-corruption Laws apply to the Company, its subsidiaries, and its affiliated companies, as well as to all officers, directors, employees, and agents of the Company, and to any stockholders acting on behalf of the Company. Company policy mandates strict compliance with the Anti-corruption Laws, and with the related provisions of the Company’s Code of Corporate Conduct (the “Code”). Each Company employee, agent, or representative whose duties are likely to lead to involvement in any of the areas covered by the Anti-corruption Laws is expected to become familiar with and comply with this Policy and to participate in Anti-corruption training sessions when required. This Policy may be updated to address changes in the Company’s risk profile or in relevant law, and each employee is expected to be aware of such updates.

***The Company strictly prohibits engaging in or tolerating bribery or any other form of corruption.*** If you have any doubts or questions as to whether your conduct is permissible

under the Anti-corruption Laws, this Policy, or the Code, you are strongly encouraged to contact one of the following:

- your supervisor,
- Human Resources Department,
- the Legal Department,
- a Compliance Officer, or
- our Compliance Helpline at (888) 711-3620 in the US or Canada; 0808-234-9998 in the UK; or online via [www.cfindustries.ethicspoint.com](http://www.cfindustries.ethicspoint.com).

If you prefer, you may report anonymously through any one of these five channels.

## Overview

### Prohibition on Bribery of Government Officials

This Policy and the Anti-corruption Laws prohibit bribery of *Government Officials*, by offering them *anything of value*, either *directly or through an intermediary*, in a corrupt attempt *to obtain or retain business or other business advantage*.

Employees should further understand that this Policy prohibits bribery even if:

- the payment is made for the benefit of someone other than the Company or a Company employee;
- the payment is made to someone other than the Government Official, such as a close relative of the official;
- the Government Official rejects the offer, or fails to bring about the desired outcome;
- the Government Official demands or suggests the payment.

#### 1. Who is a “Government Official”?

Under this Policy, “Government Official” is defined *broadly*, and includes the following:

- any elected or appointed official, officer, or employee of a government, whether at the national, state, or local levels (including members of the legislative, executive, and judicial branches of government, and low-level employees of government agencies, such as office workers);
- any officer or employee of a government-owned or government-controlled business enterprise (such as a state-owned agricultural company, bank, or utility company);
- any officer or employee of certain public international organizations (such as the United Nations, the World Bank, or the International Monetary Fund);
- any person acting in an official capacity for a government, government agency, or state-owned company (*i.e.*, someone acting under a delegation of authority from these entities to carry out official responsibilities);
- any political party and any officials thereof;

- any candidate for political office; and
- members of a royal family.

In many cases, these persons may not be considered government officials by their own governments. For purposes of this Policy, the definitions contained within this Policy and relevant laws control. In addition, even where an individual may be considered to be “private” under local law, commercial bribery laws may prohibit providing anything of value to that person to obtain an improper advantage.

Company personnel are responsible for gathering the necessary information to determine whether a proposed transaction involves a Government Official, a government-owned company, or an entity that is owned or controlled by a Government Official. In some cases, government involvement will be obvious, but in many cases it will not. Employees are strongly encouraged to seek guidance from the legal department whenever they are uncertain about potential government involvement in a transaction.

It is important to understand that this Policy prohibits only payments made to individuals. Legitimate payments to government agencies or government-owned companies – such as payments made to government bank accounts – are not prohibited unless the Company has reason to believe that a portion of the payment will be diverted to a particular Government Official.

## **2. What is “Anything of Value”?**

This Policy and the Anti-corruption Laws prohibit offering a Government Official “anything of value” to induce the official to misuse his or her official authority to the benefit of the Company. The term “anything of value” has a broad scope, and may include gifts, entertainment, favors, services, loans and loan guarantees, investment or business opportunities, the use of property or equipment, job offers, transportation, and the payment or reimbursement of travel expenses or debts.

Importantly, there is no “small payment” or *de minimis* exception for payments made with a corrupt intent. Thus, ***even minor payments can trigger liability if they are intended as bribes.***

## **3. What are Payments Designed to Obtain or Retain Business or Business Advantage?**

The scope of this Policy is broad and is not limited to things of value designed to win a government contract or public tender. This policy covers any efforts to secure a commercial or financial benefit. For example, a payment to persuade a Government Official to award a license, permit, or approval would violate this Policy. Similarly, a payment to induce a Government Official not to impose a tax or not to enforce an applicable law or regulation against the Company could also result in a violation.

