Antitrust Compliance Policy and Guide

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Introduction

The policy of CF Industries Holdings, Inc. and its controlled affiliates (collectively, "CF Industries" or the "Company") has been and continues to be that all employees, officers, directors, and agents of CF Industries must comply strictly and in good faith with the letter and spirit of all antitrust laws in any location in which CF Industries transacts business. The antitrust laws are designed to protect and promote free and open competition, a policy which CF Industries believes is in the best interests of the Company, its competitors and suppliers, and its customers. Because of its commitment to fair and open competition, and because of the severe consequences of antitrust violations, the Company holds each of its officers and employees responsible for his or her own compliance with the antitrust laws and for the compliance of all employees under his or her supervision.

Responsibility for compliance rests with each individual. You are required to read this Antitrust Compliance Policy and Guide ("Compliance Guide") carefully. While you are not expected to be an expert in antitrust law, you are expected to recognize trouble areas relating to your business operations and activities and to seek legal advice before taking any action that may have antitrust implications. Failure to be informed about the antitrust laws may subject you to criminal prosecution under those laws, as well as threaten the growth, goodwill, and financial condition of CF Industries.

This Compliance Guide provides a basic understanding of the antitrust laws and a more advanced understanding of some critical antitrust concepts most relevant to CF Industries' business operations. Keep the following general principles in mind, and contact the Legal Department whenever any questions arise about the propriety of any existing or proposed course of conduct. Further, if you have any questions regarding the contents of this Compliance Guide, please contact the Legal Department.

Finally, remember that you must not only obey the law, but should also conduct yourself in such a manner that it will not even *appear* that the law is being violated. All activities should be undertaken based on the assumption that such activities may, at some future time, be reviewed by a government investigator, presented to a jury, or appear on the front page of newspapers around the world. The antitrust laws are being aggressively enforced by governmental agencies, as well as by private parties. No matter how innocent in fact a particular act may be, if it is one that can lead others to believe that a violation may have occurred, legal action could result. Compliance with the antitrust laws is not only good business. It also helps ensure that while CF Industries competes aggressively, the Company will compete fairly, within the limits of acceptable business practices.

Guidelines Relating to the United States Antitrust Laws

The Statutory Framework

Four principal United States federal antitrust statutes apply to CF Industries and its employees: the Sherman Act, the Clayton Act, the Robinson-Patman Act, and the Federal Trade Commission Act. In addition, most states and many foreign countries have enacted antitrust laws (See also ”Guidelines Relating to European and other Foreign Antitrust Laws”).

The Sherman Act

The Sherman Act prohibits businesses from entering into agreements, express or implied, that unreasonably restrain trade. Under Section 1 of the Sherman Act, certain agreements (called "*per se* offenses") are deemed to be so inherently anticompetitive that they are *always illegal*, regardless of the intent of the parties or the actual effect of the agreements. These agreements include (i) agreements between competitors to fix prices or the terms and conditions of credit and sales, to allocate customers or territories, or to refuse to deal with any person or persons ("group boycotts"), and (ii) agreements in certain circumstances, conditioning the sale of one product on the buyer purchasing a second, distinct product ("tying"). Other potentially anticompetitive activities – such as requirements contracts, exclusive dealing contracts, agreements setting a customer's minimum or maximum resale price, and joint marketing activities with competitors or other suppliers – are analyzed under a "rule of reason" approach, under which competitive intent and effect are weighed along with the business justifications for the activities to determine their legality. (Some of these concepts are discussed in more detail below.) Section 2 of the Sherman Act prohibits a firm, acting on its own, from unlawfully monopolizing or attempting to monopolize the sale of a product in the market.

The Clayton Act

The Clayton Act, among other things, prohibits a seller from conditioning the sale or lease of a product on the buyer's agreement not to deal in the products of a competitor where the effect may be to lessen competition or to tend to create a monopoly. The Clayton Act also prohibits stock acquisitions, asset acquisitions, mergers, and other corporate combinations that may substantially lessen competition. In addition, the Clayton Act prohibits any person who is an officer or director of one company from serving at the same time as a director of a competitor in certain circumstances.

The Robinson-Patman Act

The Robinson-Patman Act prohibits sellers from discriminating in the prices, terms of sale, advertising and promotional programs, or allowances provided to different customers where competitive injury may result to disfavored customers or to the seller's competitors. The Robinson-Patman Act was enacted primarily to protect small businesses by preventing larger competitors from exercising their superior buying power to demand non-cost related price discounts or other benefits that give them an unfair competitive advantage.

The Federal Trade Commission Act

Section 5 of the Federal Trade Commission ("FTC") Act prohibits all "unfair methods of competition" and "unfair or deceptive acts or practices." This provision has been interpreted to cover Sherman Act violations, conduct that falls short of, but might ultimately lead to, Sherman Act

violations, and anticompetitive practices similar to those prohibited by the Clayton Act. In addition, it prohibits all forms of deceptive or misleading advertising and practices such as disparaging a competitor's product, harassing a customer or competitor, and stealing trade secrets or customer lists.

In recent years, the FTC increasingly has invoked Section 5 to challenge a variety of activities, including: (1) exchanges of nonpublic information between competitors regarding their future product offerings, expansion plans, and pricing; (2) invitations by one competitor to collude with another competitor to raise prices (even without evidence of any actual collusion); (3) threats by a distributor with significant market share that it would refuse to deal with manufacturers that supplied new competing distributors, in order to foreclose new market entrants from obtaining essential inputs; and (4) a leading manufacturer's practice of entering into exclusive contracts to deny its competitors access to key distribution channels.

Extraterritorial Reach of the Antitrust Laws

The principal federal antitrust statutes discussed above do not apply solely to conduct that takes place within the territorial boundaries of the United States. To the contrary, United States antitrust laws police conduct that has a direct, substantial, and reasonably foreseeable effect on competition in the United States, regardless of where the activity occurs. The Department of Justice ("DOJ") has stated its intention to vigorously prosecute any antitrust violation, wherever the conduct occurs, that has such an effect on United States commerce or persons. Thus, even where the challenged activity takes place entirely abroad, the United States government or private plaintiffs may assert jurisdiction to remedy the violation.

