



**HUMAN RESOURCES & COMPENSATION COMMITTEE
CHARTER**

AGRIUM INC.

HUMAN RESOURCES & COMPENSATION COMMITTEE

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AGRIUM INC.

HUMAN RESOURCES & COMPENSATION COMMITTEE

CHARTER

PART I

Establishment of Committee

1. Committee

The Human Resources & Compensation Committee is established by the Board of Directors to assist the Board in fulfilling its responsibilities relating to matters of human resources and compensation, including equity compensation, and to establish a plan of continuity and development of senior management. The Committee has responsibility for evaluating and making recommendations to the Board regarding the compensation of the Corporation's executives and the equity-based and incentive compensation plans, policies and programs of the Corporation. In addition, the Committee shall produce an annual report on executive officer compensation for inclusion where appropriate in the Corporation's disclosure documents.

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 for the purposes of any applicable corporate, securities or other legislation or any rule, regulation, instrument, policy, guideline or interpretation under such legislation;

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.

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, which shall seek to achieve a diversity of professional backgrounds, including, wherever possible, specific expertise in executive compensation. The independent members of the Board shall select the members of the 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 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.

9. Special Meetings

The Chair, any two members of the Committee, or the Chief Executive Officer 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 of the Corporation.

15. In Camera Sessions and Attendance of Officers at a Meeting

The Committee shall meet in camera, without management, at each meeting of the Committee, and otherwise as considered appropriate by the members of the Committee. 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. The Committee shall also meet at least annually in camera with the Senior Vice President, Human Resources, without other members of management present. 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 or a portion thereof. When the Committee is making a decision regarding compensation plans or arrangements for the Corporation's executives as a group, management shall not normally be present, however, this provision should not be construed as restricting discussion between the Chief Executive Officer and the Committee, or limiting feedback from the Chief Executive Officer and management regarding executive performance and executive compensation.

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 shall engage, as appropriate, at the Corporation's expense, external executive compensation consultants to assist the Committee in evaluating compensation for the Chief Executive Officer and the executives as a group. The Committee may also retain, as appropriate, the same external executive compensation consultants or any other 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 consultants and advisors. The Committee Chair shall lead the selection of the outside consultants and advisors who are engaged to independently assist or advise the Committee on any matter, and the Committee shall be the client. The decisions made by the Committee are the responsibility of the Committee and will reflect other factors and considerations as the Committee considers appropriate in addition to the information and recommendations provided by the external consultants and advisors.

All other services of the external executive compensation consultants that may be requested by Management that are not directly engaged by the Committee relating to executive compensation matters or any other matters within the mandate of the Committee, or that are not directly engaged by the Corporate Governance & Nominating Committee regarding director compensation or any matters within the mandate of the Corporate Governance & Nominating Committee, will require the written pre-approval of the Committee or the Chair of the Committee outlining the scope of work. The Committee will not approve any such work that, in its view, could compromise the independence of the executive compensation consultants as advisors to the Committee. The Committee has delegated to the Committee Chair the authority to act on behalf of the Committee between Committee meetings with respect to the pre-approval of any such work to be provided by the executive compensation consultants to the Committee or to the Corporation, including work relating to matters other than executive compensation. Management will report to the Committee on a regular basis as to the fees paid to the executive compensation consultant for services rendered to the Corporation for any such other services.

PART III

Mandate of Committee

18. Compensation Guidelines and Agreements

The Committee shall review and recommend to the Board a comprehensive statement of compensation philosophy, strategy, and principles for the Corporation's executives and administer the Corporation's executive compensation and benefits program in accordance with the statement approved by the Board. The statement shall take into account all applicable laws, rules and guidelines regarding executive compensation and accountability.

The Committee shall also be responsible for reviewing, as appropriate, and providing recommendations in its discretion to the Board regarding certain matters relating to all employees, including annual salary and incentive policies and programs, material new benefit programs, and material changes to existing benefit programs.

19. Chief Executive Officer Evaluation and Compensation

The Committee shall review and approve the use of corporate goals and objectives relevant to the total compensation package of the Chief Executive Officer, recommend a performance evaluation process for the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of these goals and objectives and using this process, and, together with the other independent directors, determine and approve the Chief Executive Officer's compensation level based on this evaluation.

In determining the long-term incentive component of the compensation of the Chief Executive Officer, the Committee shall consider the Corporation's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the Chief Executive Officer in past years.

This Charter should not be construed as precluding discussion of the compensation of the Chief Executive Officer with the Board generally, as it is not intended to impair communication among members of the Board.

20. Other Executive Compensation and Oversight

In consultation with the Chief Executive Officer, the Committee shall oversee the evaluation of the Corporation's executives (including executive officers) other than the Chief Executive Officer and shall make recommendations to the Board with respect to the total compensation package for the Corporation's executives as a group other than the Chief Executive Officer. The Committee shall consider not only comparative compensation surveys, but also Corporation-specific factors and such other factors as the Committee considers appropriate in determining executive compensation packages.

21. Equity Compensation Review

The Committee shall review periodically, as appropriate, and make recommendations in its discretion to the Board regarding, incentive compensation or equity plans, programs or similar arrangements that the Corporation establishes for, or makes available to, its employees and consultants, including the designation of the employees and consultants who may participate, the share and option availability and the administration of share purchases.

In addition, the Committee shall review periodically, as appropriate, the extent to which these forms of compensation are meeting their intended objectives, and shall make recommendations in its discretion to the Board regarding modifications that will more accurately relate such compensation to employee performance.

22. Management Resources and Plans for Executive Development

The Committee shall review existing management resources and plans, as appropriate, including recruitment, training and evaluations, to ensure that qualified personnel will be available for succession to executive positions at the Corporation and key officer positions in its major subsidiaries. The Committee shall also periodically discuss with the Chief Executive Officer his or her views as to a successor in the event of the Chief Executive Officer's unexpected incapacity. The Committee shall report on this matter to the Board at least once a year.

23. Retirement Matters

The Committee shall:

- (a) review and recommend, as appropriate, to the Board any material changes in the Corporation's retirement plans;
- (b) review and approve, as appropriate, the investment, funding, and benefits policies relating to the Corporation's retirement plans and any changes thereto;
- (c) receive and review periodic reports from management committees which supervise the Corporation's retirement programs, including reports concerning the investment results, funding results, plan member communications and legal compliance/reporting in relation to such plans;
- (d) where appropriate, give direction concerning retirement program matters to the management committees which supervise the Corporation's retirement programs;
- (e) where appropriate, evaluate, for review by the Board, any retirement program matters that may be of concern or interest to the Board; and

- (f) review and make recommendations, as appropriate, to the Board regarding, any material benefits to retiring employees outside of approved retirement and other benefit programs.

24. Compensation Committee Report

The Committee shall produce the “Compensation Committee Report” on executive officer compensation as required to be published by applicable laws, rules and guidelines.

25. Annual Evaluation

The Committee’s performance shall be evaluated annually, 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. Review of Disclosure

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

26. 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.

27. 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.