

FERTILIZER CANADA

BUSINESS PRINCIPLES AND CODE OF CONDUCT

(Approved and adopted by the Board of Directors of Fertilizer Canada
this 22nd day of June, 2016.)

SCOPE: This policy applies to every officer, director, employee and agent of Fertilizer Canada.

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1. PURPOSE AND SCOPE

This policy sets out the general rules and principles to which we adhere. All of our officers, directors, employees, representatives and agents must observe this policy at all times.

This policy sets a minimum standard which must be complied with in any jurisdiction in which we operate, even when the policy is stricter than local laws or custom. However, when local laws are stricter than this policy, such laws must be complied with.

Fertilizer Canada is committed to the highest legal and ethical standards. One of the fundamental purposes of this Policy is to affirm Fertilizer Canada's commitment to full compliance with Canada's laws relating to competition and anti-trust and Canada's laws relating to dealings with Canadian and foreign public officials, including the federal Lobbying Act, its provincial and municipal counterparts and the Corruption of Foreign Public Officials Act and any and all local anti-bribery or anti-corruption laws that may be applicable in any country in which we operate.

This policy has been adopted by the Board of Directors and is to be communicated to everyone involved in Fertilizer Canada. The Board and senior management of Fertilizer Canada attach the utmost importance to this policy and will apply a "zero tolerance" approach to acts that are contrary to it. Anyone who

- violates the terms of this Policy;
- has knowledge of potential violations of this Policy but fails to report such potential violations to Fertilizer Canada management; or
- misleads or hinders investigators inquiring into potential violations of this Policy

will be subject to disciplinary action. In all cases, disciplinary action may include termination of employment.

2. FERTILIZER CANADA BUSINESS PRINCIPLES

- a. We will carry out our activities fairly, honestly and openly.

We are committed to conducting all of our business activities with integrity in a professional and ethical manner and to implementing and enforcing effective systems to comply with our legal obligations and to counter bribery and corruption. We will maintain transparent payment terms and keep clear records and books in accordance with the highest accounting standards.

- b. We will not make bribes, nor will we condone the offering of bribes on our behalf, so as to gain a business advantage for Fertilizer Canada or its members.

Fertilizer Canada personnel and agents are strictly prohibited from offering, paying, promising or authorizing any payment or other thing of value to any person, directly or through a third person or family member, for the purpose of (or in exchange for):

- causing the person to act or fail to act in violation of a legal duty;
- causing the person to abuse or misuse their position or authority; or
- securing an improper advantage, contract, concession, waiver, license, permit, grant or other thing that the person has the power to decide or influence.

We will implement clear principles for dealing with gifts, hospitality and donations.

- c. We will not accept bribes, nor will we agree to them being accepted on our behalf in order to influence us.

We will carefully manage, monitor and review any agreements to ensure they are not used for any improper purposes. In no case may any consulting agreement with a consultant lobbyist include provisions and any contingency payments or success fees.

- d. We will avoid doing business with others who do not accept our values and who may harm our reputation.

We will carefully select our business partners and members to ensure they share our values and will respect our business principles. Any agent or representative we retain will be required to represent and warrant that they will adhere to this Policy and to relevant laws.

- e. We will keep clear and updated records.

Our books and records must correctly record both the amount and a written description of any transaction. Fertilizer Canada personnel must ensure that there is a reasonable relationship between the substance of a transaction and how it is described in Fertilizer Canada's books and records.

In addition, we will keep records of decisions on giving donations and how any demand for a bribe or conflict of interest was handled.

- f. We will review and update our policies, processes and programmes as needed. This Policy will be reviewed by the Board at least every 5 years. The CEO is charged with ensuring that this review occurs.
- g. We will keep to these principles even when it becomes difficult to do so.