Note: For actions occurring in or affecting foreign countries, the antitrust laws of those countries may also apply. Over 100 countries around the world have adopted some type of antitrust or competition law.

Penalties For Violations

The penalties for antitrust violations can be severe. The U.S. government prosecutes some types of antitrust violators as criminal felons. Employees, officers, or directors who authorize or participate in many types of Sherman Act offenses, such as price-fixing and bid rigging, can be imprisoned for up to ten years and can be fined the greatest of: (i) $1,000,000; (ii) twice the gross monetary loss caused to victims of the crime; or (iii) twice the gross monetary gain derived from the crime, for each offense. For each offense, CF Industries could be fined up to the greatest of: (i) $100 million; (ii) twice the gross monetary loss caused to victims of the crime; or (iii) twice the gross monetary gain derived from the crime.

In addition, the federal government, private parties, and state Attorneys General acting on behalf of states and their residents, can bring civil suits and recover *three times* their actual damages plus court costs and, other than in suits by the federal government, attorneys' fees. Treble damage judgments, or settlements of such suits, can amount to tens or hundreds of millions of dollars.

Furthermore, government prosecutors routinely add wire fraud and mail fraud counts to antitrust charges, which may result in additional prison sentences of up to twenty years and/or fines of up to the greatest of: (i) $250,000 for individuals ($500,000 for corporations); (ii) twice the gross monetary loss caused to victims of the crime; or (iii) twice the gross monetary gain derived from the crime, for each offense. If the violation affects a financial institution, the maximum prison

sentence increases to thirty years, and the maximum fine increases to the greatest of: (i) $1,000,000; (ii) twice the gross monetary loss caused to victims of the crime; or (iii) twice the gross monetary gain derived from the crime, for each offense. Government prosecutors can also add "racketeering" counts, which may result in further prison sentences of up to twenty years and/or fines of up to: (i) $250,000 for individuals ($500,000 for corporations); (ii) twice the gross monetary loss caused to victims of the crime; or (iii) twice the gross monetary gain derived from the crime, for each offense. Government lawyers also vigorously prosecute crimes committed in response to federal investigations. For example, destroying or concealing documents in an attempt to impede a federal investigation carries maximum penalties of up to twenty years imprisonment and/or a fine of $250,000 ($500,000 for corporations). Individuals who commit perjury or make false statements to a grand jury or law enforcement official can be imprisoned for up to five years and/or fined up to $250,000.

Over the past decade, the percentage of defendants sentenced to jail has steadily increased and the average prison term imposed as a result of DOJ Antitrust Division prosecutions has remained steady. From 2000 to 2009, an average of 62 percent of Antitrust Division defendants were sentenced to jail, and the average prison sentence was 20 months. During the Antitrust Division's 2017 fiscal year, over 85 percent of defendants were sentenced to prison terms (including 30 individual defendants, marking the highest number of individual prison terms imposed since 2012), and prison terms continued to average around 20 months. In addition, the Antitrust Division collected $67 million in criminal fines.

Remember, even if it is meritless, an antitrust suit could be enormously expensive, time consuming to defend, damaging to CF Industries' reputation and trade relations, and disruptive to your personal life and the Company's business operations.

Relations with the Government: Antitrust Enforcement

Much of the responsibility for the enforcement of the U.S. antitrust laws is in the hands of government at every level (rules for dealing with regulators outside of the U.S. are addressed on page 16 of the Compliance Guide). If you are served with a civil complaint. subpoena, a Civil Investigative Demand, or other form of legal process directed to the Company (and not you personally) by the DOJ, the FTC, the Federal Bureau of Investigations ("FBI"), or any other federal, state, or local government agency requesting any interviews, data, or documents relating to any activity of the Company, you must inform the agency representative that you are not authorized to provide such information but that an authorized Company representative will respond to the request. You are required, ***immediately upon receipt of such a request***, written or oral, to notify the Legal Department. **You are not under any circumstances permitted to respond to the request on behalf of the Company without specific consultation with, and direction by, the Legal Department.**

Alternatively, if you receive any form of a civil complaint, subpoena, a Civil Investigative Demand, or other form of legal process that is directed at you personally, nothing in this policy prohibits or restricts you from responding on your own behalf, provided that you promptly notify the Legal Department before you provide any of the Company's confidential or non-public information, so the Legal Department has the opportunity to seek, and join in its efforts at the sole expense of the Company to seek, to challenge the subpoena or obtain a protective order limiting the disclosure of the Company's information, or other appropriate remedy.

If the DOJ or FBI ask to interview you as part of a criminal investigation, you have the choice to voluntarily respond but may also ask to speak with the agency in the presence of a lawyer, request to answer at a different time, or decline to answer at that time. You are free to make your own choice of how to respond, but you have the right to choose one of the options above if you do not wish to answer immediately. If you would like to exercise your right to a lawyer, you may contact the Legal Department, who may be able to work with you to locate counsel.

In all events, nothing in this policy or any other agreement or policy prohibits you from voluntarily communicating with any government agency or any self-regulatory organization regarding possible violations of law by the Company without advance notice to the Company. If you have any questions or if you want to report a possible violation, you may also contact the Legal Department or use the Company's Compliance Helpline (as explained in the "Reporting Violations, Voicing Concerns, and Obtaining Advice" section of the Code of Conduct).

Prohibitions and Problem Areas

Relations with Competitors

The greatest potential for antitrust problems arises from relations with competitors. Any type of agreement, understanding, or arrangement between competitors, whether written or oral, formal or informal, express or implied, that limits competition is subject to antitrust scrutiny. Moreover, any attempt to reach such agreements, understandings, or arrangements may be unlawful, *even if* it is unsuccessful. As discussed below, even seemingly innocent conversations with employees or representatives of competitors could support an accusation that you have reached or attempted to reach an unlawful agreement with that competitor.

