

WORLD FUEL SERVICES CORP  
Form DEF 14A  
April 20, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement**

Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**WORLD FUEL SERVICES CORPORATION**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No Fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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- o Fee paid previously with preliminary materials.
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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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**WORLD FUEL SERVICES CORPORATION**

9800 Northwest 41<sup>st</sup> Street, Suite 400  
Miami, Florida 33178

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD June 8, 2012**

Notice is hereby given that the Annual Meeting of Shareholders of WORLD FUEL SERVICES CORPORATION will be held on Friday, June 8, 2012, at 8:00 a.m., local time, at the offices of Chadbourne & Parke LLP located at 30 Rockefeller Plaza, Conference Room 3101, New York, New York 10112, for the following purposes:

1. To elect as directors the nine nominees named in the attached Proxy Statement;
2. To conduct a non-binding, advisory vote on executive compensation;
3. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2012 fiscal year; and
4. To transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

These matters are more fully discussed in the accompanying Proxy Statement.

Shareholders of record at the close of business on April 2, 2012 are entitled to notice of and to vote at the meeting and any adjournment thereof.

The annual meeting for which this notice is given may be adjourned from time to time without further notice other than announcement at the meeting or any adjournment thereof. Any business for which notice is hereby given may be transacted at any such adjourned meeting.

**Whether or not you expect to be present at the meeting, please date, sign, and promptly return the enclosed proxy card, which is solicited by and on behalf of the Board of Directors. Shareholders who execute a proxy may nevertheless attend the meeting, revoke their proxy and vote their shares in person. Please note that the rules that guide how brokers vote your stock have changed. Brokers may no longer vote your shares on the election of directors in the absence of your specific instructions as to how to vote. Please return your proxy card so your vote can be counted.**

By Order of the Board of Directors

WORLD FUEL SERVICES CORPORATION

R. Alexander Lake, Jr.  
Senior Vice President, General Counsel and  
Corporate Secretary

April 20, 2012  
Miami, Florida

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**WORLD FUEL SERVICES CORPORATION**  
9800 Northwest 41<sup>st</sup> Street, Suite 400  
Miami, Florida 33178

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**PROXY STATEMENT**

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 8, 2012**

At <http://ir.wfscorp.com/phoenix.zhtml?c=101792&p=proxy>, the following proxy materials are available to you:

**the Company's Annual Report for the fiscal year ended December 31, 2011;**

**the Company's 2012 Proxy Statement (including all attachments thereto);**

**the proxy card; and**

**any amendments to the foregoing materials that are required to be furnished to shareholders.**

Among other things, this Proxy Statement contains information regarding (i) the date, time and location of the meeting; (ii) a list of the matters being submitted to the shareholders; and (iii) information concerning voting in person at the meeting.

**INTRODUCTION**

This Proxy Statement is furnished to the shareholders of World Fuel Services Corporation in connection with the solicitation of proxies by our Board of Directors for the 2012 Annual Meeting of Shareholders. The terms "World Fuel," "Company," "we," "our" and "us" used in this Proxy Statement refer to World Fuel Services Corporation and its subsidiaries unless the context otherwise requires.

This Proxy Statement and the accompanying proxy card are first being sent to shareholders on or about April 20, 2012. Our 2011 Annual Report, including the consolidated financial statements, is being mailed to each shareholder together with this Proxy Statement.

**QUESTIONS AND ANSWERS ABOUT OUR ANNUAL MEETING**

**What Is the Date, Time and Place of the Annual Meeting?**

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World Fuel's 2012 Annual Meeting of Shareholders will be held on Friday, June 8, 2012, beginning at 8:00 a.m., local time, at the offices of Chadbourne & Parke LLP located at 30 Rockefeller Plaza, Conference Room 3101, New York, New York 10112.

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**What Is the Purpose of the Annual Meeting?**

At the annual meeting, World Fuel shareholders will be asked to:

elect nine directors, each for a term expiring at the next annual meeting or until his or her successor has been duly elected and qualified;

approve the compensation paid to the Company's named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion below;

ratify the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2012 fiscal year; and

consider and act upon such other business as may properly come before the meeting.

**Who Is Entitled to Vote at the Annual Meeting?**

Only holders of record of World Fuel common stock at the close of business on April 2, 2012, the record date for the meeting, are entitled to notice of, and to attend and vote at the annual meeting, or any postponements or adjournments of the meeting. At the close of business on the record date, 71,310,644 shares of World Fuel common stock were issued and outstanding and were held by approximately 320 holders of record.

**What Do I Need to Bring with Me in Order to Attend the Annual Meeting?**

If you are a shareholder of record, you will need to bring with you to the meeting any proxy card that is sent to you and valid photo identification. Otherwise, you will be admitted only upon other verification of record ownership at the admission counter.

If you own shares held in street name, bring with you to the meeting your most recent brokerage statement or a letter from your bank, broker, or other record holder indicating that you beneficially owned shares of our common stock on April 2, 2012 and valid photo identification. We can use that to verify your beneficial ownership of common stock and admit you to the meeting. **If you intend to vote at the meeting, you also will need to bring to the meeting a legal proxy from your bank, broker, or other holder of record that authorizes you to vote the shares that the record holder holds for you in its name.**

**What Are the Voting Rights of World Fuel Shareholders?**

World Fuel shareholders have one vote per share of World Fuel common stock owned on the record date for each matter properly presented at the annual meeting. For example, if you owned 100 shares of World Fuel common stock at the close of business on April 2, 2012, you can cast 100 votes for each matter properly presented at the annual meeting.

**What Constitutes a Quorum?**

A quorum will be present at the meeting if holders of a majority of the issued and outstanding shares of World Fuel common stock on the record date are represented at the meeting in person or by proxy. If a quorum is not present at the meeting, World Fuel expects to postpone or adjourn the meeting to solicit additional proxies. Abstentions and broker non-votes (as described below) will be counted as shares present and entitled to vote for the purpose of determining the presence or absence of a quorum.



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**What Are "Broker Non-Votes" and How Are They Treated?**

A "broker non-vote" occurs when a bank, broker or other holder of record holding shares for a beneficial owner withholds its vote on a particular proposal because that holder does not have discretionary voting power for such proposal and has not received instructions from the beneficial owner. If your shares are held in "street name" by a broker, your broker is the shareholder of record. However, the broker is required to vote the shares in accordance with your instructions. If you do not give instructions to your broker, the rules of the New York Stock Exchange, or NYSE, allow brokers the discretionary authority to vote your shares with respect to "routine" matters but not "non-routine" matters.

"Proposal No. 3 Ratification of Independent Registered Certified Public Accounting Firm" is a routine matter that brokers have the discretionary authority to vote on without the beneficial owner's instructions. "Proposal No. 1 Election of Directors" and "Proposal No. 2 Non-Binding, Advisory Vote on Executive Compensation" are non-routine matters. Therefore, if brokers do not receive instructions from beneficial owners to vote their shares regarding Proposal Nos. 1 and 2, the brokers cannot vote such shares for Proposal Nos. 1 and 2 and, accordingly, any such shares will be broker non-votes and will not have any effect on the outcome of the vote. In addition, if other matters are properly brought before the meeting and they are not considered routine under the applicable NYSE rules, shares held by a bank, broker or other holder of record holding shares for a beneficial owner will not be voted on such non-routine matters by that holder unless that holder has received voting instructions. As stated above, broker non-votes are counted as present for the purpose of determining whether a quorum is present.

**How Are Abstentions Treated?**

Abstentions will not be counted as votes cast in the final tally of votes with regard to any proposal. Therefore, abstentions will have no effect on the outcome of any proposal. As stated above, abstentions will be counted for the purpose of determining whether a quorum is present.

**Will My Shares Be Voted if I Do Not Provide My Proxy?**

If your shares are held in the name of a bank, broker or other nominee, they may be voted by the bank, broker or other nominee with respect to "routine" matters (as described above under the caption "What Are "Broker Non-Votes" and How Are They Treated?") even if you do not give the bank, broker or other nominee specific voting instructions. If you are a registered shareholder and hold your shares directly in your own name, your shares will not be voted unless you provide a proxy or fill out a written ballot in person at the meeting.

**How Do I Vote?**

To vote by mail if the shares are registered in your name:

Mark, sign and date your proxy card; and

Return it in the envelope provided.

If you hold in "street name," follow the instructions of your bank, broker or other nominee or vote in person as described below.

To vote in person if you hold in "street name":

Attend our annual meeting;

Bring valid photo identification; and

Obtain a legal proxy from your bank, broker or other nominee to vote the shares that are held for your benefit, attach it to your completed proxy card and deliver it in person.



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To vote in person if the shares are registered in your name:

Attend our annual meeting;

Bring valid photo identification; and

Deliver your completed proxy card or ballot in person.

**What Vote Is Required for the Proposals?**

Proposal 1: Directors are elected by a plurality of the total number of votes cast, which means the nine nominees who receive the largest number of properly cast votes will be elected as directors.

Proposal 2: The affirmative vote of a majority of the votes cast on the proposal is required for the approval of the non-binding, advisory vote with respect to executive compensation.

Proposal 3: The affirmative vote of a majority of the votes cast on the proposal is required for the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2012 fiscal year.

**How Does the Board of Directors Recommend I Vote on the Proposals?**

The Board of Directors recommends that you vote:

"FOR" the election of each of the nominees for director named in this Proxy Statement;

"FOR" the approval of the compensation paid to the Company's named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion below; and

"FOR" ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2012 fiscal year.

**How Will My Proxy Holders Vote?**

The enclosed proxy designates Michael J. Kasbar, our President and Chief Executive Officer, and Paul H. Stebbins, our Executive Chairman of the Board of Directors, each with full power of substitution, to hold your proxy and vote your shares. Messrs. Kasbar and Stebbins will vote all shares of World Fuel common stock represented by properly executed proxies received in time for the annual meeting in the manner specified by the holders of those shares. Messrs. Kasbar and Stebbins intend to vote all shares of World Fuel common stock represented by proxies that are properly executed by the record holder but otherwise do not contain voting instructions as follows:

"FOR" the election of each of the nominees for director named in this Proxy Statement;

"FOR" the approval of the compensation paid to the Company's named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion below;

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"FOR" ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for the 2012 fiscal year; and

in accordance with the recommendation of World Fuel's Board of Directors, "FOR" or "AGAINST" all other matters as may properly come before the annual meeting.

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**Can I Change My Vote After I Have Voted?**

Voting by mailing a proxy card does not preclude a shareholder from voting in person at the meeting. A shareholder may revoke a mailed proxy at any time prior to its exercise by (i) filing with World Fuel's Corporate Secretary a duly executed revocation of proxy, (ii) properly submitting by mail a proxy to World Fuel's Corporate Secretary bearing a later date or (iii) appearing at the meeting and voting in person. Attendance at the meeting will not itself constitute revocation of a proxy.

**Who Pays for the Preparation of the Proxy Statement?**

World Fuel will bear the cost of the solicitation of proxies from its shareholders, including preparing, printing and mailing this Proxy Statement. In addition to solicitations by mail, World Fuel's directors, officers and employees, and those of its subsidiaries and affiliates, may solicit proxies from shareholders by telephone or other electronic means or in person but will receive no additional compensation for soliciting such proxies. World Fuel will cause banks and brokerage firms and other custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of World Fuel common stock held of record by such banks, brokerage firms, custodians, nominees and fiduciaries. World Fuel may reimburse such banks, brokerage firms, custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses in doing so. We may also retain the services of a solicitor to assist in soliciting proxies and pay them a fee as well as other costs and expenses.

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**PROPOSAL NO. 1 ELECTION OF DIRECTORS**

Nine individuals have been nominated to serve as our directors for the ensuing year and until their successors shall have been duly elected and qualified. All of such persons are presently directors.

The persons named as proxies in the accompanying proxy card have advised management that unless authority is withheld in the proxy, they intend to vote for the election of the individuals listed as nominees in the table below. We do not contemplate that any nominee named in the table will be unable or will decline to serve. However, if any nominee is unable to serve or declines to serve, the persons named in the accompanying proxy card may vote for another person, or persons, in their discretion, unless our Board of Directors chooses to reduce the number of directors serving on the Board of Directors. In accordance with our By-Laws, the Board of Directors may consist of four to ten directors, and the Board of Directors may increase or decrease the number of directors by amending our By-Laws. Currently, the Board of Directors has nine directors, and there are no plans at present to add more directors.

The following table sets forth certain information with respect to each nominee for election to the Board of Directors. The biographies of each of the nominees and directors set forth in the paragraphs following the table contain information regarding the individual's service as a director, business experience, director positions held currently or within the last five years, information regarding involvement in certain legal and administrative proceedings, if applicable, and the experience, qualifications, attributes or skills that led to the conclusion that the individual should serve as a director of the Company.

Table of Contents**Nominees for Election:**

| <b>Name and Position</b>  | <b>Age</b> | <b>Year First Became Director</b> |
|---|------------|-----------------------------------|
| Michael J. Kasbar<br><i>President and Chief Executive Officer</i>   | 55         | 1995                              |
| Paul H. Stebbins<br><i>Executive Chairman of the Board of Directors</i>   | 55         | 1995                              |
| Ken Bakshi<br><i>Chairman of the Compensation Committee and the Nominating Subcommittee of the Governance Committee and Member of the Governance and Technology and Operations Committees</i> | 62         | 2002                              |
| Richard A. Kassar<br><i>Chairman of the Technology and Operations Committee and Member of the Audit, Compensation and Governance Committees</i>   | 64         | 2002                              |
| Myles Klein<br><i>Member of the Audit and Governance Committees</i>   | 73         | 1995                              |
| Abby F. Kohnstamm<br><i>Member of the Compensation, Governance and Technology and Operations Committees</i>   | 59         | 2012                              |
| John L. Manley<br><i>Member of the Audit and Governance Committees</i>  | 63         | 2010                              |
| J. Thomas Presby<br><i>Chairman of the Audit Committee and Member of the Governance Committee and Nominating Subcommittee of the Governance Committee, Lead Independent Director</i>          | 72         | 2003                              |
| Stephen K. Roddenberry<br><i>Chairman of the Governance Committee and Member of the Compensation Committee, Presiding Director</i>  | 63         | 2006                              |

**Background and Experience of Director Nominees:**

MICHAEL J. KASBAR has served as President and Chief Executive Officer of the Company since January 2012 and has served as a director of the Company since June 1995. From July 2002 to December 2011, he served as President and Chief Operating Officer of the Company. From January 1995 to July 2002, he served as Chief Executive Officer of World Fuel Services Americas, Inc. (formerly Trans-Tec Services, Inc.), at the time our principal subsidiary engaged in the marine fuel services business. From September 1985 to December 1994, Mr. Kasbar was an officer, shareholder and director of Trans-Tec Services, Inc., a global marine fuel services company, and its affiliated companies. Mr. Kasbar co-founded Trans-Tec Services, Inc. in 1985 and has extensive executive experience in the fuel services business. Mr. Kasbar brings to the Board of Directors a unique understanding of our strategies and operations through over 16 years of service to our Company and 30 years of experience in the fuel services business. Mr. Kasbar is the first cousin of Richard A. Kassar, a director of the Company.

PAUL H. STEBBINS has served as our Executive Chairman of the Board of Directors since January 2012 and has served as a director of the Company since June 1995. From July 2002 to December 2011, he served as Chairman of the Board of Directors and Chief Executive Officer of the Company and, from August 2000 to July 2002, he served as President and Chief Operating Officer. From January 1995 to August 2000, Mr. Stebbins served

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as President and Chief Operating Officer of World Fuel Services Americas, Inc. (formerly Trans-Tec Services, Inc.), at the time our principal subsidiary engaged in the marine fuel services business. From September 1985 to December 1994, Mr. Stebbins was an officer, shareholder and director of Trans-Tec Services, Inc., a global marine fuel services company, and its affiliated companies. Mr. Stebbins co-founded Trans-Tec Services, Inc. in 1985 and has extensive executive experience in the fuel services business. Mr. Stebbins brings to the Board of Directors a unique understanding of our strategies and operations through over 16 years of service to our Company and 30 years of experience in the fuel services business. In December 2006, Mr. Stebbins joined the board of directors, and currently serves on the nominating and governance, audit and compensation committees, of First Solar, Inc., a NASDAQ company. Mr. Stebbins is also a member of the Business Roundtable.

KEN BAKSHI has served as a director of World Fuel since August 2002. Mr. Bakshi has been Chairman of the board of directors and Chief Executive Officer of Amala Inc, a skin care products company, since April 2008 and managing partner of Trishul Capital Group LLC and Trishul Advisory Group LLC, two privately-owned equity investment and consulting companies, since June 2003. From March 2006 through June 2009, he was Vice Chairman of the board of directors of Row 2 Technologies, a software development firm he co-founded, and from December 2002 to February 2006, he was employed by Row 2 Technologies as Chief Executive Officer. From July 2000 to December 2002, he was employed as Executive Vice President and Chief Operating Officer of Vistaar, Inc., an incubator of business-to-business internet based marketplaces. From 1998 to 2000, Mr. Bakshi served as Senior Vice-President of Wyeth (formerly known as American Home Products Corp.), a NYSE company. Prior to 1998, Mr. Bakshi served in various capacities at American Home Products Corp. and American Cyanamid Company, which was acquired by American Home Products Corp. in 1994. Mr. Bakshi has extensive experience in private equity investments, management consulting and technology and significant executive experience running operating units within large multinational publicly-traded corporations.

RICHARD A. KASSAR has served as a director of World Fuel since August 2002. Mr. Kassar has been employed as President of Freshpet Company, a pet food company, since January 2011, and is currently a principal of Go7Brands, LLC, a brand management company, where he also serves as Senior Vice-President and Chief Financial Officer. From October 2006 to December 2010, he was the Chief Executive Officer of Freshpet Company, and, from February 2002 to July 2006, Mr. Kassar was the Senior Vice President and Chief Financial Officer of The Meow Mix Company, a cat food company. From May 2001 to January 2002, he was self-employed as a consultant to venture capital firms, advising them primarily on the acquisition of consumer brands. From December 1999 to May 2001, Mr. Kassar was employed as Co-President and Chief Financial Officer of Global Household Brands, a manufacturer of household products. From 1986 to December 1999, he was employed by Chock Full O'Nuts, a coffee company, in various positions, and most recently served as Senior Vice President and Chief Operating Officer. Mr. Kassar also served as a director, member of the compensation committee and chairman of the audit committee of Vaughan Foods, Inc., a NASDAQ company until March 2010 and then an over-the-counter pink sheet company, which was sold in October 2011. Until March 2010, Mr. Kassar also served as a director, member of the compensation committee and chairman of the audit committee of Velocity Express, Inc., a NASDAQ company until August 2009 and then an over-the-counter pink sheet company, which was sold in November 2009. Mr. Kassar has extensive executive experience in brand management, consumer products and corporate finance and has significant experience as a senior finance executive. Mr. Kassar is the first cousin of Michael J. Kasbar, our President and Chief Executive Officer and a director of World Fuel.