Anti-corruption Laws frequently prohibit providing a benefit to a Government Official to induce that official to provide an improper advantage, or breach a duty to his or her employer. Thus, we should be cognizant of the risks of providing a benefit to a Government

Official whenever that official is in a position to act in a manner that could favor the Company.

#### **4. Can We be Held Liable for Acts by Third Parties?**

Yes. For example, the FCPA prohibits corrupt payments whether they are made directly or through an intermediary, and the Bribery Act imposes liability on commercial organizations for failure to prevent bribery by associated persons. Accordingly, the Company and individual employees can face liability if they make a payment to a third party—such as a consultant, agent, or joint venture partner—if the employee is either aware that the third party is engaging in improper conduct, or has a firm belief that improper conduct is substantially certain to occur. Company employees may not disregard or turn a blind eye to evidence of misconduct by third parties acting on behalf of the Company.

As described more fully below, Company policy requires appropriate due diligence and vetting of consultants, agents, joint venture partners, and other third parties, and records of the diligence must be maintained.

*Company employees are strictly prohibited from making or authorizing payments to a third party if they have reason to suspect the third party is acting as an intermediary for a Government Official.* A list of common warning signs for potentially improper conduct by third parties acting on behalf of the Company is set forth below.

#### **5. What if a Government Official Threatens to Harm the Company or an Employee?**

This Policy and applicable Anti-corruption Laws prohibit payments even when they are requested or demanded by a Government Official. All employees must report to the legal department any situations where they or the Company are being blackmailed or threatened in this regard or where payments are being extorted.

Even threats of severe economic harm are not considered extortion under Anti-corruption Laws. For instance, a demand for payment by a tax official who threatens to impose an unwarranted multi-million dollar tax liability would not fall within this exception. Nor would a threat to detain employees for legitimate violations of local laws, even if those violations are often overlooked by local authorities.

If a payment is demanded or made in connection with a threat to the health or safety of a Company employee, the circumstances must be reported as soon as possible through the channels described above.

#### **Prohibition on Private Bribery**

The Anti-corruption Laws and this Policy prohibit conveying anything of value (as described above) directly or indirectly, to private individuals with the intention of inducing a person to improperly perform a relevant function or activity (such as his or her work) or to reward a person for having improperly performed a relevant function or activity.

Similarly, under this Policy and applicable Anti-corruption Laws, officers, directors, employees, and agents are prohibited from receiving bribes in connection with their employment/relationship with the Company.

This Policy prohibits an offer or promise of a bribe, even if the private individual rejects the offer, or it fails to bring about the desired outcome.

It is permissible, in relation to Company business with Private Persons, to incur reasonable, proportionate, and good faith expenses in connection with the promotion of the Company's services and products and in the provision of corporate hospitality. Such expenses are discussed more fully below.

### **Accounting Provisions**

Anti-corruption Laws and related statutes also require the Company to maintain its books and accounting records so that they accurately and fairly reflect all transactions and dispositions of the Company's assets. These record-keeping provisions apply to all payments, not merely those that would be material in the traditional financial sense. Accordingly, employees must be timely and complete when preparing all reports and records required by the Company's various policies and procedures.

The FCPA makes it a crime to manipulate the Company's books and records in an effort to mask transactions, either by characterizing them in some oblique way or by omitting them from the Company's books entirely. No undisclosed or unrecorded accounts are to be maintained for any purpose. The FCPA further requires that the Company implement and maintain a system of internal controls to ensure that all transactions are properly authorized by management. Employees must therefore follow all policies and procedures for accounting and financial reporting, and must obtain the necessary approvals for all transactions.

The laws of the United Kingdom, including, but not limited to, the Companies Act 2006, impose a similar duty on the Company to keep adequate accounting records. Under the Companies Act, adequate accounting records are records sufficient to show and explain the Company's transactions, to disclose with reasonable accuracy, at any time, the financial position of the Company at that time, and to enable the directors to ensure that any accounts required to be prepared under British law comply with the requirements of the Companies Act. Similar to the FCPA, this means that the Company's records may not be manipulated to mask improper transactions.