Price-Fixing

Agreements that Directly Affect Price

Agreements or attempts to enter into agreements between CF Industries and one or more competitors with respect to prices charged are illegal – regardless of whether the prices are high or low, reasonable or unreasonable, or identical or different. Price-fixing includes agreements between competitors regarding prices, including: (a) agreements to fix, raise, lower, or maintain prices; (b) agreements to observe minimum or maximum prices; (c) agreements to allow or eliminate price discounts; and (d) agreements to use particular terms or types of pricing systems. Price-fixing also includes agreements among competitors to restrict production or to manufacture their products in accordance with an agreed-upon formula in order to avoid competing for scarce ingredients. The prohibition against price-fixing applies both to the prices at which a company and its competitors sell products or services to their customers and also to the prices which a company and its competitors pay to their suppliers. No explanation or defense will be considered once such an agreement is entered into or even attempted.

Agreements that Indirectly Affect Price

The prohibition against price-fixing also bars agreements, understandings, or arrangements, or attempts to enter into such agreements, understandings, or arrangements, between CF Industries and one or more competitors that indirectly affect prices or terms and conditions of sale. Examples of such agreements include:

- Agreements on uniform credit terms,[1] billing practices, or other terms of sale;
- Agreements to offer or not to offer promotional discounts at the same time or to allocate promotional calendars;
- Agreements as to markups or discount schedules;
- Agreements on the standardization of customer services or delivery services;
- Agreements on the standardization of incentives to be offered, such as free products or display fixtures;
- Agreements concerning the standardization of warranties; and
- Agreements on the amount of discounts, advertising expenditures, or promotional allowances paid to distributors, wholesalers, or retailers.

Agreements to Allocate Customers, Territories, Markets, or Products

No employee of CF Industries should ever agree with a competitor or a potential future competitor to divide or allocate customers or territories, or to refrain from selling a certain product generally or in any geographic area or to any category of customer. These agreements or arrangements between competitors are always illegal.

Agreements to Refuse to Buy from Particular Suppliers or Sell to Particular Customers

There should be no communication with competitors concerning the Company's decision not to buy from or sell to any person or class of persons. Although CF Industries generally has the right to decide *independently* that it does not wish to buy from or sell to a particular person, such a decision becomes an illegal "group boycott" when reached jointly with a competitor, and it is illegal regardless of whether it may seem commercially reasonable or morally justifiable. As with other prohibited "agreements," even a discussion with a competitor concerning a particular supplier or customer could be challenged as an implied or attempted agreement. Health and safety concerns may justify communications between competitors concerning supplier or customer practices that raise unacceptable risks. Because even health and safety related communications may raise antitrust risk, however, you are required to consult the Legal Department *before* entering into such discussions with any specific competitor or trade association.

Agreements to Control or Limit Production

CF Industries should never agree with a competitor to (1) limit the quantity or quality of its production or the quantity of product that it will sell to any customer; (2) refrain from introducing new products or from eliminating old ones; or (3) accelerate or postpone the introduction or withdrawal of a product. While in certain instances it is lawful to enter into an agreement with competitors to establish industry product standards, such instances are limited and must be carefully monitored to ensure that the agreement will not have, intentionally or inadvertently, an anticompetitive effect. Accordingly, no employee shall enter into even preliminary discussions either bilaterally or through a trade association regarding establishing industry standards, without first receiving clearance and guidance from the Legal Department.

[1] While it is permissible to exchange information on the creditworthiness of a customer, agreements to fix credit terms are unlawful. To assist you in determining what credit information can be discussed, consult the Legal Department before exchanging any such information.

Agreements Regarding Bidding Practices

In the case of bidding for government or other contracts, CF Industries employees involved in the preparation and submission of competitive bids must take extreme care and consult in advance with the Legal Department. Specific agreements with competitors on bid prices are illegal and, in addition, the following types of agreements, understandings, or arrangements between the Company and one or more of its competitors are also strictly prohibited:

- Advance discussion or exchange of specific bid information with competitors;
- Disclosure to a competitor of the fact that CF Industries will or will not enter a bid;
- Submission of "complementary," "shadow," or "protective" bids whereby competitors agree to submit token bids that are too high or contain special terms so as to make them unacceptable while appearing genuine;
- Bid rotation whereby competitors agree to take turns being the low bidder; and
- Bid suppression or limiting whereby competitors agree to refrain from bidding or withdraw their bids so that one competitor's bid will be accepted.

Further, on certain occasions CF Industries may wish to submit a joint bid with a competitor on a project. Such joint activities, while not necessarily illegal, do raise complex antitrust issues. If you desire to engage in such joint activity, you must seek guidance from the Legal Department.

Agreements Regarding Hiring and Compensation

No-Poach Agreements

Agreements or attempts to enter into agreements with respect to recruiting, soliciting or hiring certain employees between CF Industries and employers that compete for the same types of employees are illegal. Accordingly, CF Industries employees are prohibited from agreeing with employers that compete for the same types of employees to impose requirements before hiring and from agreeing not to compete for, recruit, solicit or hire employees, regardless of whether the firms compete to provide the same products or services. CF Industries employees are also prohibited from notifying a competing firm if that firm's employee applies for a job with CF Industries. Federal antitrust agencies have taken enforcement actions against employers for agreeing not to compete for employees and the DOJ intends to proceed criminally against naked no-poaching agreements going forward.

Wage-Fixing Agreements

The prohibition against agreements regarding hiring and compensation also bars agreements on wages and terms of employment with firms that compete to hire the same types of employees. Terms of employment include employee salaries, either at a specific level or within a range, and job benefits such as gym memberships, parking, transit subsidies, meal subsidies and similar employment benefits. Going forward, the DOJ intends to criminally investigate allegations that employers have agreed on employee compensation.

Communications with Competitors

The unlawful agreements discussed above need not take the form of a written contract or contain express commitments or mutual assurances. ***Courts can – and do – infer agreements based on "loose talk," "informal discussions," or the mere exchange between competitors of information***

regarding any of the subjects on which agreement is prohibited. Agreements can be – and have been – inferred from parallel behavior coupled with an opportunity to have discussed and agreed upon terms. Any communication with a competitor's representative, no matter how innocuous it may seem at the time, may later be subject to antitrust scrutiny.

