



## CHARTER OF THE BOARD OF DIRECTORS DATED AS OF AUGUST 1ST, 2010

### 1. GENERAL

- 1.1 The Board of Directors (the “Board”) of MBAC Fertilizer Corp. (the “Company”) is responsible for the stewardship and the general supervision of the management of the business of the Company and for acting in the best interests of the Company and its shareholders. The Board will discharge its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. In addition, the Board may from time to time, appoint such additional committees as it deems necessary and appropriate in order to discharge its duties. Each committee shall have its own charter. The Board shall meet regularly, but not less than once each quarter, to review the business operations, corporate governance and financial results of the Company. Meetings of the Board will also include regular meetings (not less than once annually) of the independent members of the Board without management being present.
- 1.2 Directors are expected to attend all meetings of the Board and the committees upon which they serve, to come to such meetings fully prepared (including full review of all documentation sent prior to the meeting), and to remain in attendance for the duration of the meeting. Where a director’s absence from a meeting is unavoidable, the director should, as soon as practicable after the meeting, contact the Chairman, the Chief Executive Officer or the Corporate Secretary for a briefing on the substantive elements of the meeting.

### 2. COMPOSITION

- 2.1 The Board shall be constituted at all times of a majority of “independent directors” within the meaning of National Policy 58-201 - *Corporate Governance Guidelines*. Pursuant to Canadian corporate governance guidelines, in order to be considered “independent”, directors shall have no direct or indirect material relationship with the Company.

### 3. RESPONSIBILITIES

- 3.1 The Board's mandate is the stewardship of the Company and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:
- 3.2 The assignment to the various committees of directors the general responsibility for developing the Company’s approach to: (i) corporate governance and nomination of directors; (ii) financial reporting and internal controls; and (iii) compensation of officers and senior employees.
- 3.3 With the assistance of the Corporate Governance and Nominating Committee:
- (a) Reviewing the composition of the Board and ensuring it respects its independence criteria.
  - (b) Satisfying itself as to the integrity of the Chief Executive Officer and other senior officers of the Company and that such officers create a culture of integrity throughout the organization.
  - (c) The assessment, at least annually, of the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including, consideration of the appropriate size of the Board.

- (d) Ensuring that an appropriate review selection process for new nominees to the Board is in place.
  - (e) Ensuring that an appropriate orientation and education program for new members of the Board is in place.
  - (f) Approving and revising from time to time, as circumstances warrant, a corporate disclosure and communications policy to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and communities in which the business of the Company is conducted.
- 3.4 With the assistance of the Audit Committee:
- (a) Ensuring the integrity of the Company's internal controls and management information systems.
  - (b) Ensuring the Company's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Company's own governing documents.
  - (c) Identifying the principal risks of the Company's business and ensuring that appropriate systems are in place to manage these risks.
  - (d) Reviewing and approving significant operational and financial matters and the provision of direction to management on these matters.
  - (e) As required and agreed upon, providing assistance to shareholders concerning the integrity of the Company's reported financial performance.
- 3.5 With the assistance of the Compensation Committee and the Chairman and President and Chief Executive Officer, the approval of the compensation of the senior management team.
- 3.6 Succession planning including the selection, training, appointment, monitoring evaluation and, if necessary, the replacement of the senior management to ensure management succession.
- 3.7 The adoption of a strategic planning process, approval at least annually of a strategic plan that takes into account business opportunities and business risks identified by the Board and/or the Audit Committee and monitoring performance against such plans.
- 3.8 The review and approval of corporate objectives and goals applicable to the Company's senior management.
- 3.9 Enhancing congruence between shareholder expectations, Company plans and management performance.
- 3.10 Reviewing with senior management material transactions outside the ordinary course of business and such other major corporate matters which require Board approval including the payment of dividends, the issue, purchase and redemption of securities, acquisitions and dispositions of material assets and material capital expenditures and approving such decisions as they arise.
- 3.11 Performing such other functions as prescribed by law or assigned to the Board in the Company's constating documents and by-laws.

- 3.12 Establishing objectives relating to exploration, development, operations and mining of the Company's properties, including determining the budgets required, the allocation of resources, the steps to be implemented and the timing for reaching such steps.
- 3.13 Monitoring matters relating to exploration, development, operations and mining and assessing the performance of the Company against its objectives.
- 3.14 Developing a corporate culture of environmental responsibilities and awareness as to the importance of health and safety.

With the assistance of the Vice President, Corporate Development of the Company or such other officer who is from time to time responsible for maintaining the Company's website under the Timely Disclosure, Confidentiality and Insider Trading Policy, establish measures for receiving feedback from, and communication with, the Company's investors and securityholders.