

**UNDERTAKINGS GIVEN TO THE COMPETITION COMMISSION BY
KEMIRA GROWHOW OYJ, KEMIRA GROWHOW HOLDINGS LIMITED,
KEMIRA GROWHOW UK LIMITED, TERRA INDUSTRIES INC AND
TERRA NITROGEN (UK) LIMITED**

**Notice of release of certain undertakings accepted by the Competition
Commission pursuant to section 82 of the Enterprise Act 2002**

1. On 11 July 2007, the Competition Commission (CC) published a final report (the report) on the anticipated joint venture between Kemira GrowHow Oyj and Terra Industries, Inc which concluded that the joint venture might be expected to result in a significant lessening of competition (SLC) in each of the markets for CO₂; nitric acid of 58 to 60 per cent concentration; aqueous ammonia; and anhydrous ammonia in the UK.
2. The CC took action to remedy this SLC by requiring the joint venture to divest itself of a divestiture package set out in paragraph 15.105 of the report to a suitable purchaser, and by accepting undertakings dated 11 September 2007 (the Undertakings) from Kemira GrowHow Oyj, Kemira GrowHow Holdings Limited, Kemira GrowHow UK Limited, Terra Industries, Inc and Terra Nitrogen (UK) Limited (the parties) concerning Kemira's existing contract for the supply of liquid CO₂ with Air Liquide UK Limited.
3. On 18 November 2009, the Office of Fair Trading (OFT) gave advice to the CC in accordance with section 92(2) of the Enterprise Act 2002 (the Act) on a request from GrowHow UK Limited (GrowHow) for the release of certain obligations in the Undertakings. The OFT advised that the parties should be released from paragraphs 7 and 11 of the Undertakings, and that the other obligations of the Undertakings should remain in force.

Release of paragraphs 7 and 11 of the Undertakings

4. In its final report, published on 28 April 2011, on a review of the Undertakings, the CC found that notwithstanding a change of circumstances it was not appropriate to vary or release paragraphs 8 to 10 of the Undertakings. The CC further found that as GrowHow had divested the liquefaction plant at Billingham, the parties should be released from the confidentiality obligations in paragraph 7 of the Undertakings, and that, as paragraph 11 of the Undertakings no longer has practical effect, the parties should be released from those obligations also.
5. At the same time as publishing its final report, and in accordance with section 90 and paragraph 7 of Schedule 10 to the Act, the CC gave notice of its intention to release the parties from the obligations in paragraphs 7 and 11 of the Undertakings (the Notice).
6. The CC hereby releases the parties from the obligations in paragraphs 7 and 11 of the Undertakings. The other obligations of the Undertakings will remain in force. For ease of reference, at Annex A we have published a text showing the effect of the changes to the Undertakings.

(signed) PETER DAVIS
Group Chairman
Competition Commission
18 May 2011

1. Interpretation and definitions

For the purpose of these Undertakings (with the exception of the appendices attached to these Undertakings):

the '**Act**' means the Enterprise Act 2002;

an '**affiliate**' of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

'**AL**' means Air Liquide UK Limited (formerly known as Messer UK Limited);

the '**AL Agreement**' means the Operating, Management, Maintenance and Supply Agreement with Messer UK Limited (now Air Liquide UK Limited) (a copy of which is attached at Appendix A);

the '**AL Lease**' means the underlease (now a lease) entered into between AL and Kemira Agro UK Limited (now Kemira GrowHow UK Limited) in relation to the land where the CO₂ Liquefaction Plant is located (a copy of which is attached at Appendix B) as supplemented by the licence for alterations entered into between Kemira Agro Holdings Limited (now Kemira Growhow Holdings Limited), Kemira Agro UK Limited (now Kemira Growhow UK Limited) and Messer UK Limited (now Air Liquide UK Limited) (a copy of which is attached at Appendix C);

the '**AL Parties**' means Kemira Agro UK Limited (now Kemira GrowHow UK Limited) and Messer UK Limited (now Air Liquide UK Limited) being the parties to the AL Agreement;

the '**AL Site**' means the land leased to AL by Kemira at the Ince site and on which, inter alia, the CO₂ Liquefaction Plant is located;

the '**Ammonia Plant**' means the ammonia production plant owned and operated by Kemira on the Ince site (and for the avoidance of doubt any future or replacement ammonia production plant owned and operated by Kemira on the Ince site), which provides the by-product raw CO₂ gas to be processed by the CO₂ Liquefaction Plant;