### **Penalties are Severe**

The Anti-corruption Laws impose harsh criminal penalties on both individuals and corporations for violations. For example, individuals who violate the anti-bribery provisions of the FCPA face fines of up to \$250,000, imprisonment of up to five years, or both. Significantly, the FCPA prohibits the Company from reimbursing individuals for any fines imposed under the FCPA. Corporations found criminally liable for violations of the anti-

bribery provisions may be fined up to \$2,000,000. Civil penalties may also be imposed against individuals and companies that violate the FCPA's anti-bribery provisions.

Individuals who willfully violate the accounting and internal controls provisions of the FCPA may be fined up to \$1,000,000, imprisoned for up to ten years, or both. A corporation may be fined up to \$2,500,000.

*Note: Under United States criminal laws, any fine for violations of the FCPA may be increased to twice the gross amount of the pecuniary gain or loss resulting from the improper conduct.*

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Companies whose employees are found to have violated the Anti-corruption Laws may be precluded from doing business with the U.S. government and other governments.

Under the Bribery Act, the penalty for a finding of bribery may be an unlimited fine against the Company. An individual convicted of bribery may be imprisoned for ten years and is similarly subject to a statutorily unlimited fine. Further, the courts can unwind deals that have been based on bribery and impose penal damages on the perpetrators and anyone who may have assisted them. English civil litigation may also be brought against those who perpetrate or assist acts of bribery in order to recover lost assets. The courts may confiscate property that was obtained by "unlawful conduct" (such as bribery), without bringing criminal proceedings. Thus, the consequences of bribery can be very high for the Company.

*Note: There is no statutory limit on the financial penalty that might be imposed on a company for violations of the Bribery Act and individuals may be sentenced to up to ten years in prison for violating the Bribery Act.*

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Ensuring compliance with the Anti-Corruption Laws and the Code is every employee's responsibility, and is monitored through a variety of means including internal audits and periodic compliance reviews. Violating the Code, this Policy, or the Anti-corruption laws will result in discipline by the Company up to and including termination of employment, as appropriate.

## **Additional Guidance Regarding Payment Practices**

### **Corrupt Payments to Government Officials are Strictly Prohibited**

Requests by Government Officials for payments or gifts that could violate the Anti-corruption Laws arise in varied settings and can be much more subtle than a direct request for a kickback or bribe. Company employees and representatives must never pay or give things of value to Government Officials for the following purposes:

- to influence the award of a government contract;
- to prevent some governmental action, such as the imposition of a large tax or fine;



- to obtain a license or other authorization from a government where the issuance involves the official's or his government's discretion;
- to obtain confidential information about business opportunities, bids, or the activities of competitors;
- to obtain a permit or license, other than to cover appropriate processing fees;
- to secure a zoning ruling;
- to influence the rate of taxes that would be levied on the Company's business;
- to obtain relief from government controls;
- to resolve disputes, such as the resolution of tax deficiencies or disagreements over duties payable;
- to affect the nature of foreign regulations or the application of regulatory provisions; or
- to otherwise obtain or retain business, influence government action or decision, or secure any other improper commercial or financial advantage.

Employees are reminded that they may not use agents or other third party intermediaries to engage in the improper conduct described above.

### **Facilitating Payments**

This Policy prohibits all payments to secure an advantage from a Government Official, including small payments to speed routine government actions, frequently called "grease" or "facilitating" payments. Although such payments may be common in certain parts of the world, they can easily be misconstrued as bribes and they are illegal in many jurisdictions.

If a payment is made to prevent an imminent threat to an individual's health or safety, it must be immediately reported to the Company's legal department, and must be accurately recorded in the Company's records to reflect the amount and purpose of the payment. If possible, contact the legal department before such payment is made.

### **Promotional Expenses: Entertainment, Gifts, and Travel**

This Policy permits certain benefits to Government Officials if the benefits are directly related to the promotion or demonstration of the Company's products and services, or are necessary for the Company to fulfill its obligations under a contract with a government or state-owned company. Examples of such promotional expenses would include participation in or sponsorship of seminars or educational programs, and tours of the Company's facilities.

In general, the Company may authorize the payment or reimbursement of promotional expenses only if such payments are reasonable and *bona fide* expenses. The payments must also be fully documented, supported by original receipts, properly approved, and submitted in accordance with the following procedures. The appropriateness of entertainment, gift, and travel expenses is subject to oversight under the Company's expense audit procedures and other internal audit reviews.