Do not talk to competitors unless you have a legitimate business reason to do so. Any contact or conversation with a competitor is dangerous simply because he or she is a competitor. Conduct all relations with competitors as if they were completely in the public view – they may later be subject to probing examination and unfavorable interpretation by a government prosecutor or a treble-damage plaintiff. You should assume that any conversation with a competitor may later be the subject of testimony given under oath by the competitor and other participants in the conversation, who may be subpoenaed by government investigators to appear before a grand jury.

Prohibited Topics of Conversation

Strictly avoid the following topics in any communication with competitors:

- prices and pricing policies, terms, or conditions of sale (including promotions, timing of promotions, discounts, and allowances)
- credit terms and billing practices
- suppliers' terms and conditions
- profits or profit margins
- costs
- distribution plans and practices
- marketing plans and practices
- bids, including your intent to bid or not to bid for a particular contract or program
- allocation of sales territories
- selection, retention, or quality of customers or suppliers
- refusals to deal with a supplier or customer
- type or quality of production
- upcoming plant outages/turnarounds
- new products or product innovations
- product packaging
- terms of warranties or guarantees
- company policies regarding hiring, soliciting or recruiting employees
- terms and conditions of employment, including compensation policies and levels

If another party to a conversation starts to discuss price or any other prohibited subject, any CF Industries employee who is present must ***immediately and emphatically refuse*** to be involved in any discussion of the matter and, if the discussion persists, ***leave the meeting*** (or hang up the telephone). Your refusal must be sufficiently dramatic that the competitor (or someone else involved in the discussion) will always remember it. Moreover, no CF Industries employee may even listen to conversations of this type regardless of his or her participation in the discussion. You should ***immediately report*** any such incident to the Legal Department.

Trade Associations and Other Industry Gatherings

Trade association meetings and other industry gatherings typically serve perfectly legitimate and worthwhile purposes. But they also provide a danger area under the antitrust laws because they

bring together competitors – people with common interests and problems – who are very prone to discuss matters of mutual concern.

Before any and all trade association or industry meetings involving competitors, a written agenda of all topics to be discussed at the meeting should be prepared. Check with the Legal Department if have any questions about trade associations, meetings or rules of the road. The most serious problems are apt to arise at informal social gatherings, particularly after an official meeting has ended. For this reason, you should avoid "shop talk" with competitors. Be particularly careful at trade association meetings to avoid the topics of conversation set forth above under the heading "Prohibited Topics of Conversation." For example, a general gripe session at which one or more competitors express the view that prices are too low or that margins are being squeezed, followed shortly thereafter by price increases by some industry participants, could lead to an inference of an agreement to raise prices. Do not place yourself in a position where later in time someone might recall you being present during a conversation of this type. Adverse inferences can be and most often are drawn by plaintiffs and prosecutors from your presence at such meetings, even if your attendance was a mere accident or chance event. The best way to avoid the difficult task of proving your innocence is to avoid the situation in the first place. Inform the Legal Department of any discussion or activity that troubles you.

Company Documents Regarding Competition

You should assume that every memorandum, letter, or electronic communication dealing with the subject of competition will be inspected by antitrust enforcement personnel, who can be expected to view it suspiciously, finding anticompetitive intent wherever reasonably possible. Memoranda concerning competitive marketing practices should indicate the source of the information to dispel any impression that the information was obtained from a competitor.

Competitors as Customers or Suppliers

Frequently competitors are also customers or suppliers of the Company. It is entirely lawful to carry on bona fide customer and supplier relations with such companies, provided there is no improper discussion about situations in which the companies compete, or any exchange of confidential or non-public information that is outside the scope of the customer and supplier relationship.

Government Lobbying With Competitors

CF Industries is permitted to seek to influence U.S. government officials in compliance with antitrust laws to adopt measures favorable to it, even those that could or would restrain trade or disadvantage competitors. Such government officials can be legislators or members of any other branch, division, or agency of federal, state, or municipal government. These activities can be undertaken individually, together with competitors or, more commonly, through trade associations. When trade associations comprised of competitors petition the government, any competitive effect from the joint petitioning must result from a governmental decision rather than the petitioning conduct itself. For example, competitors cannot jointly change the manner in which they operate as a means of influencing the government. In addition, the petitioning must seek to influence a bona fide decision on the merits by a governmental official or entity. By contrast, ministerial acts by the government that follow as a matter of course may not be protected.

Furthermore, collective or joint attempts to influence private groups will violate the antitrust laws if coercion or subversion of the group decision-making process is involved and there is any attempt to disadvantage competition through the process. Any discussion or other exchange of competitive information among competitors which goes beyond that necessary for the limited purpose of lobbying U.S. government officials is not allowed.

Concerted efforts by competitors to restrain or monopolize trade by petitioning foreign government officials may not be allowed. Consult the Legal Department before acting in concert with any competitors(s) to petition a foreign government official.

Sales at Unreasonably Low Prices

No Company employee is permitted to authorize sales of goods at unreasonably low prices (i.e., below total cost (including normal margins for overhead)) for the purpose of harming competition or eliminating a competitor.

The Company's policy is not to reduce prices below cost at any particular location(s) or for any particular product(s) to "discipline" or "retaliate" against any competitor in an effort to eliminate that competitor, to cause that competitor competitive injury, or to force that competitor to adopt a given pricing or competitive policy. Here again, consult the Legal Department before acting.

Relations with Customers

Resale Price Agreements

Under U.S. law, an agreement between a manufacturer and its customers to set the resale price of a supplier's product ("resale price maintenance") may be illegal if it is otherwise not supported by a justifiable business rationale. Monitoring of the prices at which wholesalers and retailers resell CF Industries' products is allowed for the purpose of informing the Company's business rationale for setting its wholesale prices or recommending minimum or maximum resale prices.