'**Azelis**' means Azelis UK Limited;

the '**Azelis Lease**' means the lease to be entered into by Kemira and Azelis on completion of the Business Transfer Agreement and regarding the anhydrous ammonia storage and handling facilities, the aqueous ammonia plant and the nitric acid storage and handling facilities located at Ince (a copy of which is attached at Appendix D);

the '**Business Transfer Agreement**' means the agreement entered into by Kemira and Azelis on 31 July 2007 in relation to the transfer of the Divestment Business (a copy of which is attached at Appendix E);

the '**CC**' means the Competition Commission;

the '**CO₂ Liquefaction Plant**' means AL's liquid CO₂ plant at Kemira's site at Ince, including its associated equipment and the liquid CO₂ storage and road tanker loading facilities;

the '**Commencement Date**' has the meaning given to it in paragraph 2.1 of these Undertakings;

'**Control**' includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise but without having a controlling interest in that body corporate or in that enterprise, and in the case of a body corporate, a person shall for the purposes of these undertakings be deemed to control it if he holds, or has an interest in, shares of that body corporate which amount to 10 per cent or more of its issued share capital or which carry an entitlement to vote at meetings of that body corporate of 10 per cent or more of the total number of votes which may be cast at such meetings;

the '**Delivery Schedule**' has the meaning given to it in the AL Agreement;

the '**Divestment Business**' means the assets identified in the Business Transfer Agreement, the Azelis Lease and the OM&S Agreement;

'**Group of Interconnected Bodies Corporate**' has the meaning given in section 129(2) of the Act and references to a Group of Interconnected Bodies Corporate shall be to the Group of Interconnected Bodies Corporate as constituted from time to time;

'**Interest**' includes shares, an interest in shares and any other interest carrying an entitlement to vote at shareholders' meetings; and for this purpose 'an interest in shares' includes an entitlement by a person other than the registered holder, to exercise any right conferred by the holding of these shares or an entitlement to Control the exercise of such right;

the '**Joint Venture**' means the anticipated joint venture between Kemira GrowHow Oyj and Terra Industries Inc;

the '**JV Parties**' means any or all of Kemira GrowHow Oyj and its subsidiaries (including Kemira GrowHow UK Limited and Kemira GrowHow Holdings Limited) and Terra Industries Inc and its subsidiaries (including Terra Nitrogen (UK) Limited);

'**Kemira**' means Kemira GrowHow Oyj, Kemira GrowHow UK Limited, Kemira GrowHow Holdings Limited and any other subsidiary;

'**Liquid CO₂**' means liquid Carbon Dioxide;

'**Messer**' means Messer UK Limited (now Air Liquide UK Limited);

the '**OM&S Agreement**' means the Operating, Maintenance and Supply Agreement entered into by Kemira, Terra and Azelis on 31 July 2007 and which refers to the operation and maintenance of the Divestment Business storage and handling facilities on behalf of Azelis and the supply of 60 per cent nitric acid, aqueous ammonia and anhydrous ammonia, as specified in Schedule 3 to that agreement (a copy of which is attached at Appendix F);

the '**OFT**' means the Office of Fair Trading;

the '**Pricing Mechanism**' means the pricing formula to calculate the purchase price for the Products pursuant to clause 17.1 of the OM&S Agreement;

the '**Products**' means 60 per cent nitric acid, aqueous ammonia and anhydrous ammonia, as specified in Schedule 3 to the OM&S Agreement;

the '**Proposal to AL**' means the proposal sent to the CC on 5 July 2007 setting out the terms offered by Kemira to AL (a copy of which is attached at Appendix G);

the '**Report**' means the final report entitled *Kemira Growhow Oyj and Terra Industries Inc merger inquiry: a report on the anticipated joint venture between Kemira GrowHow Oyj and Terra Industries Inc* which was published by the CC on 11 July 2007;

'**SLC**' means substantial lessening of competition;

'**subsidiary**' has the meaning given by section 736 of the Companies Act 1985 (as amended); and

'**Terra**' means Terra Industries Inc, Terra Nitrogen (UK) Limited and any other subsidiary.

Unless the context requires otherwise, the singular shall include the plural, and vice versa.

Except where terms are expressly defined otherwise, the Interpretation Act 1978 shall apply to these undertakings as it does to Acts of Parliament.