MYLES KLEIN has served as a director of World Fuel since February 1995. Mr. Klein is a Certified Public Accountant. From 1971 until 1985, Mr. Klein was a partner in the international accounting and auditing firm of Grant Thornton. Subsequent to 1985, Mr. Klein practiced as Myles Klein, P.A. or Klein & Barreto, P.A. until July 2006 when he sold his accounting practice to Klein, Mendez & Rothbard, LLC. Mr. Klein has over 35 years of experience advising a broad range of clients in corporate finance, tax and accounting matters and significant experience in the management of accounting firms.

ABBY F. KOHNSTAMM has served as director of World Fuel since January 2012. She is the President and founder of Abby F. Kohnstamm & Associates, Inc., a marketing and consulting firm. Prior to establishing her



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company in January 2006, Ms. Kohnstamm served as Senior Vice President, Marketing (Chief Marketing Officer) of IBM Corporation from 1993 through 2005. In that capacity, she had overall responsibility for all aspects of marketing across IBM on a global basis. She was also a member of the Corporate Executive Committee, which advised the Chairman and CEO on policy issues and the management of IBM, and a member of the Strategy Team, which focused on IBM's strategic direction and emerging business opportunities. Before joining IBM, Ms. Kohnstamm held a number of senior marketing positions at American Express from 1979 through 1993. Since July 2001, Ms. Kohnstamm has been a member of the board of directors of Tiffany & Co. where she currently serves on the compensation, audit, nominating/corporate governance and corporate social responsibility committees. Ms. Kohnstamm is also a member of the board of directors of the Roundabout Theatre Company and a Trustee Emeritus of Tufts University after serving 10 years on the board of trustees. From June 2006 to April 2011, Ms. Kohnstamm was also a member of the board of directors of the Progressive Corporation. Ms. Kohnstamm has extensive experience in brand management, global management, media management and strategic planning.

JOHN L. MANLEY has served as a director of World Fuel since October 2010. Mr. Manley retired from Deloitte & Touche LLP in 2009 after more than 27 years as a partner, the last three years of which Mr. Manley was Managing Partner of Deloitte's Northeast Region Audit and Enterprise Risk Services Practice. While at Deloitte, Mr. Manley was also a member of the Northeast Region's Executive Committee, Deloitte's Audit and Enterprise Risk Services Executive Committee and Deloitte and Touche LLP's board of directors. Mr. Manley founded and was the National Director of Deloitte's Regulatory Consulting Practice, which included practices in financial services, health care, government contracting, energy and utilities. Before joining Deloitte, Mr. Manley had seven years of regulatory experience with the Securities and Exchange Commission ("*SEC*") and the Commodity Futures Trading Commission ("*CFTC*") in various positions, including serving as the Chief Accountant and Director of the Division of Trading and Markets of the CFTC. Mr. Manley is a Certified Public Accountant and has extensive executive management, financial reporting, risk management and regulatory experience.

J. THOMAS PRESBY has served as a director of World Fuel since February 2003. Mr. Presby has used his business experience and professional qualifications to forge a second career of essentially full-time board service since he retired in 2002 as a partner in Deloitte Touche Tohmatsu, an accounting and consulting firm. At Deloitte, Mr. Presby held numerous positions in the U.S. and abroad, including the posts of Deputy Chairman and Chief Operating Officer. Mr. Presby now serves as a director and chairman of the audit committee of Tiffany & Co., Invesco Ltd. and ExamWorks Group, Inc., each a NYSE company, and First Solar, Inc., a NASDAQ company. Mr. Presby was also a director of TurboChef Technologies, Inc., a NASDAQ company, from November 2003 until January 2009 and American Eagle Outfitters, Inc. from December 2005 until January 2011. As Mr. Presby has no significant business activities other than board service, he is available full time to fulfill his board responsibilities. Mr. Presby is a Certified Public Accountant and a holder of the NACD Certificate of Director Education. Mr. Presby has extensive experience in finance and accounting as well as significant management experience in the U.S. and abroad and, as the chairman of the audit committees of four other public companies, he has extensive board experience. Mr. Presby was named one of the top 100 directors of 2011 by the NACD.

STEPHEN K. RODDENBERRY has served as a director of World Fuel since June 2006. Mr. Roddenberry is a shareholder in the law firm of Akerman Senterfitt where he has been employed as an attorney since 1988. Mr. Roddenberry has extensive experience in private equity, mergers and acquisitions, investment management, venture capital, public finance and securities.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE  
ELECTION OF THE ABOVE DIRECTOR NOMINEES**

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**BOARD OF DIRECTORS**

The Board of Directors (the "Board") has four committees: the Governance Committee, the Audit Committee, the Compensation Committee and the Technology and Operations Committee. During 2011, the Board met four times. Each director attended at least 75% of the aggregate of the total number of meetings of the Board and the total number of meetings held by all of the Board committees on which he or she served.

**Corporate Governance Matters**

The Board has established and adopted Corporate Governance Principles which govern the appointment, retention, responsibilities, qualifications and conduct of the Board and its committees. The Corporate Governance Principles require that a majority of our directors meet the standards for independence required by the listing standards of the NYSE.

In addition, members of our Audit Committee must meet the independence standards for Audit Committee members adopted by the SEC including that a member must not receive any consulting, advisory or other compensatory fee from us, other than in his or her capacity as a member of our Audit Committee, our Board or any other Board committee and a member must not be an affiliate of ours or any subsidiary of ours apart from his or her capacity as a member of the Board or any Board committee. Ownership of 10% or less of our voting securities is deemed not to affect independence. Members of the Audit Committee must also have no relationship with us that interferes with their exercise of independent judgment. Members of our Compensation Committee must meet the independence standards of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and Section 162(m) of the Internal Revenue Code. Pursuant to the provisions of Rule 16b-3 and Section 162(m), members of the Compensation Committee must not (i) be an officer, a former officer or an employee of the Company or any subsidiary, nor a former employee who receives compensation for prior services other than under a qualified retirement plan, (ii) receive compensation from us or any subsidiary for services rendered as a consultant or in any capacity other than as a director or (iii) possess an interest in any transaction with us in an amount in excess of \$120,000.

The discussion above is not exhaustive, and the Board could consider other factors in making its determination that a director has no material relationship with us that could compromise that director's independence.

Our Corporate Governance Principles provide that no more than two members of management shall serve on the Board. Our Board affirmatively determined that all seven existing non-management directors, Messrs. Bakshi, Kassar, Klein, Manley, Presby and Roddenberry and Ms. Kohnstamm are independent of us and our management under NYSE standards, and our Audit Committee members and Compensation Committee members are independent under the standards applicable to membership in such committees. In making this determination, our Board considered that Mr. Kassar is the first cousin of Mr. Kasbar, and the Board determined that the familial relationship between Messrs. Kasbar and Kassar was not material because it would not adversely affect Mr. Kassar's ability to exercise his independent judgment as our director. Messrs. Kasbar and Stebbins are considered inside directors because of their employment with the Company. As a result of this analysis, Messrs. Kasbar and Stebbins are precluded from sitting on our Audit, Compensation and Governance Committees.

All of our non-management directors serve on our Governance Committee and meet in executive session (without management present) prior to each scheduled Board meeting and at other times as they may deem necessary. In accordance with the Governance Committee charter, the Chairman of the Governance Committee, which since May 2007 has been Mr. Roddenberry, presides over the meetings of our non-management directors as the "presiding director" for NYSE purposes.

All of our employees, officers (including our principal executive, financial and accounting officers) and directors are held accountable for adherence to our Code of Corporate Conduct and Ethics, or Code of Conduct. The Code of Conduct is intended to provide guidance to all of our employees, officers and directors as to conduct over a wide range

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of business practices and procedures. Failure to comply with the Code of Conduct may result in disciplinary action, up to and including dismissal. The Code of Conduct covers all areas of professional conduct, including compliance with laws (including antitrust, embargoes and trade sanctions, anti-boycott, money laundering and the environment), work environment, conflicts of interest, protecting corporate assets, taking corporate opportunities, company records, insider trading, political activities and contributions, external communications, financial reporting and disclosure, accounting controls as well as specific matters that relate to conducting business on behalf of the Company such as bribes and kickbacks, gifts and entertainment and dealing with government officials. We intend to disclose any substantive amendments to our Code of Conduct and any waivers with respect to our Code of Conduct granted to our principal executive, financial and accounting officers on our website at <http://www.wfscorp.com> within four business days of the amendment or waiver. Our website and information contained on our website are not part of this Proxy Statement and are not incorporated by reference in this Proxy Statement.

We encourage employees and others to report violations of the Code of Conduct and any other unlawful or inappropriate practices they discover relating to our business. The Code of Conduct sets forth procedures for employees to file confidential and anonymous reports of any such violations or practices. In addition, the Audit Committee has established procedures to receive, retain and treat complaints regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The procedure for employees to contact our Vice President of Internal Audit, the Audit Committee, any other committee, the Board or any Board member regarding questionable accounting or auditing matters is set forth in the Code of Conduct. We have advised employees of our policy not to retaliate or take any other detrimental action against employees who submit such complaints in good faith.

It is our policy that each director should attend all meetings of shareholders, absent extenuating circumstances. All of our directors attended the Annual Meeting of Shareholders in June 2011, with the exception of Ms. Kohnstamm who joined the Board in January 2012.

Our Corporate Governance Principles, the Code of Conduct and the charters of each of the Board committees are available on our website at <http://www.wfscorp.com> by clicking on Investor Relations and then Corporate Governance. Copies of these documents may also be obtained by any shareholder, without charge, by writing to our Corporate Secretary at our address shown below.

Any interested party can contact our Board, any Board committee, our presiding director, our lead independent director, the non-management directors as a group or any individual director by (i) writing to any of them, c/o Corporate Secretary, at our principal office at 9800 Northwest 41<sup>st</sup> Street, Suite 400, Miami, Florida 33178, (ii) contacting the Company's compliance hotline at 877-787-8742 (Toll Free Domestic) or 770-776-5690 (Collect) or (iii) accessing <http://www.reportlineweb.com/wfs> on the Internet. Such communications may be submitted on an anonymous or confidential basis. Any communications received from interested parties in the manner described above will be collected and organized by our Corporate Secretary and will be periodically, but in any event prior to each regularly-scheduled Board meeting, reported and/or delivered to the appropriate director or directors.

Our Corporate Governance Principles prohibit our independent directors from serving on the board of directors of more than three other publicly-traded companies, unless the Board determines that such service will not impair the ability of such director to effectively perform his or her obligations as our director. The Board has determined that Mr. Presby's service on the board of directors of four other public companies (including four public company audit committees) will not impair his ability to effectively perform his obligations as our director (including as Chairman of our Audit Committee) because: (i) he is fully retired and has ample time to devote to his director and committee responsibilities and (ii) service on multiple audit committees results in specialization and increased knowledge of regulations and audit committee issues and should thereby improve quality and efficiency. In August 2011, the Board eliminated the mandatory retirement age for directors as the Board believes that age is not the best determinant for whether a director is fit to serve on the Board. The Company has a sound director evaluation process and believes that such process is a much more effective method.

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**Board Leadership Structure**

In connection with the transition of (i) Mr. Stebbins from Chairman of the Board and Chief Executive Officer to Executive Chairman of the Board and (ii) Mr. Kasbar from President and Chief Operating Officer to President and Chief Executive Officer, effective January 1, 2012, the Board amended the By-Laws in August 2011 to separate the positions of Chief Executive Officer and Chairman of the Board. The Board believes that no one structure is suitable for all companies and that different Board leadership structures may be appropriate for the Company at different times. At this time, the Board believes that the current leadership structure is the best structure for the Company as it enables the Board to continue to benefit from Mr. Stebbins' vast experience, skills, expertise and knowledge of the Company and the industry.

The Board also has the following strong governance structures and processes in place to ensure the independence of the Board, eliminate conflicts of interest and prevent the dominance of the Board by senior management: (i) the Board is comprised of a super-majority of non-management directors; (ii) each of the Board's standing committees is comprised of and chaired solely by a non-management director; (iii) the non-management directors meet in regular executive sessions without management present to discuss the effectiveness of the Company's management, the quality of the Board meetings and any other issues and concerns; and (iv) all Board members have unrestricted access to management and outside advisors. Further, in accordance with their respective charters, the Compensation Committee is responsible for evaluating the performance of the Chief Executive Officer and the other named executive officers, and the Governance Committee is responsible for evaluating the overall performance of the Board.

In addition, due to the Board's continuing commitment to strong corporate governance structures and board independence, the Board amended the Corporate Governance Principles in February 2010 to add the position of lead independent director. The lead independent director is elected annually by the non-management directors and performs the following duties: (i) presides at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the non-management directors at which the Chairman of the Governance Committee is not present; (ii) serves as a liaison between the Chairman of the Board and the non-management directors; (iii) approves information sent to the Board; (iv) approves meeting agendas for the Board; (v) approves meeting schedules to assure that there is sufficient time for discussion of all agenda items; (vi) has the authority to call meetings of the non-management directors; and (vii) if requested by major shareholders, ensures that he or she is available for consultations and direct communication. Currently, Mr. Presby serves as the Company's lead independent director. The Board believes that having a lead independent director benefits the Company and our shareholders by providing leadership and an organizational structure for the non-management directors.

**Board's Role in Risk Oversight**

The Board has determined that it is management's responsibility to manage risk, to identify and bring to the Board's attention material risks faced by the Company and to establish and implement processes, policies and procedures designed to respond to and mitigate the risks faced by the Company. The role of the Board is to understand the nature of the material risks the Company faces and the Company's risk management processes, policies and procedures. As part of its oversight role, and based upon the information brought to its attention by management, the Board evaluates the adequacy of the processes, policies and procedures and determines whether the Board believes that the processes, policies and procedures are reasonably designed to respond to and mitigate the risks faced by the Company. Throughout the year, the Board and its committees receive periodic reports from management identifying and explaining key areas of risk applicable to the Company and an explanation of the processes, policies and procedures in place to monitor and assess those risks.

The Board and its committees oversee the risks pertaining to their principal areas of focus as described below:

The Board considers strategic and operational risks associated with the annual operating plan and other current matters that may present material risks to the Company's operations, plans, prospects or reputation and risks associated with acquisitions.

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The Audit Committee considers risks associated with the financial reporting and disclosure process, major litigation and regulation and legal compliance and discusses the guidelines and policies that govern the process by which risk assessment and management is undertaken in accordance with its charter and NYSE rules.

The Compensation Committee considers risks associated with the Company's compensation policies and practices and, in conjunction with the Governance Committee, management development and succession.

The Governance Committee, in conjunction with the Compensation Committee, considers risks associated with management development and succession.

The Technology and Operations Committee considers risks associated with information technology operations.

As the Board is primarily responsible for risk oversight, the committees provide periodic reports to the Board on the risks pertaining to their principal areas of focus so that the Board is informed of the Company's risk profile.

In November 2009, the Company engaged an outside consultant to perform an enterprise-wide risk management assessment. The principal purposes of the assessment were to (i) ensure that enterprise risk management efforts are focused and directly linked to the underlying strategy of the organization; (ii) implement a sustainable and scalable framework to identify, manage and monitor risk; (iii) assign responsibility for each risk, put mitigation plans in place and assess the effectiveness of such mitigation plans; (iv) enhance our risk management capabilities for priority risks and continue the development of risk management policies and action plans; and (v) refine the Company's risk management structure and operating model. The results of this risk assessment were communicated to the Board in the spring of 2010.

Each year management conducts, and the Compensation Committee oversees, a risk assessment of our compensation policies and practices with respect to all employees, including named executive officers. The employee population is segmented into groups based on commonalities across their reward programs. Each program is then evaluated using the key design features of the program and the applicable risk mitigation features that exist in such programs. Once the assessment is completed, management reviews the assessment data, methodology and findings with the Compensation Committee. The Compensation Committee's goals in this process include ensuring that there are controls in place to (i) safeguard the Company from unwarranted exposure to particular risks that individual employees might choose to take and (ii) avoid any inadvertent incentives for employees to take inappropriate business risks by making decisions that may be in their best interests but not in the best interests of our shareholders.

**Committees of the Board**

The following table illustrates the current membership of each of our committees, which are composed entirely of independent directors:

|                        | <b>Audit</b> | <b>Compensation</b> | <b>Governance</b> | <b>Technology and<br/>Operations</b> |
|------------------------|--------------|---------------------|-------------------|--------------------------------------|
| Ken Bakshi             |              | Chairman            | X                 | X                                    |
| Richard A. Kassar      | X            | X                   | X                 | Chairman                             |
| Myles Klein            | X            |                     | X                 |                                      |
| Abby F. Kohnstamm      |              | X                   | X                 | X                                    |
| John L. Manley         | X            |                     | X                 |                                      |
| J. Thomas Presby       | Chairman     |                     | X                 |                                      |
| Stephen K. Roddenberry |              | X                   | Chairman          |                                      |

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**The Governance Committee and Nominating Subcommittee**

Currently, the Governance Committee consists of seven independent directors: Ms. Kohnstamm and Messrs. Bakshi, Kassar, Klein, Manley, Presby and Roddenberry, who serves as Chairman. The Board has determined that each member of the Governance Committee is independent pursuant to NYSE listing standards. The Governance Committee operates pursuant to a written charter that can be found on our website at <http://www.wfscorp.com> by clicking on Investor Relations and then Corporate Governance. The Governance Committee meets in executive session (without management present) prior to each scheduled Board meeting and at other times as it deems necessary. Each meeting of the Governance Committee is presided over by its Chairman. The Governance Committee held four meetings during 2011.

The primary functions of the Governance Committee are to recommend to the Board the corporate governance principles and policies applicable to the Company; to lead the Board in its annual performance evaluation of the Board and its individual members; to identify individuals qualified to become members of the Board; to recommend to the Board the director nominees for the next annual meeting of shareholders; to recommend to the Board the members to serve on the Board's committees; to review and approve related person transactions; and to annually evaluate the performance of the named executive officers and discuss any changes to the named executive officers' compensation. In addition, as described above, the Governance Committee is responsible for oversight of risks pertaining to its principal areas of focus. In 2012, members of each of the Audit Committee, the Compensation Committee, the Governance Committee and the Technology and Operations Committee conducted evaluations of their respective committee's performance during 2011, in accordance with the requirements of the applicable committee charters.

In considering Board nominees, the Governance Committee reviews various skills and characteristics required of Board members in the context of the current composition of the Board. Although there are no specific, minimum qualifications that must be met by each nominee, the Governance Committee generally evaluates the candidate's intellect, integrity and judgment, and his or her knowledge, skills and experience, including experience in the fuel and transportation industries, securities markets, business and finance as well as public service in light of prevailing business conditions and the knowledge, skills and experience already possessed by other members of the Board. The Governance Committee makes this determination in the context of an assessment of the perceived needs of the Board at the time of the evaluation. The Governance Committee believes that its goal is to assemble the best Board possible that will bring to the Company a variety of perspectives and skills derived from high quality business and professional experience. The Governance Committee does not consider racial or gender diversity in its selection of director nominees. The Governance Committee evaluates all nominees for director based on the above criteria, including nominees recommended by shareholders. All nominees for director included on the enclosed proxy card were nominated by our Governance Committee and our Board.