If supported by a justifiable business rationale, U.S. federal law permits the Company to exact the agreement of a customer as to the actual minimum or maximum price that the customer will charge for a certain product. As discussed below, CF Industries may have a unilateral right to terminate the customer if the Company's business justified retail prices are not followed.

However, under certain state antitrust laws, resale price maintenance – particularly when it involves setting minimum prices – remains per se illegal. As a result, no resale price agreement should be entered into, and no steps to enforce minimum or maximum suggested prices or to terminate a customer should be taken, without a close consultation with the Legal Department.

Selection and Termination of Customers

Under U.S. law, a producer has the right to independently choose the customers with which it will deal. Thus, CF Industries generally may unilaterally refuse to deal with any person. A refusal to deal cannot, however, be intended to accomplish a result the antitrust laws prohibit, e.g., monopolization. A dealer could, for example, be terminated for selling damaged or outdated goods, or engaging in unsafe practices, such as improper storage or handling of a hazardous product, potentially diminishing the Company's reputation. Further, CF Industries could unilaterally terminate a dealer for refusing to sell its products at a particular business justified retail price.

In making its unilateral decision to terminate a customer, CF Industries may use information about that customer received from other customers. However, such termination cannot be the result of coercion against CF Industries by competing customers, or of collusion with those customers. In order to avoid even the appearance of an agreement between CF Industries and a competitor of a customer, no employee may agree to take any action as a result of the competitor's complaint or communicate to the competitor information about other complaints the Company may have received or any action that it may take in response to the complaint.

Customer terminations and refusals to deal are often the source of antitrust litigation. In order to have the greatest chance of avoiding antitrust litigation, customer terminations must be made fairly and without malice, on the basis of sound business justification, unilaterally, and with due regard for the customer's legitimate interests, including, among other things, its investment in its business. CF Industries should not terminate an existing customer or refuse to sell or deliver products to any prospective customer who can meet its general customer qualifications without first consulting the Legal Department. Likewise, the Legal Department should review the proposed termination of any customer chronologically following a complaint from one or more of the customer's competitors, even when the customer does not meet CF Industries' customer qualifications.

Restrictions on Customers

Under U.S. law, a producer has the right to impose reasonable restrictions on where its customers distribute its products, to whom they sell, in what form, and by what means, as long as such restrictions are unilateral and are not attempts to exercise market power. A wholesaler, distributor, or retailer may be terminated for failing to comply with such restrictions. A number of complex legal and economic factors bear on the characterization of such restrictions as legitimate business practices or attempts to monopolize. Accordingly, the Legal Department should be consulted before implementing such restrictions.

Exclusive Dealing

Exclusive dealing refers to an exclusive sales arrangement by which CF Industries would agree to sell to a customer only on the condition that the customer refrain from dealing with any of CF Industries' competitors. Such agreements are illegal only if they unreasonably restrain competition, determined according to the facts in each particular case. Accordingly, no exclusive dealing contract should ever be entered into without the prior approval of the Legal Department. However, a customer may voluntarily agree to purchase all or substantially all of its needs only from CF Industries (a "requirements contract"). Such requests from any customer or prospective customer should be reviewed with the Legal Department.

Tying Arrangements and Product Bundling

Generally speaking, "tying" occurs when a buyer is required, as a condition of purchasing one product or service (the "tying" product or service), to also purchase a second, distinct product or service (the "tied" product or service). Such arrangements are illegal only if (a) the seller possesses "power" in the market for the tying product and substantial competition in the market for the tied product is foreclosed, or (b) the purpose and effect of such arrangement is to unreasonably restrain competition. Under certain circumstances, tying agreements may also constitute an unreasonable restraint of trade even though the seller does not possess market power. An unlawful tie-in need not be overt. For example, pricing policies or refusals to deal, which have the practical effect of

forcing the customer to buy one product or service in order to obtain another, may also constitute an unlawful tie-in.

The Company also may offer price discounts if a customer agrees to purchase a "bundle" of CF Industries products, as long as competition regarding the "bundled" products is not unreasonably restrained. However, because the legality of any given tying arrangement or "bundled" products discount depends upon a number of complex legal and economic factors, tying arrangements or bundled product offers should never be implemented without first consulting the Legal Department.

Price Discrimination

It is illegal to charge different prices for like goods to similarly situated customers where the price difference may lessen competition. The typical case of illegal price discrimination occurs where the customers compete with each other. In general, customers at different levels of the distribution chain (e.g., wholesalers vs. retailers) are not considered similarly situated and can be charged different prices, provided that those prices are reasonably related to the different services the customers provide. Moreover, the rule against price discrimination only applies to contemporaneous sales – e.g., spot sales are not contemporaneous with negotiated contract sales.

The granting of quantity discounts that are not realistically available to all customers because they are set at such high levels of purchases that only a very few customers can satisfy the requirements will be considered discriminatory. Further, even customers that are not at the same level in the chain of distribution may be entitled to buy at the same price; thus, for example, selling to a wholesaler at a different price than to a retailer can be illegal when the price difference is not reasonably related to the services provided by the wholesaler, and there is a resulting lessening of competition between the retailers and customers of the wholesaler. In addition, certain practices which indirectly affect price may not be used in a discriminatory manner, including rebates and cash discounts.

There are two major exceptions to the prohibition against price discrimination:

Meeting Competition

CF Industries may charge a lower net price to a particular customer or group of customers if it is done in good faith to meet (***but not to beat***) a bona fide lower price of a competitor. The lower price must not be given pursuant to a general pricing system in effect regardless of variations in competitors' prices, but rather, must be made to meet a specific competitive situation. The Company has the burden of proving that such a price was charged in good faith, based on reliable information as to the existence of the customer's lower competitive price. To support a "meeting competition" justification, the Company should obtain from its customer, and keep a record of, the best available independent verification (for example, an invoice, price list, or the customer's written statement) of the customer's claim that a competitor has made a lower offer. ***Such verification must never, however, be sought directly from the competitor.*** While the customer's oral representation might be sufficient under some circumstances, it is preferable if such an oral representation is confirmed by the customer in writing. All price reductions granted to meet competition should be documented in writing and discussed *in advance* with the Legal Department.

