



**ENVIRONMENT, HEALTH, SAFETY AND SECURITY COMMITTEE**

**CHARTER**

**AGRIUM INC.**

**ENVIRONMENT, HEALTH, SAFETY AND SECURITY COMMITTEE**

**CHARTER**

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**PART I**

**Establishment of Committee**

**1. Committee**

The Environment, Health, Safety & Security Committee is established by the Board of Directors to assist the Board in fulfilling its oversight responsibilities to ensure that the Corporation's activities are conducted in an environmentally responsible manner and that the Corporation maintains the integrity of its health, safety and security policies. For purposes of clarifying the scope of this Charter, security matters of relevance to this Committee shall be limited to those pertaining to personnel, assets and products.

**2. Composition of Committee**

The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three directors, provided that each member of the Committee shall be determined by the Board to be:

- (a) an independent director for the purposes of and pursuant to the Corporation's Corporate Governance Guidelines;
- (b) an "independent" director as defined in and for the purposes of any applicable governance guidelines or listing standards of any stock or securities exchange upon which the securities of the Corporation are from time to time listed; and
- (c) an "independent" director for the purposes of any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation.

**3. Appointment of Committee Members**

The members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance & Nominating Committee. The members of the Committee shall be appointed annually at the time of each annual meeting of Shareholders, and shall hold office until the next annual meeting, or until they are removed by the Board or until their successors are earlier appointed, or until they cease to be directors of the Corporation.

**PART II**  
**Committee Procedure**

**4. Vacancies**

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Corporate Governance & Nominating Committee, and shall be filled by the Board if the membership of the Committee is fewer than three directors. The Board may remove and replace any member of the Committee.

**5. Committee Chair**

The Board upon recommendation of the Corporate Governance & Nominating Committee shall appoint a Chair for the Committee. The Chair may be removed and replaced by the Board.

**6. Absence of Chair**

If the Chair is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

**7. Secretary of Committee**

The Committee shall appoint a Secretary who need not be a director of the Corporation.

**8. Regular Meetings**

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four times per year. The Committee at any time may, and at each regularly scheduled Committee meeting shall, meet without management present and at least annually shall meet separately with the Senior Director, Environment, Health, Safety & Security. Any member of the Committee may move the Committee in camera at any time during the course of a meeting, and a record of any decisions made in camera shall be maintained by the Committee Chair.

**9. Special Meetings**

The Chair, any two members of the Committee, the Chief Executive Officer or the Senior Director, Environment, Health, Safety & Security may call a special meeting of the Committee.

**10. Quorum**

Three members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

**11. Notice of Meetings**

Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**12. Agenda**

The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

**13. Delegation**

The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it considers appropriate.

**14. Access**

In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel at the Corporation.

**15. Attendance of Officers at a Meeting**

At the invitation of the Chair, one or more officers or employees of the Corporation may, and if required by the Committee shall, attend a meeting of the Committee.

**16. Procedure, Records and Reporting**

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board).

**17. Outside Consultants or Advisors**

The Committee, when it considers it necessary or advisable, may retain, at the Corporation's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other retention terms for such persons.

**PART III**  
**Mandate of Committee**

**18. Annual Review of Environmental, Health, Safety & Security Matters**

The Committee shall advise and make recommendations to the Board as appropriate on matters relating to environmental, health, safety and security, and shall annually:

- (a) review the Corporation's Environment, Health, Safety and Security Policy and if appropriate, make recommendations regarding the Policy to the Board;
- (b) review compliance by the Corporation with legal and regulatory requirements relating to environmental, health, safety and security matters;
- (c) review the strategies and methods used to improve the environmental, health, safety and security performance of the Corporation;
- (d) review the risk (including insurable risks) related to environmental, health, safety and security issues and evaluate cost/insurance benefits associated with those risks;
- (e) review the Audit Plan for the upcoming year (includes EHS&S Compliance and Systems Audits as well as related audits required by law);
- (f) review the status of remediation projects, significant new developments and the environmental provisions; and
- (g) review the methods of communicating the Corporation's environmental, health, safety and security policies and procedures throughout the organization.

**19. Annual Site Visit**

It shall be the policy of the Committee to visit at least one of the Corporation's facilities annually.

**20. Quarterly Review of Environmental, Health, Safety & Security Matters**

The Committee shall receive and review Quarterly Performance Reports from the Senior Director, Environment, Health, Safety & Security and from the Presidents of each of the

Strategic Business Units regarding the Corporation's environmental, health, safety and security performance and shall review quarterly the Corporation's environmental, health, safety and security activities, including:

- (a) performance summaries from each of the Strategic Business Units and a Corporate consolidated performance summary for each preceding quarter, and any outstanding performance issues;
- (b) status of EMS (environmental, health, safety and security management system) implementation, and any outstanding implementation issues;
- (c) status of the Audit Plan and any significant external audits, outstanding non-compliance issues or deviations in corrective action plans;
- (d) legal and regulatory developments respecting environmental, health, safety and security matters which may have a significant impact on any of the Corporation's operations, remediation projects or environmental provisions;
- (e) enforcement actions or litigation brought or threatened against the Corporation relating to environmental, health, safety and security matters; and
- (f) any significant event or potential event that would, in the opinion of management or the Committee, constitute a significant environmental, health, safety or security occurrence.

**21. Committee Evaluation**

The Committee's performance shall be evaluated regularly, in accordance with a process developed by the Corporate Governance & Nominating Committee and approved by the Board, and the results of that evaluation shall be reported to the Corporate Governance & Nominating Committee and to the Board.

**22. Review of Disclosure**

The Committee shall review those portions of the Corporation's disclosure documents containing significant information relating to matters within the Committee's mandate.

**23. Review of Committee's Charter**

The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board.

**24. Non-Exhaustive List**

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities.

**25. Oversight Function**

While the Committee has the responsibilities set out in this Charter, the members of the Committee are members of the Board appointed to provide broad oversight of the Corporation's activities and affairs relating to environmental, health, safety and security matters, and are specifically not accountable or responsible for the day-to-day activities, nor the administration or implementation of arrangements relating thereto.