The Nominating Subcommittee was formed by the Governance Committee on April 26, 2005 to assist the Governance Committee with identifying and recruiting qualified candidates for Board membership. The Nominating Subcommittee, which does not have a separate committee charter, consists of two of the members at large of the Governance Committee, Messrs. Presby and Bakshi, who serves as Chairman.

Our By-Laws provide that a shareholder wishing to nominate a director at a shareholders' meeting must deliver written notice to our Corporate Secretary that meets the procedural and disclosure requirements set forth in our By-Laws, including disclosure of: (1) the relationship between the nominating shareholder and the underlying beneficial owner, if any, and such parties' stock holdings and derivative positions in the Company's securities; (2) information the Company deems appropriate to ascertain the nominee's qualifications to serve on the Board, including disclosure of compensation arrangements between the nominee, the nominating shareholder and the underlying beneficial owner, if any; and (3) any other information required to comply with the proxy rules and applicable law. These requirements are more fully described in Article I, Section 7 of our By-Laws, a copy of which will be provided without charge to any shareholder upon written request to our Corporate Secretary.

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Pursuant to these advance notice provisions, any shareholder who intends to nominate a director at the 2013 Annual Meeting of Shareholders must deliver a notice to the Corporate Secretary at World Fuel Services Corporation, 9800 Northwest 41<sup>st</sup> Street, Suite 400, Miami, FL 33178 no earlier than the close of business on February 9, 2013 and no later than the close of business on March 11, 2013. A nomination not made in accordance with the procedures set forth in our By-Laws will be void. If a submission is in proper form as provided under our By-Laws, the Governance Committee will apply the same standards to the evaluation of a shareholder nominee as it applies to nominees submitted by others.

In addition to considering candidates suggested by shareholders, the Governance Committee considers potential candidates recommended by current directors, employees and others. The Governance Committee may also retain professional search firms to identify director candidates. The Governance Committee has the sole authority to approve the fees and other retention terms of any such firms.

**The Audit Committee**

The Audit Committee consists of Messrs. Kassar, Klein, Manley and Presby, who serves as Chairman. The Audit Committee held nine meetings during 2011.

The Audit Committee operates pursuant to a written charter which is available on our website at <http://www.wfscorp.com> by clicking on Investor Relations and then Corporate Governance. In accordance with NYSE listing standards, the charter addresses the purpose, duties and responsibilities, and requires an annual performance evaluation, of the Audit Committee.

The Board has determined that all of the members of the Audit Committee meet the NYSE standards of independence, financial literacy and accounting or related financial management expertise, and the SEC's requirements with respect to the independence of audit committee members. The Board has determined that two members of the Audit Committee, Messrs. Manley and Presby, meet the SEC's definition of an "audit committee financial expert."

The charter provides that a member of the Audit Committee shall not simultaneously serve on the audit committees of more than two other public companies unless the Board determines that simultaneous service would not impair the ability of the member to effectively serve on the Audit Committee. The Board has determined that Mr. Presby's simultaneous service on the audit committees of four other public companies will not impair his ability to effectively serve on our Audit Committee or as Chairman of our Audit Committee because (i) he is fully retired and has ample time to devote to his director and committee responsibilities and (ii) service on multiple audit committees results in specialization and increased knowledge of regulations and audit committee issues and should thereby improve quality and efficiency.

Our management is responsible for preparing our consolidated financial statements and for the financial reporting process. The independent registered certified public accounting firm is responsible for expressing an opinion on the conformity of our consolidated financial statements with accounting principles generally accepted in the United States. Acting for the Board, the Audit Committee provides oversight of the financial reporting process and the internal control system. More specifically, the Audit Committee performs the following principal functions: reviews the qualifications, independence and performance of our independent registered certified public accounting firm; approves the appointment of our independent registered certified public accounting firm for the ensuing year; reviews the scope and budget for the annual audit; reviews with the independent registered certified public accounting firm the results of the audit engagement, including a review of the consolidated financial statements and the management letter; approves all audit and non-audit services to be provided by the independent registered certified public accounting firm; reviews the scope of, and compliance with, our internal controls; reviews the effectiveness of our internal audit function; and recommends to the Board that the audited consolidated financial statements be included in our Annual Report on Form 10-K. In addition, as described above, the Audit Committee is responsible for oversight of risks pertaining to its principal areas of focus. While the Audit Committee has the

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responsibilities set forth in the charter, it is not the Audit Committee's duty to prepare the Company's financial statements or to provide any expert or special assistance as to the Company's financial statements or any professional certifications as to the work of our independent registered certified public accounting firm.

Effective January 1, 2010, the Audit Committee adopted a policy for pre-approving all work to be performed by our independent registered certified public accounting firm. The pre-approval policy is described in the section of this Proxy Statement titled "Proposal No. 3 Ratification of Independent Registered Certified Public Accounting Firm."

**Report of the Audit Committee**

The Audit Committee has reviewed and discussed with management and with the independent registered certified public accounting firm the audited consolidated financial statements for the 2011 fiscal year. The Audit Committee has also performed the other reviews and duties set forth in its charter. The Audit Committee discussed with the independent registered certified public accounting firm the matters required to be discussed by *Statement on Auditing Standards No. 61 (Communication with Audit Committees)*, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

Additionally, the Audit Committee has: (i) received the written disclosures and the letter from the independent registered certified public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered certified public accounting firm's communications with the Audit Committee concerning independence; (ii) considered whether the provision of tax and accounting research and other non-audit services by our independent registered certified public accounting firm is compatible with maintaining their independence; and (iii) discussed with the independent registered certified public accounting firm their independence from us and our management.

In reliance on the foregoing reviews and discussions, the Audit Committee recommended to the Board that the audited consolidated financial statements referred to above be included in our Annual Report on Form 10-K for the 2011 fiscal year for filing with the SEC.

J. Thomas Presby, Chairman  
Richard A. Kassar, Member  
Myles Klein, Member  
John L. Manley, Member

**The Compensation Committee**

The Compensation Committee consists of Ms. Kohnstamm and Messrs. Kassar, Roddenberry and Bakshi, who serves as Chairman. The Board has determined that each member of the Compensation Committee is independent pursuant to NYSE listing standards, Rule 16b-3 of the Exchange Act and Section 162(m) of the Internal Revenue Code. During 2011, the Compensation Committee held eleven meetings.

The Compensation Committee operates pursuant to a written charter which is available on our website at <http://www.wfscorp.com> by clicking on Investor Relations and then Corporate Governance. The role of the Compensation Committee is to establish and oversee the compensation plans, policies and programs applicable to our executive officers. The Compensation Committee's primary responsibilities are:

annually determining our goals and objectives relevant to the compensation of our Chief Executive Officer and Chairman of the Board (if an officer of the Company);

evaluating the performance of our Chief Executive Officer and Chairman of the Board (if an officer of the Company) in light of such goals and objectives;



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establishing the compensation levels of our Chief Executive Officer and Chairman of the Board (if an officer of the Company), including long-term incentive compensation, based on this evaluation;

annually reviewing and approving goals and objectives relevant to the other named executive officers, based upon recommendations of our Chief Executive Officer;

evaluating the performance of each named executive officer in light of such goals and objectives;

establishing the named executive officers' compensation levels, including long-term incentive compensation, based on this evaluation and the recommendations of our Chief Executive Officer;

annually reviewing and approving the compensation of other executive officers, if any, based upon recommendations of our Chief Executive Officer;

reviewing and making recommendations to the Board with respect to stock option, equity-based and incentive compensation plans and administering such plans;

establishing and monitoring compliance with stock retention and ownership requirements for executive officers;

approving employment, severance and consulting contracts with executive officers;

reviewing and making recommendations to the Board on all matters of non-management director compensation, including stock ownership requirements;

conducting an annual self-evaluation of the work of the Compensation Committee and its members; and

annually reviewing and reassessing the adequacy of the Compensation Committee's charter and recommending any proposed changes to the Board for approval.

**The Technology and Operations Committee**

The Technology and Operations Committee was formed on November 4, 2005 and currently consists of three non-management directors, Ms. Kohnstamm and Messrs. Bakshi and Kassar, who serves as Chairman. The Technology and Operations Committee operates pursuant to a written charter which is available on our website at <http://www.wfscorp.com> by clicking on Investor Relations and then Corporate Governance. The primary purpose of the Technology and Operations Committee is to oversee our significant technology and operations initiatives. In addition, as described above, the Technology and Operations Committee is responsible for oversight of risks pertaining to its principal areas of focus.

**Compensation of Directors**

**Fees Earned or Paid in Cash**

The current fee structure for our non-management directors is as follows:

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the annual fee payable to non-management directors for their service on the Board is \$50,000 per year,

the fee payable to the lead independent director is \$15,000 per year;

the fee payable to members of the Audit Committee, the Compensation Committee and the Technology and Operations Committee is \$6,000 per year for each committee served, while the fee payable to members of the Nominating Subcommittee is \$4,000 per year; and

the fee payable to the Chairman of the Audit Committee is \$18,000 per year, while the fee payable to Chairman of the Compensation Committee, Technology and Operations Committee and Governance Committee is \$15,000 per year and the fee payable to the Chairman of the Nominating Subcommittee is \$12,000 per year.

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Our non-management directors are also reimbursed by us for their travel, food, lodging and related expenses incurred in connection with attending Board, committee and shareholder meetings, as well as continuing education programs.

**Equity Awards**

In 2011, the Board elected to grant each non-management director approximately \$130,000 worth of restricted stock units or RSUs (of which \$10,000 worth of RSUs is the fee for service on the Governance Committee), which resulted in each non-management director receiving 3,892 RSUs. These RSUs vest one year from the grant date, at which time, 50% of the shares will be issued. The issuance of the remaining 50% of the shares will be deferred for three years or until the non-management director ceases to be a member of the Board of Directors, whichever occurs first.

The table below summarizes the compensation paid by us to our non-management directors for services rendered in 2011. Directors who are employed by us do not receive additional compensation for serving as directors.

**DIRECTOR COMPENSATION**

| Name                   | Fees Earned or Paid in |                                |                              |                                       | Total      |
|------------------------|------------------------|--------------------------------|------------------------------|---------------------------------------|------------|
|                        | Cash                   | Stock Awards <sup>(1)(2)</sup> | Option Awards <sup>(2)</sup> | All Other Compensation <sup>(3)</sup> |            |
| Ken Bakshi             | \$ 93,000              | \$ 129,993                     | \$                           | \$ 638                                | \$ 223,631 |
| Richard A. Kassar      | \$ 80,000              | \$ 129,993                     | \$                           | \$ 638                                | \$ 210,631 |
| Myles Klein            | \$ 56,000              | \$ 129,993                     | \$                           | \$ 638                                | \$ 186,631 |
| John L. Manley         | \$ 56,000              | \$ 129,993                     | \$                           | \$                                    | \$ 185,993 |
| J. Thomas Presby       | \$ 93,000              | \$ 129,993                     | \$                           | \$ 638                                | \$ 223,631 |
| Stephen K. Roddenberry | \$ 71,000              | \$ 129,993                     | \$                           | \$ 638                                | \$ 201,631 |

(1) The amounts shown in this column represent the estimated aggregate grant-date fair value of the RSU awards granted to the non-management directors each year. The estimated aggregate grant-date fair value of these awards is based on the grant-date fair market value of our common stock, as defined in the 2006 Omnibus Plan, as amended and restated, and is computed in accordance with FASB ASC Topic 718. Assumptions used in determining the aggregate grant-date fair value of RSU awards are set forth in Note 8 to the notes to the consolidated financial statements in Item 15 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

(2) The aggregate number of RSUs, stock-settled stock appreciation rights, or SSARs and deferred stock units held by each non-management director at December 31, 2011 was as follows:

| Name                   | RSUs   | SSARs  | Stock Units <sup>(a)</sup> |
|------------------------|--------|--------|----------------------------|
| Ken Bakshi             | 20,571 | 36,485 | 12,503                     |
| Richard A. Kassar      | 20,571 | 21,295 |                            |
| Myles Klein            | 20,571 | 21,295 |                            |
| John L. Manley         | 5,641  | 3,387  |                            |
| J. Thomas Presby       | 20,571 | 5,495  | 12,503                     |
| Stephen K. Roddenberry | 20,571 | 36,485 |                            |

(a) These stock units represent stock awards made to non-management directors in prior years that the directors elected to defer pursuant to our Non-Employee Director Stock Deferral Plan.

(3) The amounts shown in the column represent dividend equivalents paid to directors with respect to outstanding RSUs.



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**Director Stock Ownership Guidelines**

Each non-management director is required to accumulate, over a period of five years following election to the Board, a minimum of five times the annual fee for service on the Board, or \$250,000, in our common stock. All of our directors have achieved stock ownership levels in excess of the amount required with the exception of Mr. Manley and Ms. Kohnstamm, who joined the Board in October 2010 and January 2012, respectively. Vested RSUs and stock units that a director has elected to defer until retirement are included in the calculation of whether the minimum ownership requirement has been achieved.

Table of Contents**INFORMATION CONCERNING EXECUTIVE OFFICERS**

The following table sets forth certain information with respect to our executive officers who served in 2011 and lists their current officer titles. A summary of the background and experience of each executive officer, other than Messrs. Kasbar and Stebbins, is set forth in the paragraphs following the table. The background and experience of Messrs. Kasbar and Stebbins are described above in the section titled "Proposal No. 1 Election of Directors." All executive officers serve at the discretion of the Board.

| <b>Name and Current Position</b>  | <b>Age</b> | <b>Year First Became Executive Officer</b> |
|---|------------|--|
| Michael J. Kasbar<br><i>President and Chief Executive Officer</i>                                 | 55         | 1995                                       |
| Paul H. Stebbins<br><i>Executive Chairman of the Board</i>  | 55         | 1995                                       |
| Ira M. Birns<br><i>Executive Vice President and Chief Financial Officer</i>                       | 49         | 2007                                       |
| Michael S. Clementi<br><i>Aviation Segment President, World Fuel Services, Inc.<sup>(1)</sup></i> | 50         | 1998                                       |
| Francis X. Shea<br><i>Executive Vice President<sup>(2)</sup></i>                                  | 71         | 2001                                       |

(1) World Fuel Services, Inc. is our principal domestic operating subsidiary.

(2) Effective April 1, 2012, Mr. Shea was no longer an executive officer.

IRA M. BIRNS assumed the duties of Executive Vice President and Chief Financial Officer in April 2007. From August 2004 to March 2007, Mr. Birns served as Vice-President and Treasurer and Vice President Investor Relations of Arrow Electronics, Inc., a NYSE company and electronics distributor. From May 2002 until August 2004, he served as Vice President and Treasurer of Arrow Electronics, Inc. Prior thereto and from 1996, he served as Treasurer of Arrow Electronics, Inc. He was Assistant Treasurer of Arrow Electronics, Inc. from 1989 to 1996.

MICHAEL S. CLEMENTI has served as Aviation Segment President of World Fuel Services, Inc., our principal domestic operating subsidiary, since April 1998. From August 1994 to March 1998, he served as Senior Vice President of World Fuel Services, Inc.

FRANCIS X. SHEA currently serves as Executive Vice President. Mr. Shea served as Executive Vice President and Chief Risk and Administrative Officer from January 2005 until March 2012 and as an executive officer from September 2001 until March 2012. From June 2006 to April 2007, Mr. Shea served as our Interim Chief Financial Officer. He previously served as our Chief Financial Officer from July 2002 to January 2005. From September 1999 to August 2001, he served as director and senior advisor for the Center for Business and Advisory Services, an affiliate of Arthur Andersen, based in Jakarta, Indonesia, that provided consulting and financial services. He served as the Jakarta, Indonesia representative of our marine fuel services subsidiaries from January 1999 to December 1999. From February 1991 to December 1994, he also served as President and Chief Operating Officer of Trans-Tec Services, Inc., a marine fuel services business acquired by us in 1995.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information with respect to the beneficial ownership of our common stock and stock units, as of April 1, 2012, by (i) each person known to us to beneficially own more than 5% of our outstanding common stock; (ii) our named executive officers for the fiscal year ended December 31, 2011; (iii) each director and nominee for director and (iv) all of the executive officers and directors as a group. Except as shown in the table, no other person is known by us to beneficially own more than 5% of our outstanding common stock. Unless otherwise stated, all shares are held with sole dispositive and voting power.

| Name of Beneficial Owner <sup>(1)</sup>                      | Common Stock Beneficially Owned <sup>(2)</sup>           |  |   | Percent <sup>(7)</sup> |
|--|--|--|---|------------------------|
|  | Number of Shares of Common Stock Owned <sup>(3)(4)</sup> | Number of Shares of Common Stock from Options or SSARs Exercisable Within 60 Days <sup>(5)</sup> | Number of Shares of Common Stock Represented by Stock Units Owned or RSUs Vesting Within 60 Days <sup>(6)</sup> |                        |
| <b>Holding more than 5%:</b>                                 |  |  |   |                        |
| BlackRock, Inc. <sup>(8)</sup>                               | 5,001,321  |  |   | 7.0%                   |
| FMR, LLC. <sup>(9)</sup>                                     | 4,807,402  |  |   | 6.7%                   |
| Ruane, Cunniff & Goldfarb, Inc. <sup>(10)</sup>              | 4,028,289  |  |   | 5.6%                   |
| Ameriprise Financial, Inc. <sup>(11)</sup>                   | 3,570,779  |  |   | 5.0%                   |
| <b>Named executive officers and directors:</b>               |  |  |   |                        |
| Paul H. Stebbins   | 703,616  | 20,671   |   | 1.0%                   |
| Michael J. Kasbar  | 1,142,721 <sup>(12)</sup>                                | 62,012   |   | 1.7%                   |
| Ira M. Birns   | 90,994   | 15,621   |   | *                      |
| Michael S. Clementi  | 75,434   |  |   | *                      |
| Francis X. Shea  | 283,797  | 11,715   |   | *                      |
| Ken Bakshi   | 10,390   | 16,076   | 33,074  | *                      |
| Richard A. Kassar  | 14,048   | 10,011   | 20,571  | *                      |
| Myles Klein  | 8,456  | 10,011   | 20,571  | *                      |
| J. Thomas Presby   | 6,383  | 2,189  | 33,074  | *                      |
| Stephen K. Roddenberry                                       | 11,516   | 20,810   | 20,571  | *                      |
| John L. Manley   |  | 1,152  | 5,641   | *                      |
| Abby F. Kohnstamm  |  |  | 1,718   | *                      |
| All executive officers and directors as a group (12 persons) | 2,347,355  | 170,268  | 135,220   | 3.7%                   |

\*

Less than one percent.

(1)

Unless otherwise indicated, the address of each of the beneficial owners identified is c/o World Fuel Services Corporation, 9800 Northwest 41st Street, Suite 400, Miami, Florida 33178.