Cost Justification

CF Industries may charge a lower net price to a particular customer or group of customers where the price differential reflects *differences in the cost* of manufacture, sale, marketing, or delivery resulting from different methods or quantities of sales or deliveries. The cost differences that support price differentials, i.e., the basis or justification for the price decrease, must be documented. Because it may be difficult to adequately substantiate a price differential based on differences in cost, consult with the Legal Department before offering any customer a price reduction on the basis of a cost differential.

Sales to a not-for-profit institution such as a school, church, hospital, or other charitable institution, for its own use, are exempt from this prohibition. Also, a different price may be charged to the federal government but not to state or local governments, which are considered the same as all other customers.

Caution: Alert the Legal Department immediately if you receive a complaint from a customer claiming that you are offering better prices or greater promotional discounts to a competing customer.

Dual Distribution

Because CF Industries makes direct sales, as well as sales through wholesalers/distributors, there are entities that may be both customers and competitors of CF Industries who must be handled with sensitivity to the potential antitrust issues raised by their dual status.

CF Industries is entitled to compete with its wholesalers/distributors for existing or prospective customers, or to unilaterally decide not to compete for such customers. CF Industries may also unilaterally designate clearly defined geographic areas of primary responsibility or types of customers for which it will compete, and others for which it will not compete. (The Legal Department must approve this designation before it goes into effect.) CF Industries may not, however, negotiate or reach any agreements with its wholesalers/distributors that it will not compete for customers – that is, its actions must be unilateral. But where a distributor is undermining CF Industries' retail business, CF Industries can either (i) raise its prices to all competing distributors, or (ii) cease doing business with that distributor. In either case, consult the Legal Department before taking action.

If a prospective customer expresses to a Company employee dissatisfaction with the service it is currently receiving from a distributor, the employee should immediately report the incident to the Legal Department. The employee should take no further action absent advice from the Legal Department.

Allowances, Services, and Brokerage

CF Industries may offer promotional materials, services, and other inducements to individual customers in an effort to have the customer engage in in-house promotions or advertising. However, any promotional services or facilities furnished to customers in connection with selling the Company's products (for example, warehousing, advertising, or displays) must be offered to all competing customers on substantially proportional terms. Also, any allowances or payments made to customers in connection with selling these products (for example, advertising allowances or demonstration payments) must be offered to all competing customers on substantially proportional

terms. Specialized treatment for some customers and not their competitors is illegal, although customers who do not compete with each other may be treated differently.

Agreements by customers to reduce their prices as part of a special, limited-time product promotion are permissible. In that regard, customers may be required, as a condition of receiving a promotional discount, to pass at least the amount of the discount on to customers. Finally, the Company may not pay brokerage for a customer except for services actually rendered. Because of the complexity of the law in this area, all allowance, service, brokerage, and promotional programs should be reviewed with the Legal Department.

Caution: Enforcement of promotions must be consistent and fair. If CF Industries refuses to give a rebate or future promotions to some customers who failed to abide by the terms of a previous promotion, CF Industries may not give a rebate or future promotions to competing customers who also failed to abide by the terms of that previous promotion.

Relations with Suppliers

Selection and Termination of Suppliers

CF Industries has the right to independently choose the suppliers with which it will deal. A refusal to deal cannot, however, be intended to accomplish a result prohibited by the antitrust laws, e.g., monopolization. Moreover, in making its unilateral decision to terminate a supplier, CF Industries may use information about that supplier received from competing suppliers. However, such termination cannot be the result of agreements or collusion with those suppliers.

As in the case of customer terminations, supplier terminations must be made fairly and without malice, on the basis of a sound business justification, and with due regard for the supplier's legitimate business interests, including, among other things, its investment in serving the Company's unique business needs.

Reciprocal Dealing

The term "reciprocal dealing" or "reciprocity" refers to a manufacturer's use of buying power to coerce a supplier into giving the manufacturer an advantage in the sale of the manufacturer's own product. CF Industries should not condition its purchase of goods or services on reciprocal purchases from CF Industries by the supplier. To avoid reciprocity or the appearance of reciprocity: (1) employees should not compile statistics comparing their sales to a customer with their purchases from that customer; (2) sales and marketing personnel should not have access to purchasing statistics; and (3) purchasing personnel should not become involved in sales activities.

Exclusive Dealing

CF Industries should not attempt to coerce suppliers into refusing to sell to its competitors. In general, CF Industries should not interfere in any manner with the relationships between its suppliers and their other customers. Please consult the Legal Department before entering into any exclusive dealing arrangement with a supplier.

Price Discrimination

It is unlawful for the Company, as a buyer, to knowingly induce or receive a discriminatory price, promotional allowance, or service. This does not mean that a CF Industries buyer may not bargain

firmly to obtain the best lawful prices, allowances, or terms of sale. However, under no circumstances should CF Industries deceive a supplier about competitive offers or the volume of products CF Industries intends to buy.

Cooperative Purchasing

Cooperative purchasing agreements may under some circumstances constitute an unreasonable restraint of trade. While buying agencies or other cooperative buying arrangements are often lawful under the antitrust laws, there must be a justification for such activity, e.g., increased efficiencies or reduced costs, and there must be no adverse effect on competition. Accordingly, before entering into any cooperative purchasing agreement, you must consult the Legal Department.

Monopolization and Attempts to Monopolize

The Company's policy is to base its marketing plans upon profitability, growth, and other criteria of economic success. The Company does not base any of its plans upon market control, market dominance, or the elimination of competitors. All employees should avoid seeking, or even the appearance of seeking, to (a) control prices, entry, or competitive conditions in a market; (b) drive out or discipline any competitors; or (c) gain all sales or a predominant share of any market. At all times, CF Industries seeks to win business and market share on the merits of price, quality, and service. No officer or employee should conduct business or propose any corporate action contrary to this policy.