2. Commencement and duration

2.1 These Undertakings shall come into effect on 11 September 2007 (the '**Commencement Date**').

2.2 The Undertakings shall continue in force until such time as they are varied, released or superseded under the Act.

~~2.3 Notwithstanding paragraph 2.2 above, the undertakings in paragraph 11 shall come into effect on the Commencement Date and shall continue in force for a period of three calendar months.~~

The Divestment Undertakings

3. Completion of the divestment

3.1 Kemira undertakes to complete the Business Transfer Agreement in accordance with Clause 5 of that agreement once the condition precedent in Clause 4.1 (ie completion of the Joint Venture) of the Business Transfer Agreement has been fulfilled.

3.2 Kemira undertakes to execute its obligations under Clause 5 and Schedule 5 of the Business Transfer Agreement to enter into the Azelis Lease in the form attached at Appendix C and make available to Azelis duly executed counterparts of the Azelis Lease, the OM&S Agreement and the necessary intellectual property and trade mark assignments.

3.3 Kemira and Terra undertake to give effect to the OM&S Agreement on the date on which completion of the Business Transfer Agreement takes place in accordance with Clause 2 of the OM&S Agreement.

4. Continued separation
 - 4.1 Except with the prior written consent of the OFT, the JV Parties undertake that they, and any subsidiary, affiliate or member of the Group of Interconnected Bodies Corporate to which the JV Parties may at any time belong:
 - (a) shall not, directly or indirectly, hold, acquire or use any Interest in the Divestment Business or any part thereof; or any company carrying on or having Control of the Divestment Business or any part thereof; or any of the assets of the Divestment Business save as necessary in order to comply with regulatory and/or legal obligations under applicable law;
 - (b) shall procure that no employee or director of the JV Parties, or any subsidiary, affiliate or member of the Group of Interconnected Bodies Corporate to which the JV Parties may at any time belong, will, for as long as he remains an employee or director of that company, hold or be nominated to any directorship or managerial position in the Divestment Business or in any company or other undertaking carrying on or having Control of the Divestment Business;
 - (c) shall not enter into any joint venture with or in connection with the Divestment Business;
 - (d) shall not participate in the formulation or making of, or influence or attempt to influence, the policy of the Divestment Business, or the policy of any person carrying on or having Control of the Divestment Business; and
 - (e) shall not enter into or carry out any agreement or arrangement with any person, if the carrying out of the agreement or arrangement is intended to result or will result in the JV Parties, or any subsidiary, affiliate or member of the Group of Interconnected Bodies Corporate to which the JV Parties may at any time belong, directly or indirectly doing any of the things listed in paragraphs 4.1(a) to (d) above.
 - 4.2 For the avoidance of doubt, nothing in paragraphs 4.1(a) to (e) above shall preclude the JV Parties, jointly or severally, from continuing to retain their interest as lessor in the storage and handling facilities used by the Divestment Business under the Azelis Lease, or from complying with their obligations under the Business Transfer Agreement, the Azelis Lease or the OM&S Agreement.
5. Amendments to the Azelis Lease and OM&S Agreement
 - 5.1 Save in the case of any variation required to comply with applicable law, the JV Parties undertake that the Joint Venture will seek the OFT's prior written consent for any amendment to the Azelis Lease or the OM&S Agreement.
 - 5.2 Notwithstanding paragraph 5.1 above, the OFT's approval will not be required for those amendments to the OM&S Agreement which result from the review of certain aspects of the Pricing Mechanism by an independent third party as set out in clause 17.9 of the OM&S Agreement.
6. Payment of the OFT's reasonable costs for independent advice
 - 6.1 The JV Parties undertake jointly and severally to remunerate in full, and to pay all the reasonable costs and expenses of any independent expert or other qualified

professional whose assistance the OFT may require in order to carry out any review of the OM&S Agreement, whether requested by the Joint Venture or Azelis.

The CO₂ Undertakings

~~7. Confidential information~~

~~7.1 The JV Parties shall use all reasonable endeavours to ensure that confidential information regarding the marketing and/or sale of CO₂ produced at the Ammonia Plant and Liquid CO₂ production at the CO₂ Liquefaction Plant is not accessible or made available to personnel involved in the production, marketing and/or sale of Liquid CO₂ produced at Terra's CO₂ liquefaction plants at Billingham and Severnside, and that confidential information regarding the production, marketing and/or sale of Liquid CO₂ produced at Billingham or Severnside is not accessible or made available to personnel involved in the marketing and/or sale of CO₂ produced at the Ammonia Plant or to personnel involved in the production of Liquid CO₂ at the CO₂ Liquefaction Plant.~~

~~7.2 For the avoidance of doubt, the confidential information referred to in paragraph 7.1 above includes (but is not limited to):~~