(2)

The number and percentage of shares beneficially owned is determined in accordance with Rule 13d-3 of the Exchange Act and the information is not necessarily indicative of beneficial ownership for any other purpose. Under that rule, beneficial ownership includes any shares as to which the individual or entity has voting power or investment power and any shares that the individual has the right to acquire within 60 days of April 1, 2012 through the exercise of any stock option or other right. Unless otherwise indicated in the footnotes or table, each person or entity has sole voting and investment power, or shares such powers with his or her spouse, with respect to the shares shown as beneficially owned.

(3)

The number of shares shown includes shares that are individually or jointly owned, shares over which the individual has either sole or shared investment or voting power, and shares owned by members of the individual's family that reside in the same home as the individual.





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- (4) This column includes restricted stock held by the named executive officers that has not vested. The named executive officers may vote the restricted stock but may not transfer the shares or receive dividends prior to vesting. The named executive officers own the following number of unvested restricted stock:

|                     |               |
|---------------------|---------------|
| Paul H. Stebbins    | 27,794 shares |
| Michael J. Kasbar   | 27,794 shares |
| Ira M. Birns        | 6,847 shares  |
| Michael S. Clementi | shares        |
| Francis X. Shea     | 6,170 shares  |

All named executive officers 68,604 shares

- (5) This column reflects the number of shares that could be purchased or received pursuant to options and SSARs exercisable at April 1, 2011 or within 60 days thereafter. The number of shares of common stock that could be obtained from SSARs is estimated by (a) multiplying the number of outstanding SSARs which can be exercised within 60 days of April 1, 2011, by the difference between the closing price of our common stock on April 1, 2011 (\$40.41) and the SSAR exercise price and (b) dividing such number by \$40.41. The named executive officers have the following number of outstanding SSARs exercisable within 60 days of April 1, 2011:

|                     | SSARs          |
|---------------------|----------------|
| Paul H. Stebbins    | 33,334 shares  |
| Michael J. Kasbar   | 100,000 shares |
| Ira M. Birns        | 22,858 shares  |
| Michael S. Clementi | shares         |
| Francis X. Shea     | 17,142 shares  |

All named executive officers 173,334 shares

- (6) This column reflects stock units relating to stock grants that were deferred pursuant to our Non-Employee Director Stock Deferral Plan and RSUs granted to non-management directors that will vest within 60 days of April 1, 2011.

- (7) The percentages shown are based on 71,310,759 shares of common stock with voting rights issued and outstanding on April 1, 2012, adjusted, where appropriate, for shares of stock beneficially owned, but not yet issued.

- (8) Based on information disclosed in a Schedule 13G/A filed with the SEC on February 10, 2012, BlackRock, Inc., 40 East 52nd Street, New York, NY 10022, a parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G) of the Exchange Act, is the beneficial owner of 5,001,321 shares of our outstanding common stock, of which they hold sole voting and investment power.

- (9) Based on information disclosed in a Schedule 13G filed with the SEC on February 14, 2012, FMR, LLC, 82 Devonshire Street, Boston, Massachusetts 02109, a parent holding company in accordance with Rule 13d-1(b)(ii)(G) of the Exchange Act, is the beneficial owner of 4,807,402 shares of our outstanding common stock, of which they hold sole voting power for 1,384,170 shares and sole investment power for all of the shares.

- (10) Based on information disclosed in a Schedule 13G filed with the SEC on February 14, 2012, Ruane, Cunniff & Goldfarb, Inc., 767 Fifth Avenue, New York, NY 10153-4798, an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) of the Exchange Act, is the beneficial owner of 4,028,289 shares of our outstanding common stock, of which they hold sole voting power for 2,745,329 shares and sole investment power for all of the shares.

- (11)

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Based on information disclosed in a Schedule 13G filed with the SEC on February 13, 2012, Ameriprise Financial, Inc. and a subsidiary, Columbia Management Investment Adviser, LLC, 145 Ameriprise Financial Center, Minneapolis, MN, 55474, are the beneficial owners of 3,570,779 shares of our outstanding common stock, of which they hold shared voting power for 940,586 shares and investment power for all of the shares. Ameriprise Financial, Inc. is a parent holding company in accordance with Rule 13d-1(b)(1)(ii)(G) of the Exchange Act and Columbia Management Investment Adviser, LLC is an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) of the Exchange Act.

(12)

Includes 665,110 shares that were pledged as collateral for a personal loan.

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**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors and certain officers, and persons who own more than 10% of our common stock, to file with the SEC reports of ownership and changes in ownership of our common stock and other equity securities. Based solely on a review of such reports that were filed with the SEC, all filings required of directors and Section 16 officers and persons who own more than 10% of our common stock in 2011 were made on a timely basis except that Paul M. Nobel inadvertently failed to timely file a Form 4 to report the vesting of an RSU award.

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**COMPENSATION OF EXECUTIVE OFFICERS**

The following Compensation Discussion and Analysis contains statements regarding future individual and Company performance goals. These performance goals are disclosed in the limited context of our executive compensation program and should not be understood to be statements of management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.

**Compensation Discussion and Analysis**

This section discusses and analyzes our executive compensation policies and principles for our named executive officers and describes the compensation provided to these named executive officers in 2011. For 2011, our named executive officers were Paul H. Stebbins, Michael J. Kasbar, Ira M. Birns, Michael S. Clementi and Francis X. Shea. Effective January 1, 2012, Mr. Kasbar transitioned from President and Chief Operating Officer to President and Chief Executive Officer and Mr. Stebbins transitioned from Chairman of the Board and Chief Executive Officer to Executive Chairman of the Board. Effective April 1, 2012, Mr. Shea transitioned out of the role of Chief Risk and Administrative Officer and is no longer an executive officer but remains Executive Vice President. The tables in this section reflect the positions Messrs. Kasbar, Stebbins and Shea held during the 2011 fiscal year.

**Executive Summary**

The Company expects to create exceptional shareholder value by achieving above-average growth and profitability. Our unique business model involves a minimal amount of fixed assets and entails high variability in business conditions. Thus, sustained earnings growth is driven almost entirely by the quality and performance of management, making the need for appropriate recognition and rewards especially critical. However, high variability in business conditions makes it difficult to set specific, quantitative goals for long-term earnings growth. In addition, high quality executive talent with the experience and capabilities upon which our growth and profitability is dependent is scarce. In light of these difficulties, the Compensation Committee continually reviews our executive compensation programs in order to assess whether the programs are (i) effective in attracting, motivating, rewarding and retaining the exceptional management talent required to achieve above-average growth and profitability, (ii) strongly linked to performance in creating shareholder value and (iii) reasonable relative to the level of shareholder value thereby created.

The Compensation Committee strives to set named executive officer pay that is reasonable in relation to financial performance. For Messrs. Stebbins, Kasbar, Birns and Shea in 2011, financial performance was measured by growth in our U.S. GAAP net income ("Net After-Tax Income"). Mr. Clementi's compensation is determined under a separate program that measures financial performance by the net operating income growth of the Company's Aviation Segment ("Growth in Aviation NOI"), of which he is President.

In 2011, the Compensation Committee chose to maintain the comprehensive incentive award compensation approach it adopted in 2009 for Messrs. Stebbins, Kasbar, Birns and Shea. This approach provides these four named executive officers with annual cash and equity-based incentive awards equal to a prescribed portion of the Net After-Tax Income created at each level of Net After-Tax Income growth. As higher levels of Net After-Tax Income growth are achieved, the prescribed portion of the Net After-Tax Income earned by these four named executive officers increases (i.e. the slope of the graph line marking the incentive payouts at each growth level is curvilinear, which is why we refer to that slope as the "incentive payout curve"). In addition, as larger incentive awards are earned by these four named executive officers (i.e., as the incentive payout curve goes up), an increasing portion of the incentive awards is provided as equity-based incentive awards with retention requirements, and a decreasing portion is provided as cash incentive awards. The Committee chose to divide the incentive awards between cash and equity-based awards in order to keep a significant portion of named executive officer pay at risk until the sustainability of Company performance has been tested over a reasonable period of time.

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If the Company achieved at least 3% growth in Net After-Tax Income in 2011, Messrs. Stebbins, Kasbar, Birns and Shea were each eligible to receive (absent the exercise of negative discretion by the Compensation Committee) annual cash and equity-based incentive awards, depending on the level of growth achieved. Mr. Clementi was eligible to receive prescribed annual cash and equity-based incentive awards based on the achievement of specified levels of Growth in Aviation NOI in 2011.

Our year-over-year growth in Net After-Tax Income in 2011 was 32.1% which resulted in Messrs. Stebbins, Kasbar, Birns and Shea each earning (i) the annual cash incentive awards shown on page 33 and (ii) the performance-related restricted stock unit, or RSU, awards shown on page 35. The year-over-year Growth in Aviation NOI was 17.4% (after the working capital adjustment described on page 33) which resulted in Mr. Clementi earning (i) the annual cash incentive award shown on page 33 and (ii) the performance-related RSU award shown on page 36. In addition, based on year-over-year Net After-Tax Income growth, Mr. Birns earned the allocated 2011 tranche of the mega-grant performance-related restricted stock award granted to him in 2007 shown on page 36.

At our 2011 Annual Meeting of Shareholders, the Company sought and received, by an overwhelming majority (over 97% of votes cast, excluding abstentions and non-votes), shareholder approval of the compensation of the Company's named executive officers. This non-binding, advisory vote, known as the Advisory Vote to Approve Executive Compensation as required under Section 14A of the 1934 Act, is now commonly referred to as "Say-on-Pay". The Compensation Committee reviewed the favorable results of the Company's 2011 Say-on-Pay vote and determined not to materially alter our compensation practices for 2011. In addition, the Company conducted an Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation as required under Section 14A of the 1934 Act, which is commonly referred to as "Say-on-Frequency". Based on the results of the Say-on-Frequency vote, the Board has determined that future Say-on-Pay votes will be submitted to shareholders on an annual basis until the next required Say-on-Frequency advisory vote.

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The overall compensation program for our named executive officers includes the following components:\*

| Compensation Element                             | Objective  | Key Features   |
|--|--|--|
| Base Salary                                      | Provide a competitive level of cash compensation for performing management job responsibilities  | Designed to be competitive given an individual's experience, tenure, capacity for growth, etc. but not to be the primary means of recognizing talent and performance   |
| Annual Performance-Related Cash Incentive Awards | Motivate and reward management's achievement of annual growth in profitability   | Prescribed cash payments (absent the exercise of negative discretion by the Compensation Committee) dependent on the degree of achievement of specified levels of annual growth in the Company's Net After-Tax Income (Growth in Aviation NOI in the case of Mr. Clementi)   |
| Performance-Related Equity-Based Awards          | Align management interests with those of shareholders, promote retention, motivate and reward achievement of sustainable earnings growth | Prescribed performance-related RSU awards (absent the exercise of negative discretion by the Compensation Committee) dependent on the degree of achievement of specified levels of annual growth in the Company's Net After-Tax Income (Growth in Aviation NOI in the case of Mr. Clementi) and vesting based upon continued service |
| Employee Benefits and Executive Perquisites      | Retain highly qualified executives over the course of their careers  | Participation in 401(k) plan and health, short-term disability and term life insurance plans on the same terms as all employees and country club memberships for business meetings and entertainment   |

\*

This does not include sign-on awards or one-off discretionary awards that the Compensation Committee may grant from time to time.

The following pie charts illustrate the Compensation Committee's policy that the portion of pay that is performance-based should increase with the executive's role in contributing to our success. The pie charts show the base salary, incentive compensation and benefits and perquisites paid to each of our named executive officers in the manner it was considered by the Compensation Committee (see Alternate Summary Compensation Table on page 37 for more information). The performance-based compensation represents the actual payments made to the named executive officers as a result of 2011 performance.

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As demonstrated below, the substantial majority of the compensation paid to our named executive officers is variable and based on the Company's performance. As a result of 2011 performance, the compensation paid to each of Messrs. Stebbins and Kasbar consisted of approximately 41% variable annual cash incentive compensation and 50% performance-related equity-based awards. The compensation paid to our named executive officers as a group (excluding Messrs. Stebbins and Kasbar) consisted of approximately 46% variable annual cash incentive compensation and 36% performance-related equity-based awards.





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**Executive Compensation Philosophy**

The Compensation Committee has designed our executive compensation programs based on the following core principles:

*Pay for Performance:* Our executive compensation programs should be strongly linked to our performance in creating shareholder value and should be reasonable relative to the level of shareholder value created.

*Transparency:* Our executive compensation programs should be transparent to shareholders through clear disclosure and should be simple and easy for both executives and the Compensation Committee to understand and administer.

*Attraction, Motivation and Rewarding of Exceptional Talent:* Our compensation programs should be effective in attracting, motivating, rewarding and retaining the exceptional management talent that is required to achieve above-average growth and profitability.

*Goal Orientation:* Since there are very few comparable publicly-held companies against which to accurately measure our performance and executive compensation with any precision, our incentive compensation programs should be based upon our performance against our periodic business goals rather than performance measurement in relation to any peer group.

*Annual Performance Measures:* Because high variability in business conditions makes it difficult to choose and set long-term performance goals, our performance should be measured and rewarded primarily over annual periods.

*Multi-Year Vesting Requirements:* In order to promote retention of our named executive officers and provide further incentive for creating shareholder value, executives should be required to provide services over multi-year periods in order to vest in equity-based awards.

*Alignment with Shareholder Interests:* Our compensation programs should be effective in aligning the interests of our executives and our shareholders through the use of equity-based compensation awards and equity ownership and retention guidelines for our executives.

**Role of Compensation Committee and Management in Executive Compensation**

The Compensation Committee, which is comprised entirely of independent directors and is advised by independent compensation consultants retained by the Compensation Committee, establishes and oversees our executive compensation programs to ensure that they reflect our executive compensation philosophy. In determining individual compensation, the Compensation Committee assesses each named executive officer's responsibilities and roles with respect to overall corporate policy-making and strategy, management, operations and administration, the importance of retaining the executive and the executive's length of service.

The Compensation Committee established and approved the compensation of our Chief Executive Officer and our Chief Operating Officer for 2011 after careful consideration of our growth and profitability and relevant business conditions. The Compensation Committee also reviewed and approved the compensation of our other named executive officers in 2011 based upon the written individual performance evaluations by the Chief Executive Officer and the Chief Operating Officer.

The Compensation Committee also annually reviews the nature, amounts, award terms and mix of all elements of the named executive officers' compensation, both separately, for internal consistency, and in the aggregate, to ensure that our executive compensation programs adhere to the core principles as described above under "Executive Compensation Philosophy".

The Compensation Committee also reviews comprehensive tally sheets to ensure that it is fully informed of all the compensation and benefits each named executive officer has received as an employee of the Company when

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making decisions regarding current compensation. The tally sheets include the aggregate amounts realized from prior years' compensation and the current value (as compared to the grant date value) of outstanding equity awards and of each named executive officer's shareholdings in the Company (what some commentators call an "accumulated wealth analysis"). However, the Compensation Committee does not specifically use the tally sheets or accumulated wealth analysis as a material factor in determining the named executive officer's compensation for a given year.

The Compensation Committee strongly believes that:

value realized on prior years' compensation from stock appreciation is the reward for the executive officer's work over that period and the achievement of our long-term goals;

to reduce current year compensation because an executive has realized gains based on a desired creation of shareholder value, or otherwise to give significant weight to an accumulated wealth analysis when making decisions regarding current compensation, is counterproductive and poses an unnecessary risk to shareholder value; and

in order to maintain the best group of executives to lead the Company, we need to provide a compensation package each year that represents a fair and reasonable reward for the Company's performance that year and the executive's role in it.

Following these reviews and assessments, the Compensation Committee determines what it believes to be appropriate current year compensation packages for named executive officers, with the exception of Mr. Clementi, whose compensation package was established in connection with his employment agreement executed in 2008. This process is subjective and involves the exercise of discretion and judgment. The Compensation Committee does not use a formula in which stated factors or their interrelationships are quantified and weighted (either in general or as to each named executive officer).

By the end of the first quarter of 2011, the Compensation Committee had held discussions with our Chief Executive Officer and Chief Financial Officer, as part of our business planning process, taking into account such relevant factors as our recent and historical growth, profitability, stock price and current and expected business conditions and cost of capital. Based on these discussions, the Compensation Committee determined the levels of annual cash incentive awards and performance-related equity-based awards that would make the total compensation of Messrs. Stebbins, Kasbar, Birns and Shea reasonable in relation to the levels of shareholder value created at each level of Company performance for 2011. However, the Compensation Committee retained the discretion to decrease any annual cash incentive award or performance-related equity-based award in accordance with the terms of the Company's 2008 Executive Incentive Plan (the "EIP") and 2006 Omnibus Plan, as amended and restated (the "Omnibus Plan").

**Independent Compensation Consultants**

In 2011, the Compensation Committee used two independent compensation consultants: Independent Compensation Committee Adviser, LLC ("ICCA") and Mr. John R. Benbow. ICCA has been providing consulting services to the Compensation Committee since January 2004 and was engaged directly by the Compensation Committee to provide ongoing advice with respect to our compensation programs for our named executive officers. ICCA assists the Compensation Committee in identifying key issues, reviews and comments upon all plans, agreements or other documents the Compensation Committee is asked to adopt or approve, reviews reports, explains relevant information, provides feedback to the Compensation Committee and attends meetings of the Compensation Committee. Mr. Benbow served as Chairman of the Compensation Committee until his retirement from the Board in May 2007 and was thereafter engaged directly by the Compensation Committee to assist the Compensation Committee in the fulfillment of its duties and responsibilities and to provide ongoing advice with respect to our compensation programs for our named executive officers. ICCA and Mr. Benbow reported directly and exclusively to the Compensation Committee and did not provide services to management. ICCA and

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Mr. Benbow, following his retirement from the Board and engagement as a compensation consultant, have not performed other services for the Company unrelated to executive compensation and non-employee director compensation.

**2011 Compensation Program for Messrs. Stebbins, Kasbar, Birns and Shea**

In 2009, following a review of the Company's compensation program that took into account the changing complexity of the Company and the changing landscape for future employment and earnings opportunities, the Compensation Committee established a comprehensive incentive compensation award approach that provides Messrs. Stebbins, Kasbar, Birns and Shea with annual cash and equity-based incentive awards equal to a prescribed portion of the Net After-Tax Income created at each level of Net After-Tax Income growth.

Under the Company's comprehensive incentive compensation award approach, as higher levels of Net After-Tax Income growth are achieved, the prescribed portion of the Net After-Tax Income earned by these four named executive officers increases (i.e. the slope of the graph line marking the incentive payouts at each growth level is curvilinear, which is why we refer to that slope as the "incentive payout curve"). In addition, as larger incentive awards are earned by these four named executive officers, an increasing portion of the incentive awards is provided as equity-based incentive awards with retention requirements, and a decreasing portion is provided as cash incentive awards. The Committee chose to divide the incentive awards between cash and equity-based awards in order to keep a significant portion of named executive officer pay at risk until the sustainability of Company performance has been tested over a reasonable period of time.