### 1. Entertainment

It is the Company's Policy that entertainment expenses (including meals) for Government Officials may be incurred without prior approval by the Company's legal department only if all of the following conditions are met:

- the entertainment or meals occur in connection with substantive business meetings, occur in the same general location as such meetings, and are attended by appropriate Company representatives;
- the entertainment or meal expenses are legitimate and commensurate with generally accepted local customs for private business people;
- the entertainment or meals are permitted under applicable laws and, for officers and employees of a public international organization, the rules of that organization; and
- the expenses are properly recorded and approved in accordance with Company policies.

### 2. Gifts

It is the Company's Policy that gifts to Government Officials should be reviewed and approved in advance by the legal department, except under the following circumstances:

- gifts or items of *nominal value* bearing the Company's logo or otherwise generally distributed by the Company to its customers and vendors as a token of goodwill;
- gifts that are commensurate with legitimate and generally accepted local customs for private business people and which do not exceed a *nominal amount* per person (if a gift is being given to reciprocate a gift that was received, the gift should be of reasonably equivalent value to the one being reciprocated);
- the gift is permitted under applicable law and, for officers and employees of a public international organization, the rules of that organization; *and*
- the expenses involved are properly recorded and approved in accordance with Company policies.

### 3. Travel

At times, the Company may be requested to pay the travel and lodging expenses of Government Officials in connection with trips by such officials to meet with Company representatives or to visit Company facilities. Reimbursements by the Company for such expenses on behalf of Government Officials require the prior written approval of the legal department. Reimbursement is generally acceptable where the expenses relate to reasonable and bona fide travel, accommodation, and meal expenses in connection with a contract between the Company and the government, or the demonstration of Company facilities or capabilities relating to proposed business with the government. Advance *per diem* compensation is discouraged and requires prior express approval of the legal department. Wherever possible, the Company should arrange to reimburse the governmental entity directly for the expenses rather than reimburse the individual Government Officials. In no case should reimbursements be made:

- by cash payment directly to a Government Official;
- for expenses relating to family members or other persons accompanying a Government Official;
- for expenses relating to destinations that are not directly related to the Company's facilities, products, or services; or
- for travel expenses in excess of those that would likely be incurred by Company employees of equivalent status as the Government Officials if such Company employees were to travel to the same destination.

### **Political Contributions Outside of the United States**

In some countries, it may be permissible for international companies or other foreign nationals to make political contributions. A "political contribution" includes not only monetary contributions to political parties or candidates, but also payments for fundraising dinners and similar events. It is the Company's Policy that no Company funds, assets, services, or facilities shall be contributed to any candidate for political office outside of the United States, a non-U.S. political party, or a non-U.S. political action committee without the prior written approval of the President and Chief Executive Officer of the Company.

All of the following criteria must be met when the Company makes a political contribution to a candidate for political office outside of the United States, to a non-U.S. political party, or to a non-U.S. political action committee:

- Compliance with Local Law:* The legal department must be consulted and provide a written determination that such a payment is legal under the foreign country's law.
- Board Approval:* The Company's Board of Directors must approve any political contribution before any payment is made. The request for approval must be written and include information sufficient to prove the political contribution is bona fide.
- Record Retention:* All documents pertaining to the contribution, including documents described in (a) and (b), should be forwarded to the accounting department and to the legal department for the Company's Anti-corruption Compliance files.

For information on political contributions in the United States, please refer to our separate policies covering political activities, lobbying, and charitable donations.

### **Donations to Charities**

Contributions to charities in the countries in which we operate or do business must never be a condition for – or made in an effort to influence – any governmental action or decision. Please refer to our policies covering political activities, lobbying, and charitable donations for the procedures that must be observed before making a donation of Company property or funds to a charitable entity.

## Dealing with Joint Venture Partners, Foreign Agents, Consultants, or Other Representatives

### Introduction

This Policy prohibits independent third parties acting on behalf of the Company from offering bribes to Government Officials. In certain circumstances, the Company and its employees can be held responsible for improper payments made by these third party representatives.

Agreements with joint venture partners, agents, consultants, or representatives (referred to here collectively as “Agents”) must be in writing and must describe the services to be performed, the fee basis, the amounts to be paid, and other material terms and conditions of the representation. Such agreements must be approved by the legal department. Further, payments must bear a reasonable relationship to the value of the services rendered, must be fully and accurately documented, and must not violate the Anti-corruption Laws.