The following types of conduct have been held to be illegal as acts of monopolization or attempts to monopolize:

- localized price cutting in a competitor's primary market area with the intent to drive that competitor out of business;
- sales below the average variable cost of producing and distributing additional product, or sales below the average total cost in order to drive out competitors and then raise prices;
- disparagement of a competitor's product to drive the competitor out of business;
- attempts to limit a competitor's access to essential facilities, raw materials, or supplies;
- use of exclusive arrangements to prevent a competitor from obtaining dealers or market outlets for products; and
- use of tying arrangements or product bundling to injure competition.

Such actions may be illegal whether engaged in unilaterally or in concert with competitors.

Unfair Trade Practices

Many forms of unethical, oppressive, or unscrupulous activities that could harm competitors, customers, or suppliers are illegal, including deceptive or misleading advertising and practices such as disparaging another company's product, harassing a customer, commercial bribery and kickbacks, using misleading sales and advertising practices, and stealing trade secrets or customer lists. If you are uncertain as to whether your actions with respect to a competitor, customer, or supplier constitute an unfair trade practice, contact the Legal Department before engaging in the conduct in question.

Because the regulations governing advertising are both stringent and voluminous, no advertisements for the Company's products shall be used unless the Legal Department approves their use prior to their submission for publication.

Licensing of Technology and Patents

Because the laws governing licensing arrangements among competitors, particularly those regarding the licensing of technology, are complex, the Legal Department must review and approve all licensing agreements before they are executed.

Guidelines Relating to European and other Foreign Antitrust Laws

It is the policy of CF Industries to comply with the antitrust laws of every country in which it operates. Like the laws of the United States, the laws of other nations generally prohibit attempts to influence production or market conditions by restricting competition. In the European Union, Member States enforce antitrust law consistent with EU law. This includes the United Kingdom, even though a future Brexit could lead to differences between EU and UK law.

EU law and UK antitrust rules are very similar to the United States rules described in prior sections. One main difference is that in the EU, there is a heightened sensitivity to any practices that hamper trade between Member States and therefore any agreements with customers or distributors that include any territorial restrictions, or that allocate territories, should first be discussed with the Legal Department. A second main difference is that resale price maintenance is generally considered per se illegal. Third, the EU's rules on "abuse of dominance" are generally stricter than their U.S. "monopolization" equivalents. For example, the European Commission generally condemns discounts offered by a dominant company in return for customer exclusivity.

Note also that the European Commission (or national competition authorities, including in the UK) with the assistance of local police may conduct a "dawn raid" of CF Industries premises (and even your own house) for evidence of suspected illegal activity. Dawn raid inspectors can review and remove documents and confiscate your computer or the office's server.

In case you are confronted with a dawn raid, the basic rules are the following:

- Inform the Legal Department immediately.
- Make an additional copy of all documents copied by the inspectors, for CF Industries' records. State that documents are confidential.
- Each inspector must be accompanied at all times.
- Except if instructed by someone in the Legal Department, you must not respond to any questions about facts identified or referred to in the documents that the inspectors receive.
- Keep a written record of all questions and answers.
- Be polite and courteous. Cooperate professionally with inspectors.

Given the countless variations in the provisions of antitrust laws outside of Europe and the U.S., employees should exercise the same degree of caution in conducting business in foreign nations as they would in the United States. The Legal Department should be asked for specific antitrust counseling about foreign antitrust requirements, particularly with regard to any communications or other relationships with competitors and/or any type of exclusivity arrangements with customers or suppliers.

Significant changes in business strategies and significant transactions, such as mergers, acquisitions, sales of entire businesses or substantial operating assets, and joint ventures, may have antitrust implications in multiple legal jurisdictions. Plans or proposals on these subjects should also be reviewed with the Legal Department at an early stage.

General Antitrust Compliance Guidelines

The following guidelines apply to all areas of antitrust compliance:

Exercise of Caution

The Company's personnel should be careful to avoid words or actions which might be construed to reflect an anticompetitive agreement. Particularly in areas of so-called *per se* or "automatic" violations, they must avoid even the appearance of any understanding with competitors on prices, allocation of markets or customers, or refusals to deal with suppliers or customers. No employee should say or write anything that he or she would not want disclosed in court or on the front page of a newspaper.

Coordination with Other Companies

Even when coordination with other companies is essential and justifiable, the Company's personnel must ensure that it goes no further than the underlying justification. Legitimate cooperation among actual or potential competitors easily can stray into areas where the antitrust laws prohibit collusion. CF Industries employees must contact the Legal Department before any such cooperation occurs.

Correspondence, Notes, Emails, and Other Documents

Among the circumstantial evidence from which illegal antitrust agreements often have been inferred are correspondence, memoranda, informal handwritten notes, emails, and other evidence of communications between allegedly conspiring companies. An inadvertent or careless choice of words in a routine business memorandum may support an unintended inference of an illegal agreement. Therefore, in drafting correspondence, memoranda, emails, or even handwritten notes, CF Industries personnel should be careful to avoid unintended inferences and should be sensitive toward the antitrust issues discussed above. Particular care must be exercised in discussing market conditions and the propriety of the Company's conduct under the law. Thus, never speculate that a particular policy may be "illegal." CF Industries personnel should not make uneducated, facetious, "flip," or "tongue-in-cheek" remarks about sensitive questions under the antitrust laws. Such comments often are interpreted much differently than the author intended.

Every memorandum, email, or other document reflecting competition should merely state facts and should not contain any editorial commentary. If price information is given, the source of the information should be included in the document to make it clear that it was obtained from a proper source, not from a competitor. In effect, each document should be written with the assumption that on some future date, it will be produced for inspection by antitrust enforcement authorities or treble-damage plaintiffs who will tend to interpret any language in the worst light possible.

The following are guidelines to keep in mind when writing:

- *Do not* use words suggestive of illegal or surreptitious behavior, e.g., "please destroy after reading" or "do not forward."
- *Do not* overstate the significance of the Company's competitive position, production, or marketing strategy, e.g., "dominant position," "this will cripple the competition," or "price leader."
- *Do not* speculate or comment on the legality or potential illegality of any particular business conduct.
- *Do not* describe as undesirable or objectionable the competitive activities of competitors or customers. Customers are lost, not "stolen;" price cutting is not "cheating" or "unethical;" and persons who charge higher or lower prices than the Company are not "mavericks" or "irresponsible."
- *Do not* suggest that a customer or a class of customers is getting special treatment, e.g., by using the words "for you alone."
- *Do not* use language that falsely suggests collusive conduct, e.g., "industry agreement" or "industry policy."