In 2011, the Compensation Committee reviewed the compensation program for these four executives with respect to the core principles outlined above specifically addressing the following guiding objectives:

maintain a strong commitment to our pay-for-performance philosophy that is sustainable over the long-term;

acknowledge the value of maintaining a large organization by providing attractive and competitive compensation opportunities in modest growth scenarios and more aggressive upside opportunities when significant growth is attained;

provide the named executive officers an appropriate portion of the incremental value created at each level of growth that is achieved; and

increase the equity portion of the incentive award payouts as greater growth is achieved.

Based on such review, the Compensation Committee approved the following compensation program for 2011 for Messrs. Stebbins, Kasbar, Birns and Shea:

2011 base salaries for these named executive officers remained at 2006 levels (2009 for Mr. Birns);

the comprehensive incentive compensation award approach established in 2009 was maintained and provided that Messrs. Stebbins, Kasbar, Birns and Shea were each eligible to receive prescribed annual cash incentive and performance-related equity-based incentive awards under the following terms;

the Company had to achieve at least 3% (same as 2010) Net After-Tax Income growth;

the maximum Net After-Tax Income growth that would be rewarded under the program was 40% for each named executive officer (versus 33% for Messrs. Stebbins and Kasbar and 34% for Messrs. Birns and Shea in 2010);

the Compensation Committee would determine on a case-by-case basis the extent of recognition or charges to after-tax net income derived from companies acquired by mergers or other corporate transactions and the manner of recognition, for purposes of incentive awards;



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in the event of a significant merger or acquisition, the Compensation Committee reserved the right to restructure the incentive award formula by any means the Compensation Committee determines in its discretion to be reasonable;

the Compensation Committee reserved the right to exercise negative discretion on the prescribed incentive awards in accordance with the terms of the EIP and the Omnibus Plan, as deemed appropriate by the Compensation Committee such as when there is a disconnect between total shareholder return and compensation; and

there would be no dollar amount cap on total direct compensation (base salary, annual cash incentive award and performance-based equity award) under the program (versus caps of \$6,000,000 for each of Messrs. Stebbins and Kasbar, \$2,500,000 for Mr. Birns and \$1,750,000 for Mr. Shea in 2010).

**Clementi Compensation Program**

Under the separate compensation program that was established by the Compensation Committee in March 2008 for Mr. Clementi, he receives a base salary of \$500,000, which has not been increased since 2008, and is eligible to receive performance-related cash incentive and RSU awards based on the performance of the Company's Aviation Segment, of which he is President. When the Compensation Committee adopted the program in 2008, it established a formula under which Mr. Clementi receives a percentage of the net operating income of the Aviation Segment that varies according to the achievement of specified levels of Growth in Aviation NOI starting at 1% (same as 2010) Growth in Aviation NOI up to a maximum of 37% (versus 59% in 2010). Under the program, Growth in Aviation NOI is calculated as the percent of growth above a baseline net operating income established at the beginning of the year.

The baseline net operating income for a particular year is the final net operating income of the Aviation Segment for the preceding year, adjusted to reflect the annualized net operating income of any businesses acquired in the preceding year. At year end, the final net operating income of the Aviation Segment will be adjusted, positively or negatively, based on the Aviation Segment's return on working capital percentage ("ROWC") achieved for the applicable calendar year.

In 2011, Mr. Clementi's compensation program was amended in order to change the method by which net operating income of the Aviation Segment would be adjusted from a working capital charge to a ROWC target modifier. This was done to further align Mr. Clementi's compensation program with the compensation programs used throughout the Aviation Segment and the Aviation Segment's financial plan. Pursuant to the 2011 amendment, to the extent that ROWC exceeds the target ROWC established by the Company in its sole discretion for the Aviation Segment for the applicable calendar year (the "Target ROWC"), net operating income will be adjusted upward by \$500,000 for each percentage point by which ROWC exceeds the Target ROWC, up to a cap established by the Company in its sole discretion. To the extent that ROWC is below Target ROWC, net operating income shall be adjusted downward by \$500,000 for each percentage point by which ROWC is below Target ROWC, down to a floor established by the Company in its sole discretion. There will be no interpolation between percentage points (e.g., should ROWC exceed Target ROWC by 1.5%, net operating income will only be increased by \$500,000). The final Aviation net operating income determined after the ROWC calculation ("Aviation NOI") is then used to determine the level of growth over the baseline net operating income.

After subtracting Mr. Clementi's base salary from the total compensation calculated under the program, any balance is allocated to his annual cash incentive award. In the event Mr. Clementi's total compensation under the program for a particular calendar year exceeds \$1 million, the excess amount is allocated 50% to an annual cash incentive award and 50% to a performance-related RSU award (50% of which will vest on the third anniversary of the grant date and 50% of which will vest on the fourth anniversary of the grant date). Mr. Clementi's compensation under the program is capped at \$5,000,000, and the maximum positive impact from any acquisitions in the calendar year in which such acquisitions are completed may not exceed \$750,000. For any calendar year in which Growth in Aviation NOI is zero or negative, Mr. Clementi will not receive an annual cash incentive award or performance-

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related RSU award, and, for any calendar year in which the Growth in Aviation NOI is negative, the total compensation calculation for the following calendar year will be negatively impacted by lowering the percentages of net operating income paid out at each level of Growth in Aviation NOI achieved for that year.

The Compensation Committee also reserves the right to exercise negative discretion on Mr. Clementi's programmatic incentive awards in accordance with the terms of the EIP and the Omnibus Plan, as deemed appropriate by the Compensation Committee.

**Components of Executive Compensation Program**

In 2011, our executive compensation program for our named executive officers consisted of the following five elements:

- (1) base salary;
- (2) annual performance-related cash incentive awards;
- (3) performance-related equity-based awards;
- (4) employee benefits; and
- (5) executive perquisites.

The Compensation Committee determined the amounts that could be earned for each of the five elements of our 2011 executive compensation program in accordance with our pay-for-performance philosophy. Base salary was the only fixed portion of the named executive officers' compensation (aside from standard employee benefits and minimal executive perquisites) and represented the smallest portion of their total compensation. We do not provide any pension or other defined benefit retirement plans. The 2011 base salaries of all of the named executive officers ranged from 17% to 32% of the maximum cash compensation that each executive could earn if the maximum performance levels were achieved. The rest of the compensation for the named executive officers (consisting of annual performance-related cash incentive and RSU awards) was variable and designed to share with the named executive officers a portion of the Company's Net After-Tax Income (Aviation NOI in the case of Mr. Clementi) at each level of growth that is achieved. As higher growth levels are achieved, the equity portion of the incentive award payouts increases while the cash portion decreases accordingly.

The following sections describe each of the five individual elements of our executive compensation program for 2011.

**Base Salary**

Base salary is reviewed, but not necessarily increased, annually by the Compensation Committee. The Compensation Committee believes that providing competitive base salaries for performing management job responsibilities is necessary to attract, retain and motivate executives but should not be the primary means of recognizing their talent and performance. The Compensation Committee considers the individual's responsibilities, experience, tenure and capacity for growth when determining the base salary for each named executive officer. There were no base salary increases in 2011 for our named executive officers.

**Annual Performance-Related Cash Incentive Awards**

Our named executive officers are eligible for annual cash incentive awards under the EIP, which is administered by our Compensation Committee. Under the 2011 compensation program for Messrs. Stebbins, Kasbar, Birns and Shea, the Compensation Committee set the performance goals necessary to be achieved in order for 2011 annual cash incentive awards to be paid to Messrs. Stebbins, Kasbar, Birns and Shea by using an incentive payout curve that specified levels of year-over-year growth in our Net After-Tax Income. Under Mr. Clementi's

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compensation program, his performance goals were based on the achievement in 2011 of specified levels of year-over-year Growth in Aviation NOI pursuant to his separate compensation program. The Compensation Committee used these performance metrics because it believes that sustained earnings growth is fundamental to creating shareholder value. Under the terms of the EIP, the Compensation Committee has the discretion to decrease or eliminate an annual cash incentive award.

The award percentages for the annual cash incentive awards that could have been earned by Messrs. Stebbins, Kasbar, Birns and Shea in 2011 based upon the threshold and maximum performance goals for the percentage growth in our Net After-Tax Income and the actual growth percentages and award payouts are set forth in the table below.

**2011 Annual Cash Incentive Awards**

|   | Growth in Net After-Tax Income <sup>(1)</sup> |                              |                             |
|---|---|------------------------------|-----------------------------|
|   | 3%  | 40%                          | 32.1%                       |
| <b>Executive</b>  | <b>Threshold<sup>(2)</sup></b>                | <b>Maximum<sup>(2)</sup></b> | <b>Actual<sup>(2)</sup></b> |
| Paul H. Stebbins,<br><i>Chairman of the Board and Chief Executive Officer</i>                 | \$ 50,000<br>(9%)                             | \$ 3,367,576<br>(586%)       | \$ 2,851,664<br>(496%)      |
| Michael J. Kasbar,<br><i>President and Chief Operating Officer</i>                            | \$ 50,000<br>(9%)                             | \$ 3,367,576<br>(586%)       | \$ 2,851,664<br>(496%)      |
| Ira M. Birns,<br><i>Executive Vice President and Chief Financial Officer</i>                  | \$ 60,000<br>(13%)                            | \$ 1,422,579<br>(316%)       | \$ 1,222,583<br>(272%)      |
| Francis X. Shea,<br><i>Executive Vice President and Chief Risk and Administrative Officer</i> | \$ 13,333<br>(4%)                             | \$ 1,086,960<br>(334%)       | \$ 937,373<br>(288%)        |

(1) For each percentage of Net After-Tax Income growth achieved, the portion of incremental Net After-Tax Income that would be paid to the named executive officer (as a combination of an annual cash incentive award and an equity-based award) was approximately: 10.2-18.2% for Messrs. Stebbins and Kasbar, 3.4-7.4% for Mr. Birns and 2.5-6.0% for Mr. Shea. For Net After-Tax Income growth that fell between two percentage points, the executive would earn a portion of Net After-Tax Income based upon the incentive payout curve established by the Compensation Committee.

(2) The threshold, maximum and actual award payouts are shown in dollar amounts and (in parentheses) as percentages of the base salary of the named executive officer.

In 2011, the year-over-year Growth in Aviation NOI was 17.4% after taking into account any ROWC adjustment discussed above. Under Mr. Clementi's program, this entitled him to receive total compensation equal to 2.03% of the Aviation NOI for 2011, subject to the \$750,000 cap on the maximum positive impact from acquisitions that can be included in Mr. Clementi's total compensation in a calendar year. After subtracting Mr. Clementi's base salary of \$500,000, the balance of \$2,327,792 was allocated to his annual incentive award. Because Mr. Clementi's compensation for 2011 exceeded \$1 million, \$500,000 was allocated to his annual cash incentive award and the remaining \$1,827,792 was allocated 50% to his annual cash incentive award and 50% to a performance-related RSU award. As a result, Mr. Clementi received a total annual cash incentive award of \$1,413,896. Additional information regarding the 2011 annual cash incentive awards can be found in the Grants of Plan-Based Awards Table on page 43 and the related footnotes.

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**Performance-Related Equity-Based Awards**

Our named executive officers are eligible to receive grants of performance-related equity-based awards pursuant to our Omnibus Plan, which is administered by our Compensation Committee. The Compensation Committee believes that such performance-related equity-based awards are appropriate long-term incentive compensation vehicles for our executives because they (i) keep a significant portion of named executive officer pay at risk until the sustainability of Company performance has been tested over a reasonable period of time, (ii) provide further long-term incentives for creating shareholder value, (iii) further align the long-term interests of our executives with those of our shareholders and (iv) promote retention of our executives. Under the terms of the Omnibus Plan, the Compensation Committee has the discretion to reduce the amount of any performance-related equity-based award.

In 2011, the five named executive officers were eligible to earn performance-related equity-based awards as follows:

in the case of Messrs. Stebbins, Kasbar, Birns and Shea, performance-related RSU awards, which were dependent on the achievement in 2011 of greater than 3% growth in the Company's Net After-Tax Income up to a maximum of 40%;

in the case of Mr. Clementi, a portion of his annual incentive award is allocated as a performance-related RSU award (as described above under "Annual Cash Incentive Awards") and is dependent on the achievement in 2011 of specified levels of year-over-year Growth in Aviation NOI; and

in the case of Mr. Birns, the tranche of the mega-grant performance-related restricted stock award made in 2007 that had been allocated to the year 2011 based upon the achievement in 2011 of 11.5% to 21% growth in the Company's Net After-Tax Income.

The Compensation Committee chose to award RSUs for the performance-related equity awards based on tax considerations. The RSU awards for Messrs. Stebbins, Kasbar, Birns and Shea will vest one-third ratably on the first, second and third anniversary of the grant dates while Mr. Clementi's RSU awards vest 50% on the third anniversary of the grant date and 50% on the fourth anniversary of the grant date. The vesting schedule provides an incentive for the officer to remain employed by us throughout the vesting period and for creating long-term shareholder value.

Messrs. Stebbins, Kasbar, Birns and Shea were eligible to receive performance-related RSU awards with grant date values corresponding to a percentage of base salary based on 3% to 40% growth in the Company's Net After-Tax Income. The grant date values of the performance-related RSU awards that could have been earned by Messrs. Stebbins, Kasbar, Birns and Shea at the threshold and maximum performance levels of 3% and 40% Net After-Tax Income, respectively, and the grant date values of the RSUs that were actually earned by these four



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named executive officers based on the Company's achievement of 32.1% growth in Net After-Tax Income in 2011 are set forth in the table below:

**2011 Performance-Related RSU Awards**

|   | Growth in Net After-Tax Income <sup>(1)</sup> |                              |                             |
|---|---|------------------------------|-----------------------------|
|   | 3%  | 40%                          | 32.1%                       |
| <b>Executive</b>  | <b>Threshold<sup>(2)</sup></b>                | <b>Maximum<sup>(2)</sup></b> | <b>Actual<sup>(2)</sup></b> |
| Paul H. Stebbins,<br><i>Chairman of the Board and Chief Executive Officer</i>                 | \$ 100,000<br>(17%)                           | \$ 5,029,625<br>(875%)       | \$ 3,438,546<br>(598%)      |
| Michael J. Kasbar,<br><i>President and Chief Operating Officer</i>                            | \$ 100,000<br>(17%)                           | \$ 5,029,625<br>(875%)       | \$ 3,438,546<br>(598%)      |
| Ira M. Birns,<br><i>Executive Vice President and Chief Financial Officer</i>                  | \$ 10,500<br>(24%)                            | \$ 1,720,291<br>(382%)       | \$ 1,069,060<br>(238%)      |
| Francis X. Shea,<br><i>Executive Vice President and Chief Risk and Administrative Officer</i> | \$ 26,667<br>(8%)                             | \$ 1,294,919<br>(398%)       | \$ 746,577<br>(230%)        |

(1)

For each percentage of Net After-Tax Income growth achieved, the portion of incremental Net After-Tax Income that would be paid to the named executive officer (as a combination of an annual cash incentive award and an equity-based award) was approximately: 10.2-18.2% for Messrs. Stebbins and Kasbar, 3.4-7.4% for Mr. Birns and 2.5-6.0% for Mr. Shea. For Net After-Tax Income growth that fell between two percentage points, the executive would earn a portion of Net After-Tax Income based upon the incentive payout curve established by the Compensation Committee.

(2)

The threshold, maximum and actual award payouts are shown in dollar amounts and (in parenthesis) as percentages of the base salary of the named executive officer, based on the estimated grant-date fair value of our common stock underlying such awards.

In 2007, Mr. Birns received a multi-year performance-related award of 10,000 shares of restricted stock, which provided that a maximum of 20% of the awarded restricted stock could be earned during each of the five calendar years from January 1, 2007 through December 31, 2011 based upon the achievement of 11.5% to 21% growth in the Company's Net After-Tax Income for that year. Shares which were not earned in a particular year were forfeited. The Compensation Committee set the performance goals for each of the calendar years in the five-year performance period in 2007 and has no discretion to alter them. Any shares that were earned vested on March 21, 2012. This five year service-based cliff vesting schedule provided an incentive for the executive to remain employed by us throughout the vesting period.

The number of shares of restricted stock under the 2011 tranche of the mega-grant performance-related restricted stock award that could have been earned by Mr. Birns based upon the threshold, target and maximum performance goals of 11.5% to 21% growth in the Company's Net After-Tax Income and the number of shares of restricted stock that were actually earned by Mr. Birns based on the Company's achievement of 32.1% growth in the Company's Net After-Tax Income in 2011 are set forth in the table below.

Table of Contents**2011 Tranche of Multi-Year Performance-Related Restricted Stock Grants<sup>(1)</sup>**

|  | Growth in Net After-Tax Income <sup>(2)</sup> |        |         |        |
|--|---|--------|---------|--------|
|  | 11.5%   | 16.5%  | 21%     | 32.1%  |
| Executive  | Threshold                                     | Target | Maximum | Actual |
| Ira M. Birns,<br><i>Executive Vice President and Chief Financial Officer</i> | 1,144   | 2,570  | 4,000   | 4,000  |

(1)

All share amounts reflect the 2-for-1 stock split effected on December 7, 2009.

(2)

Earned performance-related restricted stock for Net After-Tax Income growth that fell between the identified performance goals would have been prorated based upon a linear interpolation established by the Compensation Committee.

In summary, Messrs. Stebbins, Kasbar, Birns and Shea earned in 2011 performance-related equity-based awards in the following amounts:

Stebbins and Kasbar: 80,453 RSUs each

Birns: 25,013 RSUs and 4,000 shares of restricted stock

Shea: 17,468 RSUs

These awards have not been included in the Summary Compensation Table or the Grants of Plan-Based Awards Table in accordance with SEC rules, because the RSU awards for 2011 performance for Messrs. Stebbins, Kasbar, Birns and Shea were not made until March 15, 2012 and the restricted stock award for Mr. Birns was granted in 2007; however, such grants have been quantified in the Alternate Summary Compensation Table on page 37.

Under Mr. Clementi's compensation program, if his compensation for any calendar year exceeded \$1 million, the amount in excess of \$1 million would be allocated 50% to an annual cash incentive award and 50% to a performance-related RSU award. As discussed above in "Annual Cash Incentive Awards," Mr. Clementi's compensation under the program did exceed \$1 million in 2011. As a result, Mr. Clementi received a performance-related equity-based award of \$913,896 or 21,383 RSUs. Because Mr. Clementi's RSU award for 2011 performance was not made until March 15, 2012, such grant has not been included in the Summary Compensation Table or the Grants of Plan-Based Awards Table in accordance with SEC rules; however, such grant has been quantified in the Alternate Summary Compensation Table on page 37.

**Employee Benefits and Executive Perquisites**

In keeping with our pay-for-performance philosophy, only limited standard employee benefits and executive perquisites are provided to our named executive officers as described below in order for us to be successful in attracting and retaining executives. The total amount of employee benefits and executive perquisites provided to the named executive officers during 2011 was only a small percentage of each named executive officer's total compensation. These amounts are included in the second to last column of the Summary Compensation Table at page 41 under "All Other Compensation" and related footnotes.