3. LOBBYING ACT COMPLIANCE

On our website we publicly state that we liaise with government on a wide range of policy issues relating to the fertilizer industry. Under prescribed circumstances, this liaison constitutes lobbying with officials in the Federal Government and in the provinces of British Columbia, Alberta, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (pending in New Brunswick). Lobbyist registration provisions also exist in the Municipalities of Vancouver, Toronto, Ottawa and all municipalities in the Province of Quebec.

When communication with government officials is conducted pursuant to the statutory provisions in various jurisdictions, it is a legitimate and lawful activity. Our policy is to strictly adhere to all applicable lobbying laws and to act in accordance with various requirements such as registration of the particular communication.

It is the responsibility of everyone at Fertilizer Canada who engages in lobbying of any public official to understand the requirements of the applicable lobbying laws and to abide by them. Anyone at Fertilizer Canada who engages in lobbying activities relating to provincial or municipal public officials is responsible for complying with applicable provincial or municipal laws relating to lobbying. As a guide, Fertilizer Canada has prepared and will update as necessary a general description of the federal *Lobbying Act* as well as the provincial lobbying laws in various provinces. However, these laws may be amended at any time and it is your responsibility to ensure you are always in compliance with the law as amended.

4. BRIBERY AND CORRUPTION

Bribery and corruption are an affront to our values and we will not engage in, or condone, them in any manner.

Corruption is defined as the misuse of power by someone to whom it has been entrusted (usually a public official) for their own private gain. The most common form of corruption is bribery, which is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. It includes any financial or other advantage given or requested in exchange for the improper performance of a public function or business activity. In the business context, bribes are often referred to as kickbacks.

Bribery and corruption may take many forms, through the giving or accepting of anything of value, for example:

- cash payments;
- fictitious jobs or consulting arrangements;
- political or charitable contributions; and
- gifts, travel, hospitality and reimbursement of expenses.

It is a criminal offence to offer, promise or give a bribe, or to request, agree to receive or accept a bribe.

5. GIFTS, HOSPITALITY AND DONATIONS

a. Business Commitment

Fertilizer Canada is committed not to give or receive bribes. As gifts and entertainment could sometimes disguise bribes, or be misinterpreted as bribes, we have set out these rules which clearly define what we consider to be genuine and acceptable and what is not.

b. Receiving Gifts

We may accept gifts of reasonable value. For the purposes of this policy, a gift of reasonable value means a gift a) that may be legally given and received, b) that is within the normal business and cultural standards of courtesy, hospitality and protocol in the country in which the gift is received and c) that does not compromise or reasonably appear to compromise in any way the integrity of the person receiving the gift or of Fertilizer Canada.

Although we may accept occasional gifts from time to time, we may not accept gifts which are given regularly or often. Repeated gifts which exceed reasonable value over the course of a year must be refused.

Any items received as gifts exceeding \$200 in value must be disclosed immediately to the President and CEO who will determine whether and how the gift should be disposed of or refused. In the case of a gift received by the President and CEO, such disclosure should be made to the Chair of the Board of Directors, who will determine whether and how the gift should be disposed of or refused.

We will accept no gift from a third party if it includes cash or exceeds reasonable value as defined above.

c. Giving Gifts

Gifts we give must be of reasonable value and agreed to by the President and CEO. In the case of a gift proposed to be given by the President and CEO, the gift must be of reasonable value and agreed to by the Chair of the Board of Directors.

We will give no gifts (no matter the value) that compromise or reasonably appear to compromise the integrity of Fertilizer Canada, the recipient or the recipient's employer or with the intention of influencing a third party, including a government official, to obtain or retain a business advantage or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits.

We will give no gifts that include cash or a cash equivalent (such as certificates or vouchers).

We will give gifts openly only, not secretly.

No gifts shall be given to government officials or representatives, or politicians or their staff without the prior approval of the President and CEO or, in the case of a gift proposed to be given by the President and CEO, without the prior approval of the Chair of the Board of Directors.

