

TERRA INDUSTRIES INC.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

1. Purpose

The purpose of the Committee is to assist the Board in fulfilling its responsibilities to shareholders by taking a leadership role in shaping the governance of the Company with a view to enhancing the quality and independence of the nominees to the Board and the Board as a whole, and enhancing the manner in which the Board conducts its stewardship of the Company.

2. Membership/Qualifications

The Nominating and Corporate Governance Committee shall be appointed by the Board of Terra and shall be comprised of two or more directors, each of whom shall be independent in accordance with the Company's Corporate Governance Guidelines.

3. Meetings

The Committee shall meet as often as it determines, but not less than twice a year. The Committee may delegate authority to subcommittees consisting of one or more members when appropriate.

4. Responsibilities

The Committee's duties and responsibilities shall include:

A. Nominations.

- Identify, recommend and recruit to the Board candidates to fill positions on the Board.
- Recommend the slate of director nominees for the annual meeting of shareholders.
- Review candidates recommended by shareholders.
- Recommend director nominees for each of the Board's committees.
- Review director and officer liability insurance.

B. Corporate Governance

- Review and recommend to the Board proposed changes to the Company's Certificate of Incorporation and Bylaws.
- Recommend to the Board a set of corporate governance guidelines applicable to the Company.

C. Board and Management Oversight

- Administer the Board's annual self-evaluation.
- Bring before the full Board for the Board's action each request for a waiver of the Company's Code of Ethics and Standards of Business Conduct.
- Review annually with the Chairman and the Chief Executive Officer the succession plans concerning positions held by elected corporate officers and make recommendations to the Board in connection therewith.
- Review on an annual basis director compensation and recommend any changes to the Board.

5. Performance Review

The Committee shall conduct an annual performance evaluation of itself, including a review of this charter and recommend any changes to the Board.

6. Authority to Retain Outside Advisors

The Committee shall have the authority to obtain advice and assistance from outside legal, accounting or other advisors, including any search firm used to identify director candidates

The Committee shall report its actions and recommendations to the Board after each Committee meeting.