*Retirement and Deferred Compensation*

We maintain the World Fuel Services Corporation 401(k) Profit Sharing Plan, or our 401(k) Plan, to enable eligible employees to save for retirement through a tax-advantaged combination of elective employee contributions

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and our matching contributions. The 401(k) Plan allows eligible employees to elect to contribute a percentage of their eligible compensation on a pre-tax basis, up to the maximum dollar amounts permitted by law. In 2011, the maximum employee elective contribution to the 401(k) Plan was \$16,500, plus an additional \$5,500 for employees who were at least 50 years old in 2011. Eligible compensation generally means all wages, salaries and fees for services from us. Matching contributions under the 401(k) Plan are discretionary. For 2011, we matched 50% of the first 6% of eligible compensation that each eligible participant elected to contribute to the 401(k) Plan. The portion of an employee's account under the 401(k) Plan that is attributable to matching contributions vests immediately.

We do not maintain any non-qualified deferred compensation plan or supplemental executive retirement plan for our named executive officers. However, the prior employment agreements in effect for Messrs. Stebbins and Kasbar provided that any bonuses payable to either of them that would not be deductible under Section 162(m) for the year earned would be deferred until a fiscal year in which they would be deductible. Payment of the deferred bonus would be made in all events in the year in which the executive's employment terminates or the employment agreement expired. Any amount deferred in this manner is being credited with interest at the prime rate as published in the Wall Street Journal.

*Other Benefits and Perquisites*

Our named executive officers are eligible for the same health and welfare benefits as are available to all of our eligible employees during active employment. These benefits include medical, dental, vision, short-term and long-term disability and up to \$300,000 of term life insurance and accidental death and dismemberment coverage. We pay the entire cost of coverage of the term life insurance as well as short-term disability and a portion of the cost of coverage for medical insurance for the named executive officers and their covered dependents.

Messrs. Stebbins, Kasbar, Birns and Clementi are also provided with a country club membership to be used for business entertainment purposes and to facilitate business meetings.

**Alternate Summary Compensation Table**

The table below shows the base salary and incentive award compensation paid to Messrs. Stebbins, Kasbar, Birns, Clementi and Shea for their performance in 2011 in the manner that such amounts were considered by the Compensation Committee. This presentation differs from that contained in the Summary Compensation Table by (i) showing the full grant date value of the RSUs awarded to our named executive officers on March 15, 2012, which were awarded based on 2011 performance but are not reflected in the Summary Compensation Table because they were granted after the end of our 2011 fiscal year, (ii) showing the full grant date value of the 2011 tranche of the mega-grant restricted stock award for Mr. Birns, which was earned based on performance in 2011 but is not reflected in the Summary Compensation Table because the award was granted in 2007 and (iii) excluding the full grant date value of the restricted stock granted to Messrs. Stebbins, Kasbar, Birns and Shea and RSUs granted to Mr. Clementi on March 15, 2011, which related to 2010 performance but are included in the Summary Compensation Table for 2011. In addition, the "All Other Compensation" column is omitted, as these amounts were not material elements of any named executive officer's compensation.

| Executive           | Year | Salary     | Stock Awards | Non-Equity Incentive Plan Compensation | Total        |
|---------------------|------|------------|--------------|--|--------------|
| Paul H. Stebbins    | 2011 | \$ 575,000 | \$ 3,438,546 | \$ 2,851,664                           | \$ 6,865,210 |
| Michael J. Kasbar   | 2011 | \$ 575,000 | \$ 3,438,546 | \$ 2,851,664                           | \$ 6,865,210 |
| Ira M. Birns        | 2011 | \$ 450,000 | \$ 1,159,880 | \$ 1,222,583                           | \$ 2,832,463 |
| Michael S. Clementi | 2011 | \$ 500,000 | \$ 913,896   | \$ 1,413,896                           | \$ 2,827,792 |
| Francis X. Shea     | 2011 | \$ 325,000 | \$ 746,577   | \$ 937,373                             | \$ 2,008,950 |

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**Agreements with Executives**

Our Compensation Committee believes that it is important to protect our intellectual capital. Accordingly, we maintain agreements with certain of our named executive officers that provide consideration for, and thus ensure the effectiveness of, important non-compete and other restrictive covenants and consulting obligations applicable under such agreements following termination of employment. The Compensation Committee believes that these agreements serve to encourage the continued attention and dedication of the executives to their assigned duties and mitigate the uncertainty and questions a potential change of control may raise among executives. The Compensation Committee also deems these agreements to be appropriate and necessary to attract and retain these executives.

Our Compensation Committee generally views the potential payments and benefits payable under a termination or change of control scenario as a separate compensation element because such payments and benefits are not expected to be paid in a particular year and serve a different purpose for the executive than other elements of compensation. Accordingly, those payments and benefits do not significantly affect decisions regarding other elements of compensation.

On August 26, 2011, the Company and each of Messrs. Stebbins and Kasbar amended their existing employment agreements to reflect the transition of (i) Mr. Kasbar from President and Chief Operating Officer to President and Chief Executive Officer and (ii) Mr. Stebbins from Chairman of the Board and Chief Executive Officer to Executive Chairman of the Board. Each of these amendments became effective on January 1, 2012. Mr. Kasbar's agreement was amended in order to secure his services as Chief Executive Officer for a four year term with an annual base salary of \$750,000. Mr. Stebbins' agreement was amended in order to secure his services as Executive Chairman for a two year term and to provide for an annual salary of \$750,000 as well as to provide for the grant of service-based and performance-based RSUs, subject to the approval of the Compensation Committee, in each case, in order to reflect his ongoing importance to the Company and our expectation that he will remain an active and engaged member of our corporate leadership and governance in his new role.

Effective January 1, 2011, the Company and Mr. Clementi amended Mr. Clementi's employment agreement to alter the formula used to calculate his annual incentive compensation. See "Clementi Compensation Program" beginning on page 31. In addition, on May 20, 2011, the Company and Mr. Clementi amended Mr. Clementi's employment agreement in order to effect technical changes meant to comply with Section 409A of the Code.

See "Potential Payments upon Termination of Employment or Change of Control" beginning on page 46 for a discussion of these agreements and certain compensation and benefits that will be provided in the event of the termination of the employment of our named executive officers.

**Equity Grant Practices**

In November 2010, the Compensation Committee revised the quarterly grant dates in the equity grant policy in order to align the vesting of equity awards with the Company's open trading windows. The revised policy provides for equity grants to be effective on one of four quarterly dates per year February 10, May 10, August 10 and November 10 with equity grants made to executive officers in connection with the Company's annual performance review process effective on March 15 of each year. Equity grants made to executive officers upon hiring or for purposes of promotion, retention or special recognition will be effective on the quarterly date that follows the date of hire or the date on which the promotion or special recognition award is made.

Under the terms of the Omnibus Plan, we are not permitted to cancel outstanding stock options or SSARs for the purpose of repricing or otherwise replacing or re-granting such options or SSARs with an exercise or conversion price that is less than the exercise or conversion price of the original stock option or SSAR without shareholder consent. We do not have a program, plan or practice of timing equity award grants in order to benefit our executive officers or in coordination with the release of material non-public information. All grants of equity awards to

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executive officers are approved by the Compensation Committee at a meeting of the Compensation Committee and not by written consent.

**Tax and Accounting Implications**

*Deductibility of Executive Compensation*

As part of its role, the Compensation Committee reviews and considers the deductibility of executive compensation under Section 162(m) of the Internal Revenue Code. Section 162(m) provides that the Company may not take a federal income tax deduction for compensation in excess of \$1 million paid in any year to any of our named executive officers (excluding our Chief Financial Officer) to the extent that such compensation is not "performance-based" as defined under Section 162(m). To qualify as "performance-based," certain pre-established objective performance goals or certain other conditions must be met. Annual cash incentive awards under our EIP and equity-based awards under our Omnibus Plan may be granted in a manner so that they will qualify for the "performance-based" exception to Section 162(m).

We generally seek to preserve such tax deductibility for compensation to the extent practicable, although the Compensation Committee retains flexibility to approve, when appropriate, compensation arrangements which promote the objectives of our compensation program but which do not qualify for full tax deductibility. Accordingly, in the future, the Compensation Committee may also determine, in light of applicable circumstances, to award certain compensation in a manner that will not preserve the deductibility of such compensation under Section 162(m).

*Accounting for Share-Based Compensation*

Before granting equity-based compensation awards, the Compensation Committee considers the accounting impact of the award, including the compensation cost and the grant date fair value, as structured and under various other scenarios in order to analyze the expected impact of the award.

**Stock Retention Requirement**

Our named executive officers are required to retain 50% of any shares acquired (net of any shares that would need to be sold to satisfy any applicable income and employment taxes relating to the award) pursuant to any equity award granted since 2005 for five years after the shares are issued (or until termination of employment, if earlier). All of our named executive officers are in compliance with these retention requirements.

**Stock Ownership Requirement**

In March 2010, the Compensation Committee approved a stock ownership requirement to augment the stock retention requirement already in place for the named executive officers, which was further revised in March 2012. The Compensation Committee believes that these two requirements will serve to further align management interests with those of shareholders. The ownership requirements are set forth below and are expressed as a multiple of base salary determined by leadership level.

| <b>Named Executive Officer</b>        | <b>Multiple of Base Salary</b> |
|---------------------------------------|--------------------------------|
| Chief Executive Officer               | 5                              |
| Chairman of the Board (if an officer) | 5                              |
| Chief Financial Officer               | 5                              |
| All Others                            | 3                              |
|                                       | 39                             |

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Equity vehicles that will count towards compliance with the ownership requirement include: common stock, unvested service-based restricted stock or RSUs, including the earned portion of performance awards. Unexercised stock options or stock appreciation rights and the unearned portion of performance awards will not count.

The Company will use the three-year average stock price at the end of each fiscal year to determine compliance and to manage against the risk of the named executive officers falling out of compliance due to volatility in the stock price. Should a named executive officer who, after becoming compliant, become non-compliant, the Compensation Committee, in its discretion, may determine the appropriate hardship relief, if any, including allowing the named executive officer additional time to regain compliance or suspending the ownership requirement until the stock price stabilizes.

The current named executive officers have three years from adoption of the stock ownership requirement to become compliant and persons hired into one of the covered roles have five years from their start date to become compliant. All of our named executive officers are in compliance with the above requirements. The Compensation Committee has the discretion to determine penalties for non-compliance, including requiring the deferral of cash incentives into equity, instituting a higher equity retention requirement than the current 50% prohibition on selling shares and reduction or elimination of incentive compensation.

**Compensation Committee Report on 2011 Executive Compensation**

The Compensation Committee is responsible for establishing and administering the executive compensation programs of the Company. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement on Schedule 14A.

Ken Bakshi, Chairman  
Richard A. Kassar, Member  
Stephen K. Roddenberry, Member

**Compensation Committee Interlocks and Insider Participation**

During the 2011 fiscal year, the following individuals served as members of our Compensation Committee: Ken Bakshi, Richard A. Kassar and Stephen K. Roddenberry. During the 2011 fiscal year, none of the members of the Compensation Committee were employed by us, and there were no "compensation committee interlocks" as described under the SEC rules.

Table of Contents**Summary Compensation Table**

The following table summarizes the "total compensation" of our named executive officers for the fiscal year ended December 31, 2011, according to the rules promulgated by the SEC. In addition to the table below, we have provided a similar summary of total compensation as set forth under "Compensation Discussion and Analysis Alternate Summary Compensation Table", which we believe is a useful supplement to the Summary Compensation Table, since the information set forth below (i) does not include in 2011 compensation for our named executive officers RSU awards that relate to 2011 performance, which were awarded on March 15, 2012, (ii) does not include in 2011 compensation for Mr. Birns the 2011 tranche of his mega-grant restricted stock award, which was earned based on performance in 2011, because it was granted in 2007 and (iii) includes in 2011 compensation for our named executive officers' restricted stock and RSUs that relate to 2010 performance, which were awarded on March 15, 2011.

**SUMMARY COMPENSATION TABLE**

| Name and Principal Position   | Year | Salary     | Stock Awards <sup>(1)</sup> | Non-Equity Incentive Plan Compensation <sup>(2)</sup> | All Other Compensation | Total        |
|---|------|------------|-----------------------------|---|------------------------|--------------|
| Paul H. Stebbins  | 2011 | \$ 575,000 | \$ 1,572,621 <sup>(3)</sup> | \$ 2,851,664  | \$ 40,884              | \$ 5,040,169 |
| <i>Chairman of the Board and Chief Executive Officer</i>              | 2010 | 575,000    |                             | 2,012,450   | 38,216                 | 2,625,666    |
| Michael J. Kasbar   | 2009 | 575,000    | 1,800,000 <sup>(6)</sup>    | 580,616   | 38,955                 | 2,994,571    |
| <i>President and Chief Operating Officer</i>                          | 2011 | \$ 575,000 | \$ 1,572,621 <sup>(3)</sup> | \$ 2,851,664  | \$ 44,543              | \$ 5,043,828 |
|   | 2010 | 575,000    |                             | 2,012,450   | 42,068                 | 2,629,518    |
|   | 2009 | 575,000    | 1,800,000 <sup>(6)</sup>    | 580,616   | 36,832                 | 2,992,448    |
| Ira M. Birns  | 2011 | \$ 450,000 | \$ 387,402 <sup>(3)</sup>   | \$ 1,222,583  | \$ 36,214              | \$ 2,096,199 |
| <i>Executive Vice President and Chief Financial Officer</i>           | 2010 | 450,000    | 575,000                     | 865,195   | 32,256                 | 1,922,451    |
|   | 2009 | 450,000    | 580,000 <sup>(6)</sup>      | 272,637   | 30,309                 | 1,332,946    |
| Michael S. Clementi   | 2011 | \$ 500,000 | \$ 1,318,548 <sup>(4)</sup> | \$ 1,413,896  | \$ 30,840              | \$ 3,263,284 |
| <i>Aviation Segment President, World Fuel Services, Inc.</i>          | 2010 | 500,000    | 621,628 <sup>(6)</sup>      | 1,818,539   | 32,223                 | 2,972,390    |
|   | 2009 | 500,000    | 167,000 <sup>(5)(6)</sup>   | 1,121,628   | 60,217                 | 1,848,845    |
| Francis X. Shea   | 2011 | \$ 325,000 | \$ 349,113 <sup>(3)</sup>   | \$ 937,373  | \$ 17,877              | \$ 1,629,363 |
| <i>Executive Vice President and Chief Risk Administrative Officer</i> | 2010 | 325,000    |                             | 597,294   | 17,125                 | 939,419      |
|   | 2009 | 325,000    | 320,000 <sup>(6)</sup>      | 196,905   | 16,561                 | 858,466      |

- (1) The amounts shown in this column represent the estimated aggregate grant-date fair value of the awards made in each fiscal year relating to common stock, restricted stock and RSUs granted to the named executive officers. The estimated grant-date fair value of these awards is based on the grant-date market value of our common stock as defined in the Omnibus Plan and is computed in accordance with FASB ASC Topic 718. Assumptions used in determining the aggregate grant-date fair value of awards are set forth in the notes to the consolidated financial statements in Item 15 of our Annual Report on Form 10-K for each corresponding fiscal year.
- (2) The amounts shown in this column represent each named executive officer's annual cash incentive award for each corresponding fiscal year under the EIP, which is paid in the year following the year in which the award is earned. For 2011, Messrs. Stebbins, Kasbar, Birns, and Shea earned annual cash incentive awards based on the achievement of Net After-Tax Income growth of 32.1%, while Mr. Clementi earned his annual cash incentive award based on 17.4% Growth in Aviation NOI.
- (3) This amount represents the grant date value of the restricted stock awarded to these named executive officers in March 2011 based on the achievement of Net After-Tax Income growth of 25.4% for 2010 in accordance with the Omnibus Plan; 33% of which will vest in

2012 and 2013, and 34% in 2014.



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- (4) In accordance with Mr. Clementi's employment agreement, he was awarded RSUs having a grant date value of \$1,318,548 in March 2011 based on 42.6% Growth in Aviation NOI in 2010, 50% of which will vest in 2014 and 50% in 2015.
- (5) The Compensation Committee granted Mr. Clementi a special bonus award in March 2009 in the amount of \$357,000, which consisted of a discretionary cash bonus of \$190,000 and RSUs having a grant date value of \$167,000, 50% of which will vest in 2012 and 50% in 2013.
- (6) In accordance with SEC rules, we are reporting these performance-related equity awards in the year of grant as opposed to the year in which the awards were earned as was done previously.

Table of Contents**Grants of Plan-Based Awards**

The following Grants of Plan-Based Awards Table provides additional information about stock awards and equity and non-equity incentive plan awards granted to our named executive officers during the year ended December 31, 2011.

**GRANTS OF PLAN-BASED AWARDS TABLE**

| Name   | Grant Date      | Committee Approval Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup> |        |              | All Other Stock Awards, Number of Shares of Stock or Units | Grant Date Fair Value of Stock and Option Awards <sup>(2)</sup> |
|--|-----------------|-------------------------|--|--------|--------------|--|---|
|  |                 |                         | Threshold  | Target | Maximum      |  |   |
| Paul H. Stebbins<br><i>Chairman of the Board and Chief Executive Officer</i>                 | n/a<br>03/15/11 | n/a<br>03/14/11         | \$ 50,000  | n/a    | \$ 3,367,576 | 41,483 <sub>(3)</sub>                                      | \$ 1,572,621  |
| Michael J. Kasbar<br><i>President and Chief Operating Officer</i>                            | n/a<br>03/15/11 | n/a<br>03/14/11         | \$ 50,000  | n/a    | \$ 3,367,576 | 41,483 <sub>(3)</sub>                                      | \$ 1,572,621  |
| Ira M. Birns<br><i>Executive Vice President and Chief Financial Officer</i>                  | n/a<br>03/15/11 | n/a<br>03/14/11         | \$ 59,500  | n/a    | \$ 1,422,579 | 10,219 <sub>(3)</sub>                                      | \$ 387,402  |
| Michael S. Clementi<br><i>Aviation Segment President, World Fuel Services, Inc.</i>          | n/a<br>03/15/11 | n/a<br>03/14/11         | \$ 740,000   | n/a    | \$ 2,500,000 | 34,781 <sub>(3)</sub>                                      | \$ 1,318,548  |
| Francis X. Shea<br><i>Executive Vice President and Chief Risk and Administrative Officer</i> | n/a<br>03/15/11 | n/a<br>03/14/11         | \$ 13,333  | n/a    | \$ 1,086,960 | 9,209 <sub>(3)</sub>                                       | \$ 349,113  |

(1)

The amounts shown reflect the threshold and maximum payouts that could have been earned as 2011 annual cash incentive awards under the EIP. In March 2011, the Compensation Committee established the performance goals for the annual cash incentive awards based on the achievement of certain Net After-Tax Income growth targets for the year ended December 31, 2011 for all of the named executive officers with the exception of Mr. Clementi. For 2011, the Net After-Tax Income growth threshold and maximum performance goals for the payment of annual cash incentive awards were established at 3% and 40%, respectively. No award would have been paid for Net After-Tax Income growth below 3%. Growth of Net After-Tax Income in excess of 40% would not have resulted in annual cash incentive awards larger than the maximum performance goals. For each percentage of Net After-Tax Income growth achieved, the portion of incremental Net After-Tax Income that would be paid to the named executive officer (as a combination of an annual cash incentive award and an equity-based award) was approximately: 10.2-18.2% for Messrs. Stebbins and Kasbar, 3.1%-7.4% for Mr. Birns and 2.5-6.0% for Mr. Shea. Net After-Tax Income growth that fell between two percentage points would be a percentage based upon the curvilinear incentive payout curve established by the Compensation Committee. Based on the achievement in 2011 of 32.1% Net After-Tax Income growth, Messrs. Stebbins, Kasbar, Birns and Shea earned annual cash incentive awards of \$2,851,664, \$2,851,664, \$1,222,583, and \$937,373 respectively. Please refer to discussion regarding the compensation program for Messrs Stebbins, Kasbar, Birns and Shea on pages 30 to 36 for additional information. Mr. Clementi's annual cash incentive award under the EIP is based on 17.4% Growth in Aviation NOI. Mr. Clementi earned an annual cash incentive award of \$1,413,896 for 2011. Please refer to the discussion regarding Mr. Clementi's compensation program on page 31 for further

information.