~~(a) the operating costs of the CO₂ Liquefaction Plant and Terra's CO₂ liquefaction plants at Billingham and Severnside;~~

~~(b) the timing and volume of Liquid CO₂ supplied from the CO₂ Liquefaction Plant and Terra's CO₂ liquefaction plants at Billingham and Severnside, including details on timing and volumes singularized by customer;~~

~~(c) all contractual terms governing the supply of Liquid CO₂ to customers, including (but not limited to) the identity of the customer, the start and end dates of contracts, provisions concerning the renewal of a contract (including options to renew), volumes, prices, and any compensation provisions for supply failure; and~~

~~(d) all discussions and contact with potential customers for the supply of CO₂ and/or all discussions and contact with existing customers concerning re-negotiation or renewal of existing terms for the supply of CO₂;~~

~~7.3 As soon as reasonably practicable, and in any event within three calendar months of the Commencement Date, the JV Parties undertake to submit to the CC for its approval guidelines setting out the specific measures that will be put in place in order to give effect to the undertaking in paragraph 7.1 above, including, without limitation, a standard template for annual compliance statements and guidelines as to their periodic submission ('the Guidelines').~~

~~7.4 Once the Guidelines have been approved by the CC, the JV Parties shall not amend the Guidelines without the written approval of the OFT.~~

~~7.5 The JV Parties undertake to comply with the approved Guidelines, or as amended from time to time in accordance with paragraph 7.4.~~

~~7.6 The JV Parties undertake to supply the OFT with an annual statement to confirm whether the JV Parties, their subsidiaries and affiliates have fully complied with each of their obligations under these Undertakings, such statement to be received on each anniversary of the Commencement Date, or the next working day.~~

~~7.7 The JV Parties undertake to comply with any written request for information which the OFT may reasonably make from time to time.~~

~~7.8 The JV Parties undertake to comply with such reasonable written directions as the OFT may from time to time give to take such steps within the competence of the JV Parties as are necessary for the purpose of securing compliance with or the carrying out of these Undertakings.~~

~~7.9 The JV Parties undertake jointly and severally to remunerate in full, and to pay all the reasonable costs and expenses of any independent expert or other qualified professional whose assistance the OFT may require in connection with any of the matters in paragraphs 7.1 to 7.6.~~

8. Termination of the AL Agreement

8.1 The JV Parties undertake not to give AL written notice to terminate the AL Agreement under clause 2.1 of the AL Agreement.

8.2 The JV Parties undertake to use all reasonable endeavours to enter into and complete any new lease agreement of the AL Site (as may be required in order to give effect to the AL Agreement) with AL on the same terms and conditions as the existing lease under clauses 2.2 and 2.3 of the AL Agreement with such amendments as may be agreed between the JV Parties and AL.

8.3 The JV Parties note that, following the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 which came into force on 1 June 2004, the renewal of the Lease under clause 2.3 of the AL Agreement no longer requires an authorization from the Chester County Court for the exclusion of sections 24 to 28 of the Landlord and Tenant Act 1954.

8.4 Notwithstanding the undertaking in paragraph 8.2 above, the AL Agreement may still be terminated either by AL under clause 2.1 of the AL Agreement, or by either party under clause 21 of the AL Agreement.

8.5 The JV Parties undertake not to terminate the AL Agreement pursuant to clause 21 of the AL Agreement without the OFT's prior written consent and undertake to inform AL of any request to the OFT to terminate the AL Agreement pursuant to clause 21 of the AL Agreement within three business days of making such a request together with details thereof.

9. Annual volume forecasts

9.1 For the purpose of clause 8.1 of the AL Agreement, the JV Parties undertake to accept any forecast for quantities of Liquid CO₂ required by AL for the following year provided always that this does not exceed the annual capacity of the CO₂ Liquefaction Plant from time to time, taking into account any planned shutdowns of either the CO₂ Liquefaction Plant or the Ammonia Plant (including scheduled maintenance and repair) which shall be communicated to AL in advance pursuant to clause 17 of the AL Agreement.

10. Delivery schedule

10.1 In accordance with clause 9.1 of the AL Agreement, the JV Parties undertake to update the Delivery Schedule on a quarterly basis, in order to give effect to any

changes in the annual quantities of Liquid CO₂ proposed by AL pursuant to clause 8.1 of the AL Agreement and paragraph 9.1 of these Undertakings.