The issue of gifts involves both the Lobbying Commissioner and the Conflict of Interest and Ethics Commissioner and her application of the *Conflict of Interest Act* and the *Conflict of Interest Code for Members of the House of Commons*. These provisions contain similar rules governing the acceptance of gifts. The interests of the group of POHs under the jurisdiction of the Conflict of Interest and Ethics Commissioner and lobbyists under the Commissioner of Lobbying will intersect when lobbyists offer gifts to POHs. With respect to the Conflict of Interest and Ethics regime, any gift or other advantage that may reasonably be seen to have been given to influence the POH or Member of Parliament in the exercise of their duties or functions is not acceptable. This acceptability test applies to all gifts regardless of the nature or the value of the gift. While it is the responsibility of individual POHs to respect the gift rules that apply to them and ensure that they meet their obligations, lobbyists must also bear responsibility and not put POHs in an improper position. Therefore, if the donor of a gift is lobbying (now or in the future) or otherwise seeking to influence the POH, then any gift from that donor beyond customary hospitality is viewed by both the Lobbying and the Conflict of Interest and Ethics Commissioners as unacceptable.

d. Entertainment/Hospitality

We may give and accept reasonable, proportionate hosted entertainment which is in the legitimate interest of the business and which is in accordance with local standards of courtesy, hospitality or protocol.

We will not give or accept lavish or frequent entertainment. Lavish entertainment goes beyond what is appropriate (for example, weekend accommodation at expensive hotels, and including spouses). We will not give or accept any entertainment not directly connected to business activities or meetings.

We will not accept or offer entertainment which is not hosted, meaning where no-one from Fertilizer Canada is present to host guests (for example, at a sporting event, this is then a gift of tickets, not entertainment, and falls under the rules on gifts).

e. Donations

No donations will be made to charitable or political entities on behalf of Fertilizer Canada without the prior approval of the President and CEO or, in the case of a donation proposed to be given by the President and CEO, without the prior approval of the Chair of the Board of Directors.

We will only make charitable or political donations that are legal and ethical under local laws and practices.

f. Books and records

All gifts, hospitality and donations we give shall be appropriately and accurately reflected in our books and records, in accordance with 2(f), above.

6. CONFLICTS OF INTEREST

Directors, officers, employees, agents and representatives of Fertilizer Canada must avoid situations where their personal interest could conflict with, or appear to conflict with, the interests of Fertilizer Canada.

A real or apparent conflict of interest exists when someone uses their personal position within, or affiliation with, Fertilizer Canada for personal, financial or other benefit (or the personal, financial or other benefit of his or her family members or other related persons) apart from the normal rewards of employment and compensation as an employee or director.

A conflict of interest also exists when the personal interests of a director, officer, employee, agent or representative of Fertilizer Canada create conflicting loyalties.

If a conflict of interest arises, the concerned individual shall immediately notify the Chief Executive Officer or, in the case of the President and CEO, the President and CEO shall immediately notify the Chair of the Board of Directors. In the context of a Board meeting, the director should disclose his interest and refrain from participating in Board discussions and voting in compliance with the requirements of the *Canada Not-for-profit Corporations Act*.

7. RAISING CONCERNS AND SEEKING GUIDANCE

As individuals who work for or on behalf of Fertilizer Canada, we have a responsibility to help detect, prevent and report instances not only of bribery, but also of any suspicious activity or wrongdoing.

If you have a concern regarding suspected instances of bribery or corruption, or the violation of a lobbying or other law, you must report the issue or concern to the President and CEO. If the matter relates to the conduct of the President and CEO, then the matter should be reported to the Chair of the Board.

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We are committed to encouraging openness and will support anyone who raises genuine concerns in good faith under this Code, even if those concerns turn out to be mistaken or unfounded.

We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption or in an evasion of lobbying or other laws, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence or failure to comply with laws has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern.

If you believe that you have suffered any such detrimental treatment, you should inform the President and CEO, or if the matter concerns the President and CEO you should inform the Chair of the Board of Directors, who will investigate the matter in order to find a remedy.