(2)

The amounts shown reflect the estimated aggregate grant-date fair value of the stock awards. The estimated aggregate fair value of our stock awards is based on the grant-date market value of our common stock, as defined in the Omnibus Plan, and is computed in accordance with FASB ASC Topic 718.

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(3)

In March 2011, Messrs. Stebbins, Kasbar, Birns and Shea received restricted stock awards based on the achievement of Net After-Tax Income growth of 25.4% for 2010 in accordance with the Omnibus Plan; 33% of which will vest in 2012 and 2013 and 34% in 2014. Also, in March 2011, Mr. Clementi received a RSU award based on 42.6% Growth in Aviation NOI in 2010; 50% of which will vest in 2014 and 2015.

**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth the outstanding equity awards at fiscal year-end, or December 31, 2011, for our named executive officers.

**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END TABLE**

| Name   | SSAR Awards                                       |                     |                      | Stock Awards  |  |
|--|---|---------------------|----------------------|---|--|
|  | Number of Securities Underlying Unexercised SSARs | SSAR Exercise Price | SSAR Expiration Date | Number of Shares or Units of Stock That Have Not Vested                 | Market Value of Shares or Units of Stock That Have Not Vested <sup>(1)</sup> |
| Paul H. Stebbins<br><i>Chairman of the Board and Chief Executive Officer</i>                 | 33,334  | \$ 15.576           | 03/15/13             | 41,483 <sup>(2)</sup>   | \$ 1,741,456   |
| Michael J. Kasbar<br><i>President and Chief Operating Officer</i>                            | 100,000   | \$ 15.576           | 03/15/13             | 41,483 <sup>(2)</sup>   | \$ 1,741,456   |
| Ira M. Birns<br><i>Executive Vice President and Chief Financial Officer</i>                  | 22,858  | \$ 12.980           | 03/15/13             | 4,000 <sup>(3)</sup><br>10,219 <sup>(2)</sup><br>19,780 <sup>(4)</sup>  | \$ 167,920<br>\$ 428,994<br>\$ 830,364                                       |
| Michael S. Clementi<br><i>Aviation Segment President, World Fuel Services, Inc.</i>          | 100,000 <sup>(5)</sup>                            | \$ 12.980           | 04/14/13             | 12,050 <sup>(6)</sup><br>21,384 <sup>(7)</sup><br>34,781 <sup>(8)</sup> | \$ 505,859<br>\$ 897,700<br>\$ 1,460,106                                     |
| Francis X. Shea<br><i>Executive Vice President and Chief Risk and Administrative Officer</i> | 17,142  | \$ 12.980           | 03/15/13             | 9,209 <sup>(2)</sup>  | \$ 386,594   |

(1)

The amounts shown in this column are based on the closing price of our common stock on December 30, 2011 of \$41.98.

(2)

This amount reflects restricted shares that will vest 33% in 2012 and 2013 and 34% in 2014, subject to earlier vesting upon a change of control or qualifying termination of employment.

(3)

This amount reflects shares of performance-related restricted shares granted in 2007 that were earned based on specified annual growth in Net After-Tax Income for 2011. These shares vested on March 21, 2012.

(4)

This amount reflects RSUs that will vest 33% in 2013 and 2014 and 34% in 2015, subject to earlier vesting upon a change of control or qualifying termination of employment.

(5)

This amount reflects SSARs that vest in March 2013, subject to earlier vesting upon a change of control or a qualifying termination of employment.

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(6) This amount reflects RSUs that vest 50% in March 2012 and 50% in March 2013, subject to earlier vesting upon a change of control or a qualifying termination of employment.

(7) This amount reflects RSUs that vest 50% in March 2013 and 50% in March 2014, subject to earlier vesting upon a change of control or a qualifying termination of employment.

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- (8) This amount reflects RSUs that vest 50% in March 2014 and 50% in March 2015, subject to earlier vesting upon a change of control or a qualifying termination of employment.

**Option Exercises and Stock Vested**

The following table sets forth the SSAR conversions and stock vested during the year ended December 31, 2011 for our named executive officers.

**OPTION EXERCISES AND STOCK VESTED TABLE**

| Name   | SSAR Awards  |   | Stock Awards  |  |
|--|--|---|---|--|
|  | Number of Shares Acquired on Conversion <sup>(1)</sup> | Value Realized On Conversion <sup>(2)</sup> | Number of Shares Acquired on Vesting <sup>(3)</sup> | Value Realized on Vesting <sup>(4)</sup> |
| Paul H. Stebbins<br><i>Chairman of the Board and Chief Executive Officer</i>             |  | \$  | 45,099  | \$ 1,771,038                             |
| Michael J. Kasbar<br><i>President and Chief Operating Officer</i>                        |  | \$  | 45,099  | \$ 1,771,038                             |
| Ira M. Birns<br><i>Executive Vice President and Chief Financial Officer</i>              | 6,901  | \$ 290,175                                  | 9,150   | \$ 359,321                               |
| Michael S. Clementi<br><i>Aviation Segment President, World Fuel Services, Inc.</i>      | 63,904   | \$ 2,298,000                                | 15,951  | \$ 626,396                               |
| Francis X. Shea<br><i>Executive Vice President and Chief Risk Administrative Officer</i> | 55,463   | \$ 2,110,383                                | 7,470   | \$ 293,347                               |

- (1) The amounts shown in this column reflect the number of shares acquired upon the conversion of SSARs. The number of shares acquired upon conversion of SSARs only represents the number of shares that is equivalent to the value realized upon conversion.
- (2) For SSAR conversions, the value realized is calculated by multiplying (a) the difference between the share price of our common stock at the time of conversion and the SSAR conversion price by (b) the number of shares of common stock underlying the SSAR. The value realized does not represent cash received by the named executive officer, which may differ based on when the acquired shares are ultimately sold by the named executive officer.
- (3) The amounts shown in this column reflect the number of shares acquired from the 2006 (2007 for Mr. Birns) mega-grant restricted stock awards. Shares were eligible to be earned between 2006 and 2011 for Messrs. Stebbins, Kasbar, Clementi, and Shea (2007 through 2011 for Mr. Birns) based on Net After-Tax Income growth of the Company. In 2006, 2008, and 2011, each named executive officer earned the maximum number of shares they were eligible to earn for that particular year. In 2007, no shares were earned; in 2009 a portion of the eligible shares was earned by each named executive officer. The final tranche of Mr. Birns' 2007 grant vested in March 2012 based on the Company's growth in Net After-Tax Income in 2011.
- (4) The amount shown in this column reflects the value realized upon vesting, which is calculated by multiplying (a) the closing price of our common stock on the vesting date by (b) the number of shares of restricted stock that vested. The value realized does not represent cash received by the named executive officer which may differ based on when the acquired shares are ultimately disposed of by the named executive officer.



Table of Contents**Non-Qualified Deferred Compensation**

The following table sets forth non-qualified deferred compensation during the year ended December 31, 2011 for our named executive officers.

**NON-QUALIFIED DEFERRED COMPENSATION TABLE**

| Name  | Aggregate<br>Earnings in Last<br>Fiscal Year | Aggregate<br>Balance at Last<br>Fiscal Year-End |
|---|--|---|
| Paul H. Stebbins <sup>(1)</sup><br><i>Chairman of the Board and Chief Executive Officer</i> | \$ 625                                       | \$ 19,585                                       |
| Michael J. Kasbar <sup>(1)</sup><br><i>President and Chief Operating Officer</i>            | \$ 5,696                                     | \$ 178,376                                      |

(1)

The prior employment agreements for Messrs. Stebbins and Kasbar provided that any bonuses payable to either of them that would not be deductible under Section 162(m) for the year earned would be deferred until a fiscal year in which it would be deductible (or until the year in which the executive's employment terminates or the employment agreement expires), and that any amount so deferred would be credited with interest at the prime rate as published in the Wall Street Journal. A portion of the bonus earned in a prior fiscal year by Messrs. Stebbins and Kasbar equal to \$12,000 and \$109,375, respectively, was deferred pursuant to those provisions of their employment agreements and remains unpaid. Because the aggregate earnings in the last fiscal year did not constitute "above market earnings" within the meaning of the applicable SEC rules, these amounts are not reflected in the Summary Compensation Table.

**Potential Payments upon Termination of Employment or Change of Control**

As described in greater detail below, our agreements with each of Messrs. Stebbins, Kasbar, Birns and Clementi provide for the payment of certain compensation and benefits in the event of the termination of the executive's employment, the amount of which varies depending upon the reason for such termination.

*Messrs. Stebbins and Kasbar*

On March 14, 2008, we entered into agreements with Mr. Stebbins and Mr. Kasbar (each, an "Executive") containing identical terms. On August 26, 2011, each of the agreements was amended to reflect the transition of (i) Mr. Kasbar from President and Chief Operating Officer to President and Chief Executive Officer and (ii) Mr. Stebbins from Chairman of the Board and Chief Executive Officer to Executive Chairman of the Board, effective January 1, 2012. The Kasbar agreement, as amended effective January 1, 2012, (the "Kasbar Agreement") provides for an annual base salary of \$750,000, which is subject to change from time to time as determined by our Compensation Committee in its sole discretion, and such incentives, termination severance benefits and other compensation and amounts as our Compensation Committee may determine from time to time in its sole discretion. The Kasbar Agreement expires four years from the effective date of the amendment, unless terminated earlier, and will automatically extend for successive one-year terms unless either party provides written notice to the other at least one year prior to the expiration of the term that such party does not want to extend the term.

The Stebbins agreement, as amended effective January 1, 2012 (the "Stebbins Agreement" and, together with the Kasbar Agreement, the "Agreements"), provides for an annual base salary of \$750,000, which is subject to change from time to time as determined by the Compensation Committee in its sole discretion and termination severance benefits. In addition, subject to approval of the Compensation Committee, Mr. Stebbins will be eligible to receive annual equity-based awards with a grant-date value targeted at \$500,000, 50% in the form of service-based



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RSUs and 50% in the form of performance-based RSUs. The Stebbins Agreement expires two years from the effective date of the amendment, unless terminated earlier, and will automatically extend for successive one-year terms unless either party provides written notice to the other at least 6 months prior to the expiration of the term that such party does not want to extend the term.

The following definitions apply under the Agreements:

"*cause*" means (i) any act of fraud, misappropriation, embezzlement or material dishonesty by the Executive, which results in his personal enrichment at our expense; (ii) willful misconduct that results in material economic harm to us; (iii) a felony conviction or conviction for a crime involving moral turpitude; (iv) the willful and continued material failure of the Executive to perform his duties under the Agreements; (v) a willful and material breach by the Executive of his non-compete, non-solicitation, non-disparagement or cooperation obligations under the Agreements (and in the case of (i) through (v) the failure to cure such breach) or (vi) a material breach by the Executive of our Code of Conduct, Securities Trading Policy or any other related corporate and personnel policies generally applicable to our executives or employees.

"*change of control*" is deemed to have occurred if (i) any person or "group" (as defined in Section 13(d)(3) of the Exchange Act), excluding any employee benefit plans, becomes the beneficial owner of at least 20% of the combined voting power of our outstanding common stock; (ii) we merge, consolidate, reorganize or carry out any similar event which results in the holders of our common stock prior to the event owning less than 51% of the total voting power of the capital stock of the surviving company; (iii) our current Board ceases to make up at least  $\frac{2}{3}$  of our Board, the board of the surviving company or the board of the controlling company, as the case may be, with the exception that any director approved by a vote of at least  $\frac{2}{3}$  of our current Board will be considered to be a member of our current Board; (iv) we are liquidated or dissolved or we sell all or substantially all of our assets; (v) we enter into an agreement or our Board passes a resolution to do any of the items listed in (i)-(iv) above and the Executive's employment is terminated after the execution of any such agreement or the passage of any such resolution, but before the event takes place.

"*good reason*" means (i) any reduction in the annual base salary of the Executive to a level that is less than 85% of the Executive's base salary for the immediately preceding year or our failure to pay or provide any material compensation or benefit other than an insubstantial and inadvertent reduction that is remedied by us; (ii) following a change of control, our failure to provide the Executive his total annual cash compensation, including bonus, total aggregate value of perquisites, total aggregate value of benefits or total aggregate value of long-term compensation equal to or higher than the highest level received by the Executive in the preceding 6 months or 1 year, in certain cases, other than an insubstantial and inadvertent failure that is remedied by us; (iii) if we require the Executive to be based at a location outside of Miami-Dade County, Florida; (iv) our failure to obtain any successor's agreement to perform and assume the Agreements, (v) without the express prior written consent of the Executive, assigning the Executive any duties that are materially inconsistent with his current position (including titles and reporting relationships) or making any other material adverse change in his position, authority, responsibilities or status, and (vi) a voluntary termination by the Executive for any reason within 30 days following the first anniversary of a change of control. The Stebbins Agreement, as amended effective January 1, 2012, provides that the transition from Chairman of the Board and Chief Executive Officer to Executive Chairman of the Board will not constitute good reason for Mr. Stebbins.

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Pursuant to the Agreements, we will pay and provide the following to the Executive if the following termination events occur:

***Termination by the Executive without Good Reason, by the Company for Cause or by the Company due to the Executive's Death or Disability:***

The "accrued obligations" listed below:

all accrued but unpaid base salary through the end of the term of the Agreements;

any accrued but unpaid annual cash incentive awards (referred to in this discussion and in the Agreements as a "bonus") for bonus periods ending prior to the date the Agreements terminate and, if termination is due to any reason other than termination by the Company for cause or by the Executive without good reason, a pro rata bonus for the bonus period in which the date of termination occurs (or in the case of Mr. Stebbins at any time on or following January 1, 2012, any accrued and earned but unpaid bonus with respect to the 2011 performance period);

any unpaid or unreimbursed expenses incurred in accordance with our policy;

any benefits accrued prior to, or otherwise provided after, termination of employment under our employee benefit plans, programs or arrangements in which the Executive participates;

any rights or benefits under any stock option, restricted stock, restricted stock unit, stock appreciation right or other equity award that extend beyond the term of the Agreements; and

any rights to indemnification by virtue of the Executive's position as our officer or director, whether pursuant to the terms of the Agreements, our By-Laws or otherwise, and the benefits under any directors' and officers' liability insurance policy maintained by us.

***Termination by the Executive for Good Reason, by the Company without Cause, Following a Change of Control or Non-Renewal:***

the accrued obligations;

an annualized amount of \$750,000 (\$1,250,000 for termination following a change of control) per year for a two-year period immediately following the termination date;

continued health insurance coverage in effect as of the termination date for the Executive and his immediate family until the Executive is no longer eligible for coverage under our health plans through COBRA or he becomes eligible for health insurance coverage through employment or services provided to another person or entity;

after the Executive is no longer eligible for coverage through COBRA, reimbursement for the cost of obtaining private health insurance coverage that is comparable to the coverage provided to the Executive and his immediate family until the Executive turns 65 or, if earlier, the date on which neither the Executive nor his surviving spouse is living provided that (i) coverage will not be provided for any period where the Executive is eligible to receive coverage through employment or services provided to another person or entity, (ii) coverage will not be provided for any dependent over age 21 other than the Executive's spouse, and (iii) the aggregate amount the Company is required to pay for such coverage does not exceed \$150,000 in the aggregate; and

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a lump sum in the amount of \$1,500,000 (\$2,500,000 for termination following a change of control) within 5 business days of the last day of the "restricted period" (as defined below).

The Agreements require the Executive to abide by certain restrictive covenants relating to non-competition and non-solicitation during the term of the Agreements and for two years following termination of the Executive's employment for any reason (referred to above as the "restricted period") other than a termination following a

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change of control not approved by our Board. The Executive is also required to cooperate with us regarding existing or future litigation or other proceedings after the term and to abide by certain non-disparagement provisions. The Executive's right to receive the foregoing payments and benefits other than the accrued obligations is conditioned on his compliance with the restrictive covenants and his provision of up to ten hours per calendar month of consulting services to the Company if requested to do so.

In the event that (a) we terminate the Agreements without cause, (b) the Executive terminates for good reason or (c) the Agreements are not renewed, any portion of an outstanding equity award that is not vested on the date of termination will continue to vest during the restricted period, with the final portion becoming vested on the last day of the restricted period. In addition, if the termination is due to the Executive's death or disability, all of the Executive's outstanding equity awards will vest and become immediately exercisable. However, pursuant to the amendment to Mr. Stebbins's agreement effective January 1, 2012, with respect to performance-based awards held by Mr. Stebbins, such payout will be determined based on actual performance during such period.

In the event of a change of control following a termination of employment for Messrs. Stebbins or Kasbar, all of such Executive's outstanding equity awards will vest immediately, unless the successor company assumes any such awards or substitutes such awards for awards with no less favorable terms, in which case, vesting of those awards will not be accelerated upon the change of control but, subject to certain conditions, will continue to vest during the restricted period, with the final portion becoming vested on the last day of the restricted period. In such case, any of Mr. Kasbar's awards that have multiple annual performance conditions will vest and/or accelerate unless their performance conditions have not yet been met, in which case, the performance conditions will be waived if doing so would not cause an award to no longer be exempt from the deduction limitations imposed by Section 162(m) of the Internal Revenue Code (the "Code").

Pursuant to the amendment to Mr. Stebbins agreement effective January 1, 2012, in the event of a change of control in which Mr. Stebbins does not become entitled to payout of his RSUs upon such change of control, any of Mr. Stebbins awards that are subject to any performance-based vesting criteria will no longer be subject to any performance-based vesting criteria (but will remain subject to service-based vesting criteria) and will be subject to full acceleration upon a qualifying termination by the Company without cause or by Mr. Stebbins for good reason.

The Agreements provide that in the event that any amount or benefit payable under the Agreements, taken together with any amounts or benefits otherwise payable to the Executive by us or any affiliated company, are subject to the excise tax or parachute payments under Section 4999 of the Code, such amounts or benefits will be reduced but only if and to the extent that the after-tax present value of such amounts or benefits as so reduced would exceed the after-tax present value received by the Executive before such reduction.