Petitioning Activities

As a general rule, the Company may petition for judicial, regulatory, or legislative relief even though the relief requested arguably may have an anticompetitive effect by disadvantaging other firms. However, in all such cases, CF Industries personnel should not engage in "sham" activities or use the process solely to interfere with the business of an actual or potential competitor. For example, sham activity includes instigating litigation for the sole purpose of intimidating or imposing costs on a competitor. All such activities should be conducted in good faith and in an ethical manner and discussed with the Legal Department prior to implementation.

Impossibility of Concealment

In the past, many companies have believed mistakenly that they could "get away" with an antitrust violation by putting nothing in writing or by limiting knowledge of the violation to a small number of people. This thinking is wrong. Offenders simply cannot hide an antitrust violation. In the United States, the DOJ, the FTC, state Attorneys General, and private antitrust plaintiffs have broad powers to compel testimony from witnesses and to subpoena all types of documents, including "personal" records such as diaries and notes. The DOJ has the FBI as its investigative arm, and courts frequently grant the FBI permission to tape telephone conversations and trade association meetings. In addition, the Corporate Leniency Policy discussed below creates overwhelming incentives for other participants in any type of illegal understanding or arrangement to report such activity to the DOJ for criminal prosecution.

Similarly, in the European Union, the European Commission or National Competition Authorities, such as the Competition and Markets Authority in the United Kingdom, may seize (for example through dawn raids – see above) company documents, including emails, which will then be scrutinized and considered alongside any other evidence pertaining to a claimed antitrust violation. The European Commission's leniency policy discussed below, creates (as in the United States) very strong incentives for participants in any type of illegal understanding or arrangement to report such activity.

Notification of Counsel Regarding Violation or Investigation

Personnel who become aware of a past, ongoing, or potential antitrust violation involving or affecting the Company should notify the Legal Department immediately. Similarly, if a competitor, customer, supplier, or other person suggests something which may be a violation, the Legal Department should be notified immediately. Violations or attempted violations must be dealt with swiftly to protect CF Industries and its employees. Also, if the Company's personnel become aware of an antitrust investigation involving the Company or the possibility of a lawsuit against the Company, they should notify the Legal Department immediately. While it is the Company's policy to cooperate fully with any legitimate government inquiry, the Company is entitled to protect and preserve its legal rights and can do so best if the Legal Department is alerted promptly.

Under the DOJ's Corporate Leniency Policy, the individual and corporate members of a cartel may receive amnesty from criminal prosecution under certain circumstances. The corporation must be the first member of the cartel to report the anticompetitive wrongdoing to the DOJ, the corporation must not have initiated the cartel, and the corporation and the individuals must fully cooperate with the DOJ's investigation, i.e., to be eligible for any cooperation credit, corporations must provide to the DOJ all relevant facts about the individuals involved in the corporate misconduct. If accepted into the Leniency Program, the corporation is immune from criminal fines and current employees have the possibility to forego possible jail time. Further, legislation enacted in 2004 limits the private civil liability of corporations who participate in the DOJ's Leniency Program to "actual" or "single" damages, rather than treble damages. This "de-trebling" provision, which was originally scheduled to expire in June 2009, has been extended to June 22, 2020.

In the European Union, under the European Commission's Leniency Policy, a company that provides information about a cartel in which it has participated may receive full or partial immunity from fines. The company must fully cooperate with the Commission, providing all evidence in its possession, and put an end to the infringement immediately. Companies that do not qualify for full immunity may benefit from a reduction in fines if they provide evidence that represents "significant added value" to that already in the Commission's possession and have terminated their participation in the cartel. Thus, the incentives to report any type of illegal understanding or arrangement to the Commission are overwhelming, meaning any attempt at such behavior is likely to be uncovered.

Seeking Advice of Counsel

This Compliance Guide covers only part of the conduct prohibited by the antitrust laws, which are very complicated. The legality or illegality of particular conduct often depends on specific facts. Moreover, the antitrust laws, including fines and jail sentences for violations, are changing constantly. Actions which are considered legal today may not be legal in the future, and criminal violations have become subject to increasingly severe punishments over time. Conversely, in some special circumstances, certain limited antitrust exemptions may be available. Because of such complications, this Compliance Guide should not be considered as a definitive guide to antitrust compliance. It is designed simply to provide the Company's management personnel with a focused introduction to the antitrust laws so that management can spot problems. Management personnel are required to be familiar with this Compliance Guide. When the Company's personnel recognize problems or when they have any doubt about the legality of their conduct or the Company's conduct, they should consult the Legal Department.

Compliance Procedures

Compliance with the antitrust laws is your responsibility. The Company's Legal Department is dedicated to working with you to protect you and the Company by helping you to comply with the law. The Legal Department can only be helpful if it is involved. Thus, if you have any questions, especially when contacts with competitors are involved, call the Legal Department.

A copy of this Compliance Guide 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 antitrust risks. A key rule of thumb is that potential problems can be avoided if they are immediately raised and addressed.

Whenever you become aware of any issue or practice that involves a violation or potential violation of this Compliance Guide or the antitrust 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.

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

Acknowledgment of Receipt

Antitrust Compliance Policy and Guide

I acknowledge that I have received a copy of the CF Industries Antitrust Compliance Policy and Guide. I recognize that it is a statement of CF Industries' guidelines regarding full compliance with applicable antitrust laws, a policy to which CF Industries is committed and to which I am expected to adhere during my employment with CF Industries or any of its subsidiaries and other managed 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 Compliance Guide, and will comply with the Compliance Guide, including my reporting obligations if I suspect or become aware of any violations of the Compliance Guide or applicable antitrust laws.

(X) _____
Signature

_____
Name (please print)

_____
Location

_____
Date