Payments to Agents should never be made in cash, and should be made to the Agent’s bank account in the country where the services are performed or where the Agent’s offices are located. Payment to other locations must be approved beforehand by the legal department.

### Due Diligence for Third Party Agents

Company employees responsible for engaging the Agent, with the assistance of the legal department as needed, must conduct a thorough background check to ensure that the proposed Agent possesses both the requisite qualifications and a solid reputation for business integrity. A written due diligence report must be prepared and sent to the legal department. Such reports, along with the underlying documentation, must be retained for 8 years.

### “Red Flags” or Other Warning Signs

If Company employees ever have reason to suspect that an Agent is engaging in potentially improper conduct, no further payments should be made until an investigation can be conducted. While not exclusive, the following are warnings or “red flags” of potentially improper conduct by an Agent:

- unusual or excessive payment requests, such as requests for over-invoicing, up-front payments, unusual commissions, or mid-stream compensation payments;
- requests for payments in a different country, to a third party, to a foreign bank account, or in cash or other untraceable funds;
- requests for political or charitable contributions;
- a close personal or business relationship between the representative and a Government Official;
- any refusal or hesitancy by the Agent to promise in writing to abide by the Anti-corruption Laws and the Code;

- charges against the representative for violation of local or foreign laws, or of regulations concerning the award of government contracts;
- a demand or strong suggestion by a Government Official that a particular agent, consultant, or representative should be retained;
- reliance by the Agent on government contacts as opposed to knowledgeable staff and investment of time to promote the Company's interests;
- the Agent expresses a desire to keep his representation of the Company or the terms of his retention secret; or
- a country that has a reputation for officials soliciting bribes or other corruption.

### **Contractual Provisions**

All agreements with foreign Agents are to contain provisions requiring the Agents to comply fully with the Anti-corruption Laws in the jurisdiction(s) in which the Agent operates, and to refrain from giving anything of value to Government Officials, political parties, or candidates in order to obtain or retain business or secure any improper advantage for the Company. The agreement also should contain an obligation on the part of the representative to certify periodically that it is in compliance with governing law and that it has no knowledge of any such activities. In addition, the agreement should specify that it can be terminated by the Company in the event of a violation of law by the Agent or other breach of anti-corruption warranties.

### **Certifications**

The Company periodically obtains an executed anti-corruption certification from each of its foreign Agents. Examples of such certifications are available from the legal department upon request. Copies of all such documentation and certifications are to be maintained in the Agent's file and with the legal department.

### **Compliance Procedures**

A copy of this Policy will be furnished to employees who work in sensitive areas. These employees will be asked to sign the attached acknowledgment form or provide an electronic acknowledgement to the same effect. Human Resources shall retain records of all such acknowledgements.

It is imperative when seeking advice from legal counsel that all facts be disclosed fully and promptly. Legal counsel then will be able to make recommendations that are designed to further the Company's legitimate business needs without creating undue risks under the Anti-corruption Laws.

Whenever you become aware of any issue or practice that involves a violation or potential violation of this Policy or the Anti-corruption Laws, you must report this issue or practice as soon as possible to one of the following:

- your supervisor,

- the Human Resources Department,
- the Legal Department,
- a Compliance Officer, or
- our Compliance Helpline at (888) 711-3620 in the US or Canada; 0808-234-9998 in the UK; or online via [www.cfindustries.ethicspoint.com](http://www.cfindustries.ethicspoint.com).

If you prefer, you may report anonymously through any one of these channels.

# Acknowledgment of Receipt

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## *Anti-corruption Compliance Policy*

I acknowledge that I have received a copy of the CF Industries Holdings, Inc. Anti-corruption Compliance Policy. I recognize that it is a statement of the Company's policy regarding full compliance with the Anti-corruption Laws, a policy to which the Company is committed and to which I am expected to adhere during my employment with the Company or any of its subsidiaries and other affiliated companies, and that it is not, in any way, an employment contract or an assurance of continued employment. I further acknowledge and agree that I have read and understood the Policy, and will comply with the Policy, including my reporting obligations if I suspect or become aware of any violations of the Policy or the Anti-corruption Laws.

(X)

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Signature

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Name (please print)

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Location

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Date