- 10.2 For the purpose of clause 9.1 of the AL Agreement, the JV Parties undertake to accept the Delivery Schedule for supply of liquid CO₂ proposed by AL, including daily deliveries, provided always that this is consistent with the annual forecast and does not exceed the capacity of the CO₂ Liquefaction Plant from time to time, taking into account any planned shutdowns of either the CO₂ Liquefaction Plant or the Ammonia Plant (including scheduled maintenance and repair).
- 10.3 Notwithstanding paragraph 10.2 above, the JV Parties shall have no obligation to supply AL in accordance with the Delivery Schedule when Liquid CO₂ is unavailable due to a planned or unplanned shutdown of the Ammonia Plant, or an event of Force Majeure as defined by clauses 17 and 18 of the AL Agreement, respectively. For the avoidance of doubt, notwithstanding the provisions of this paragraph 10.3, the provisions of clause 17.5 of the AL Agreement shall continue to apply.
- 10.4 The JV Parties shall have no obligation to supply to AL any given daily quantities of Liquid CO₂ in excess of the daily production capacity limit of the CO₂ Liquefaction Plant from time to time.

~~11. Offer to amend the AL Agreement on certain terms~~

~~11.1 Subject to the agreement of AL, Kemira undertakes to amend the AL Agreement in accordance with the terms set out in the Proposal to AL dated 5 July 2007, and in this regard to negotiate with AL reasonably and in good faith. This undertaking shall continue in force for a period of three calendar months from the Commencement Date. For the avoidance of doubt, AL may accept some, but not all, of the terms set out in the Proposal to AL in which case Kemira shall only be obliged to amend the AL Agreement to the extent that AL has accepted the terms set out in the Proposal to AL.~~

~~11.2 Should AL not agree to accept the Proposal to AL, and effect the amendments to the AL Agreement accordingly, within the three month period provided for in paragraph 11.1 above, Kemira shall be released from the undertaking in paragraph 11.1 in respect of those aspects of the Proposal to AL that are not accepted by AL. For the avoidance of doubt, to the extent that AL has not indicated its acceptance or non-acceptance of any terms of the Proposal to AL within such three-month period, such term/terms will be deemed as not accepted by AL.~~

~~11.3 For the avoidance of doubt, nothing in paragraph 11 shall prevent the JV Parties and AL from mutually agreeing other changes to the AL Agreement.~~

SIGNED BY DULY AUTHORIZED SIGNATORIES FOR AND ON BEHALF OF **KEMIRA GROWHOW OYJ**

..... Signature Signature
..... Name Name
..... Title Title
..... Date Date

SIGNED BY DULY AUTHORIZED SIGNATORIES FOR AND ON BEHALF OF **KEMIRA GROWHOW HOLDINGS LIMITED**

..... Signature Signature
..... Name Name
..... Title Title
..... Date Date

SIGNED BY DULY AUTHORIZED SIGNATORIES FOR AND ON BEHALF OF **KEMIRA GROWHOW UK LIMITED**

..... Signature Signature
..... Name Name
..... Title Title
..... Date Date

SIGNED BY DULY AUTHORIZED SIGNATORIES FOR AND ON BEHALF OF **TERRA INDUSTRIES INC**

..... Signature Signature
..... Name Name
..... Title Title
..... Date Date

SIGNED BY DULY AUTHORIZED SIGNATORIES FOR AND ON BEHALF OF **TERRA NITROGEN (UK) LTD**

..... Signature Signature
..... Name Name
..... Title Title
..... Date Date

**The Operating, Management, Maintenance and Supply Agreement with Messer
UK Limited (now Air Liquide UK Limited)**



**The lease entered into between Air Liquide and Kemira in relation to the land
where Air Liquide's CO₂ Liquefaction plant is located**



The licence for alterations entered into between Kemira Agro Holdings Limited (now Kemira Growhow Holdings Limited), Kemira Agro UK Limited (now Kemira Growhow UK Limited) and Messer UK Limited (now Air Liquide UK Limited) in relation to land at Ince

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The lease to be entered into by Kemira and Azelis on completion of the Business Transfer Agreement regarding the process chemicals storage and handling facilities at Ince



**The Business Transfer Agreement between Kemira and Azelis entered into on
31 July 2007 In relation to the transfer of the Divestment Business**



The Operating, Maintenance and Supply Agreement entered into on 31 July 2007 by Kemira, Terra and Azelis, which refers to the operation and maintenance of the Divestment Business storage on behalf of Azelis and the supply of the Products



**The Proposal of 5 July 2007 setting out the terms offered to Air Liquide by
Kemira**