The Agreements also provide that any amounts that are not exempt from Section 409A of the Code will be subject to the required six-month delay in payment after termination of service if the Executive is a "specified employee" for purposes of Section 409A at the time of termination of service. Amounts that otherwise would have been paid during this six-month delay will be paid in a lump sum at the end of such delay period.

*Mr. Birns*

In April 2007, we entered into an executive severance agreement with Mr. Birns, our Executive Vice President and Chief Financial Officer. The following definitions apply to Mr. Birns' executive severance agreement:

"*cause*" means (i) the willful, material failure by Mr. Birns to perform the duties consistent with his position or to comply with the obligations of the severance agreement, or his willful, material failure to carry out the reasonable and lawful directions of our CEO, President or Board and not curing such failure; (ii) any willful and material breach of our Code of Conduct or any other policy; (iii) Mr. Birns' gross negligence or willful misconduct which is harmful to us, monetarily or otherwise, including but not limited to fraud, misappropriation or embezzlement; (iv) use of alcohol, drugs or other similar substances during work hours, other than at a Company

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sanctioned event, or at any time in a manner that adversely affects his work performance; (v) being charged with a criminal offense that is a felony or misdemeanor involving moral turpitude; or (vi) a material breach of the severance agreement that cannot be cured.

"change of control" has the meaning assigned to such term in our By-Laws.

"good reason" means (i) the assignment to Mr. Birns of any duties materially inconsistent with his position, authority, duties or responsibility or any other action by us that results in a material diminution in his position, authority, duties or responsibilities, excluding any action not taken by us in bad faith that is remedied; (ii) any reduction in, or failure to pay Mr. Birns' base salary other than a reduction or failure remedied by us; (iii) within 2 years following a change of control, any failure by us to provide Mr. Birns his bonus and equity opportunities, or employee benefits and perquisites in the aggregate, that are not less than those provided to Mr. Birns in the calendar year immediately preceding the change of control, other than a failure not occurring in bad faith that is remedied by us; or (iv) if we require Mr. Birns to be based at any office or location outside of Miami-Dade or Broward County.

Pursuant to the executive severance agreement, we will pay and provide the following to Mr. Birns if the following termination events occur:

***Termination by the Company for Cause; Termination by Mr. Birns without Good Reason:***

an amount equal to accrued but unpaid base salary and benefits (including accrued vacation) through the date of termination.

***Termination Due to Death or Disability:***

an amount equal to accrued but unpaid base salary and benefits (including accrued vacation) through the date of termination, and any unpaid annual cash incentive award (referred to in this discussion and in the severance agreement as a "bonus") for the year prior to the year of termination, the bonus to be paid on the same date that bonuses are paid to our other senior executive officers;

a prorated bonus for the calendar year in which the employment is terminated, however, no bonus will be paid if Mr. Birns' termination date occurs before the payment of bonuses for the prior calendar year. Any bonus shall be prorated based on the bonus Mr. Birns would have earned if he had remained in our employ for the entire year. Any such bonus would be paid on the same date that bonuses are paid to our other senior executive officers.

***Termination by the Company without Cause; Termination by Mr. Birns for Good Reason:***

an amount equal to accrued but unpaid base salary and benefits (including accrued vacation) through the date of termination, and any unpaid bonus for the year prior to the year of termination, the bonus to be paid on the same date that bonuses are paid to our other senior executive officers;

continued health insurance coverage in effect as of the termination date for Mr. Birns and his immediate family for a period of up to 18 months. Such coverage will terminate earlier if Mr. Birns becomes eligible for health insurance coverage through employment or services provided to another person or entity; and

a severance payment in an amount equal to two times Mr. Birns' base salary as of the termination date, which will be paid in regular payroll installments over the 24-month period following termination, plus payment of a prorated bonus for the calendar year in which his employment is terminated, however, no bonus will be paid if Mr. Birns' termination date occurs before the payment of bonuses for the prior calendar year. Any bonus shall be prorated based on the bonus Mr. Birns would have earned if he had remained in our employ for the entire year. Any such bonus would be paid on the same date that bonuses are paid to our other senior executive officers.

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We have the right to discontinue any of the payments in the preceding two bullet points, should Mr. Birns (i) fail to comply in any material respect with the confidentiality and restrictive covenant provisions of the executive severance agreement or (ii) fail to provide agreed upon post-termination services as provided for in the executive severance agreement.

The agreement also provides that in the event any amount or benefit paid under the agreement, taken together with any amounts or benefits otherwise payable to Mr. Birns by the Company, are subject to the excise tax or parachute payments under Section 4999 of the Code, such amounts or benefits will be reduced to avoid any payments or benefits being nondeductible by the Company.

*Mr. Clementi*

On March 14, 2008, World Fuel Services, Inc., our principal domestic operating subsidiary ("WFS"), entered into a new employment agreement with Mr. Clementi, President of our Aviation Segment, effective January 1, 2008. The term of the agreement was initially scheduled to end on December 31, 2010, subject to automatic extension for successive one year terms unless either party provides written notice to the other 60 days prior to the expiration of the term that such party does not want to extend the term. During the term of the agreement, Mr. Clementi will receive an annual base salary of \$500,000 and, consistent with our pay-for-performance philosophy, will be eligible to receive an annual cash incentive award (referred to in this discussion and the employment agreement as an "annual performance bonus") tied to the Growth in Aviation NOI as follows:

the annual performance bonus will equal a percentage of Aviation NOI minus Mr. Clementi's base salary; and

the annual performance bonus will be allocated between a cash bonus and a RSU award in certain cases.

In any year where net operating income growth of the Aviation Segment is negative, Mr. Clementi will not be eligible to receive an annual performance bonus. Mr. Clementi's base salary and annual performance bonus combined cannot exceed \$5 million per year. Effective January 1, 2011, the Company and Mr. Clementi amended Mr. Clementi's employment agreement to alter the formula used to calculate his annual incentive compensation. Mr. Clementi will also be eligible to participate in all benefits offered by the Company to its senior executives, including medical and dental insurance, short-term and long-term disability, flexible spending account, life insurance and the 401(k) profit sharing plan. For further information regarding Mr. Clementi's compensation program, please refer to the discussion on pages 31-32 above.

The following definitions apply to Mr. Clementi's employment agreement:

"*cause*" means (i) the willful, material failure by Mr. Clementi to perform his duties consistent with his position or to comply with the obligations of the employment agreement, or his willful, material failure to carry out the reasonable and lawful directions of our Board and not curing such failure; (ii) Mr. Clementi's gross negligence or willful misconduct which is harmful to WFS, monetarily or otherwise, including but not limited to fraud, misappropriation or embezzlement; (iii) use of alcohol, drugs or other similar substances during work hours, other than at a WFS sanctioned event, or at any time in a manner that adversely affects his work performance; (iv) his being charged with a criminal offense that is a felony or misdemeanor involving moral turpitude; or (v) a material breach of the employment agreement, Code of Conduct, Securities Trading policy or any other related corporate and personnel policies generally applicable to our executives or employees that cannot be cured.

"*change of control*" has the meaning assigned to such term in the WFS By-Laws.

"*good reason*" means, after a change of control has occurred (i) WFS assigns Mr. Clementi any duties inconsistent in any material respect with his position (including status, title and reporting requirements), authority, duties or responsibilities, or any other action by WFS that results in a material diminution in such position, authority, duties or responsibilities, excluding any action not taken in bad faith and which is remedied by WFS;

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(ii) any reduction in, or failure to pay, his base salary, other than a reduction or failure that is remedied by WFS; (iii) within two years following a change of control, WFS fails to provide his bonus and equity opportunities, or employee benefits and perquisites in the aggregate, that are not less than those provided to him in the calendar year immediately preceding the change of control, other than a failure not occurring in bad faith that is remedied by WFS; and (iv) WFS requires him to be based at a location outside of Miami-Dade or Broward County, Florida.

Pursuant to the agreement, we will pay and provide the following to Mr. Clementi if the following termination events occur:

***Termination by WFS with Cause, Resignation by Mr. Clementi without Good Reason or Non-Renewal by Mr. Clementi:***

all accrued but unpaid compensation and benefits to which he is otherwise entitled prior to the date of termination, excluding any bonus earned for any bonus period ending on or before the date of termination if Mr. Clementi resigns without good reason or is terminated by WFS with cause.

***Termination due to Death or Disability:***

all accrued but unpaid compensation and benefits to which he is otherwise entitled prior to the date of termination, including any bonus earned for any bonus period ending on or before the date of termination; and

a prorated bonus for the calendar year in which the agreement was terminated, but only if he would have earned a bonus had he remained employed by WFS for that entire calendar year.

***Termination by WFS without Cause or Non-Renewal by WFS:***

all accrued but unpaid compensation and benefits to which he is otherwise entitled prior to the date of termination, including any bonus earned for any bonus period ending on or before the date of termination;

WFS will continue to pay Mr. Clementi his base salary then in effect for the 24 month period (12 month period for non-renewal by WFS) immediately following the date of termination;

continued coverage in effect as of the termination date for Mr. Clementi and his covered dependents under the WFS health insurance plans until the earlier of (A) the end of the period during which Mr. Clementi will be eligible for coverage under the WFS health plans pursuant to COBRA, and (B) the date Mr. Clementi becomes eligible for health insurance benefits on account of employment or services provided to any other person or entity; provided, however, that as a condition of such benefits, WFS may require Mr. Clementi to elect to continue his health insurance pursuant to COBRA; and

a lump sum of \$1,500,000 (\$750,000 for non-renewal by WFS) within 5 business days of the last day of the "restricted period" (as defined below) (or, in the case of non-renewal by WFS, within 5 business days of the second anniversary of the termination date).

***Termination by WFS without Cause or by Mr. Clementi for Good Reason within two years following a Change of Control:***

all accrued but unpaid compensation and benefits to which he is otherwise entitled prior to the date of termination, including any bonus earned for any bonus period ending on or before the date of termination;

an amount equal to the sum of (A) two times the annual base salary that Mr. Clementi was entitled to receive at the rate then in effect plus (B) the greater of (x) the annual base salary that Mr. Clementi was entitled to receive at the rate then in effect, and (y) the average of the annual bonuses paid by WFS for the 3 most recently completed calendar years ending on or before the date of termination (including years





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prior to the effective date of the agreement), such amount to be payable in 24 equal consecutive monthly installments commencing on the first monthly anniversary of the date of termination; and

continued coverage in effect as of the termination date for Mr. Clementi and his covered dependents under the WFS health insurance plans until the earlier of (A) the end of the period during which Mr. Clementi will be eligible for coverage under the WFS health plans pursuant to COBRA and (B) the date Mr. Clementi becomes eligible for health insurance benefits on account of employment or services provided to any other person or entity; provided, however, that as a condition of such benefits, WFS may require Mr. Clementi to elect to continue his health insurance pursuant to COBRA.

The agreement requires Mr. Clementi to abide by certain restrictive covenants relating to non-competition and non-solicitation during the term of the agreement and either (i) the two years following termination of employment for any reason other than expiration of the term due to WFS electing not to extend the term or (ii) one year following termination of employment as a result of WFS electing not to extend the term (referred to above as the "restricted period"). Mr. Clementi's right to receive the foregoing payments and benefits other than the accrued obligations (including any bonus earned for any bonus period ending on or before the date of termination) is conditioned on his compliance with the restrictive covenants and his provision of up to ten hours per calendar month of consulting services to WFS if requested to do so.

Upon termination of Mr. Clementi's employment other than by WFS with cause, in addition to the amounts and benefits discussed above, Mr. Clementi will be entitled to any rights afforded to him under any equity award agreements arising from the termination of his employment. The agreement also provides that in the event any amount or benefit paid under the agreement, taken together with any amounts or benefits otherwise paid to Mr. Clementi by WFS or any affiliated company, are subject to the excise tax or parachute payments under Section 4999 of the Code, such amounts or benefits will be reduced but only if and to the extent that the after-tax present value of such amounts or benefits as so reduced would exceed the after-tax value received by Mr. Clementi before such reduction.

The agreement provides that any amounts that are not exempt from Section 409A will be subject to the required six-month delay in payment after termination of service if Mr. Clementi is a "specified employee" for purposes of Section 409A at the time of termination of service. Amounts that otherwise would have been paid during this six-month delay will be paid in a lump sum at the end of such period. In addition, on May 20, 2011, the Company and Mr. Clementi amended Mr. Clementi's employment agreement in order to effect technical changes meant to comply with Section 409A of the Code.

**Potential Payments upon Termination of Employment or Change of Control**

The following table shows potential payments to our named executive officers under existing contracts, agreements, plans or arrangements, whether written or unwritten, for various scenarios involving a change of control or termination of employment of each of our named executive officers, assuming a December 30, 2011 termination date and, where applicable, using the closing price of our common stock of \$41.98 (as reported on the NYSE on December 30, 2011). These tables do not reflect amounts that would be payable to the named executive officers pursuant to benefits and awards that have already vested.

Table of Contents**POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL**

|  | Cash<br>Severance<br>Payment | Continuation<br>of Medical/<br>Welfare<br>Benefits | Other Cash<br>Compensation <sup>(3)</sup> | Acceleration<br>and<br>Continuation<br>of Equity<br>Awards <sup>(4)(5)</sup> | Excise<br>Tax<br>Cut-<br>Back <sup>(7)</sup> | Total         |
|--|------------------------------|--|---|--|--|---------------|
| <b>Mr. Stebbins</b>  |                              |  |   |  |  |               |
| Termination by Executive without Good Reason or by Company for Cause                             | \$                           | \$   | \$ 2,871,249                              | \$   | \$   | \$ 2,871,249  |
| Termination by Company without Cause, by Executive for Good Reason or Non-Renewal <sup>(1)</sup> | \$ 3,000,000                 | \$ 190,275   | \$ 2,871,249                              | \$ 1,741,456 <sup>(6)</sup>  | \$   | \$ 7,802,980  |
| Change of Control <sup>(1)(2)</sup>  | \$ 5,000,000                 | \$ 190,275   | \$ 2,871,249                              | \$ 1,741,456 <sup>(6)</sup>  | \$   | \$ 9,802,980  |
| Death or Disability  | \$                           | \$   | \$ 2,871,249                              | \$ 1,741,456   | \$   | \$ 4,612,705  |
| <b>Mr. Kasbar</b>  |                              |  |   |  |  |               |
| Termination by Executive without Good Reason or by Company for Cause                             | \$                           | \$   | \$ 3,096,386                              | \$   | \$   | \$ 3,096,386  |
| Termination by Company without Cause, by Executive for Good Reason or Non-Renewal <sup>(1)</sup> | \$ 3,000,000                 | \$ 190,470   | \$ 3,096,386                              | \$ 1,741,456 <sup>(6)</sup>  | \$   | \$ 8,028,312  |
| Change of Control <sup>(1)(2)</sup>  | \$ 5,000,000                 | \$ 190,470   | \$ 3,096,386                              | \$ 1,741,456 <sup>(6)</sup>  | \$   | \$ 10,028,312 |
| Death or Disability  | \$                           | \$   | \$ 3,096,386                              | \$ 1,741,456   | \$   | \$ 4,837,842  |
| <b>Mr. Birns</b>   |                              |  |   |  |  |               |
| Termination by Executive without Good Reason or by Company for Cause                             | \$                           | \$   | \$ 17,273                                 | \$   | \$   | \$ 17,273     |
| Termination by Company without Cause   | \$ 900,000                   | \$ 37,858  | \$ 1,239,856                              | \$ 444,778   | \$   | \$ 2,622,492  |
| Termination by Executive for Good Reason <sup>(1)</sup>  | \$ 900,000                   | \$ 37,858  | \$ 1,239,856                              | \$ 444,778   | \$   | \$ 2,622,492  |
| Change of Control <sup>(1)(2)</sup>  | \$                           | \$   | \$ 17,273                                 | \$ 1,427,278   | \$   | \$ 1,444,551  |
| Death or Disability  | \$                           | \$   | \$ 1,239,856                              | \$ 444,778   | \$   | \$ 1,684,634  |
| <b>Mr. Clementi</b>  |                              |  |   |  |  |               |
| Termination by Executive without Good Reason, by Company for Cause or Non-renewal by Executive   | \$                           | \$   | \$  | \$   | \$   | \$            |
| Termination by Company without Cause   | \$ 2,500,000                 | \$ 35,095  | \$ 1,413,896                              | \$ 4,907,390   | \$   | \$ 8,856,381  |
| Non-renewal by Company   | \$ 1,250,000                 | \$ 35,095  | \$ 1,413,896                              | \$ 3,807,807   | \$   | \$ 6,506,798  |
| Termination by Executive for Good Reason <sup>(1)</sup>  | \$                           | \$   | \$  | \$ 1,099,583   | \$   | \$ 1,099,583  |
| Change of Control <sup>(1)(2)</sup>  | \$ 2,451,354                 | \$ 35,095  | \$ 1,413,896                              | \$ 5,257,807   | \$   | \$ 9,158,152  |
| Death or Disability  | \$                           | \$   | \$ 1,413,896                              | \$ 1,099,583   | \$   | \$ 2,513,477  |
| <b>Mr. Shea</b>  |                              |  |   |  |  |               |
| Termination by Executive reason or by Company for Cause  | \$                           | \$   | \$ 5,025                                  | \$   | \$   | \$ 5,025      |
| Termination by Company without Cause   | \$                           | \$   | \$ 5,025                                  | \$ 186,183   | \$   | \$ 191,208    |
| Change of Control <sup>(2)</sup>   | \$                           | \$   | \$ 5,025                                  | \$ 386,594   | \$   | \$ 391,619    |
| Death or Disability  | \$                           | \$   | \$ 5,025                                  | \$ 186,183   | \$   | \$ 191,208    |

(1) Please see the discussion immediately preceding this table on pages 46 to 53 regarding the obligations the executive must fulfill in order to receive these payments and benefits, such as satisfying restrictive covenants for a certain period of time after the termination event before any cash severance payment is made, and our right to not pay or provide these benefits or discontinue the payment and provision of these benefits if the executive fails to satisfy such obligations.

(2) For the purposes of this table, we have assumed that a change of control occurred on December 30, 2011.

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- (3) This column shows any other cash compensation that is due to the executives such as bonus, accrued but unused paid time off and deferred compensation. The amounts in this column for Messrs. Stebbins and Kasbar include deferred compensation, including interest, which would be paid to them as of December 30, 2011. Amounts in this column attributable to bonus payouts are based on the annual cash incentive awards that were earned in 2011.
- (4) The amounts in this column relating to both SSARs and performance-related SSARs represent the value of unvested and accelerated awards as of December 30, 2011, calculated by multiplying the number of accelerated awards by the difference between the conversion price and the closing price of our common stock on December 30, 2011. The amounts in this column relating to both restricted stock and performance-related restricted stock represent the value of unvested and accelerated stock as of December 30, 2011, calculated by multiplying the number of accelerated shares by the closing price of our common stock on December 30, 2011.
- (5) Under the change of control scenario, we have assumed that the equity-based awards for each executive were not assumed or substituted by the successor company in order to show the full value that each executive would receive as a result of accelerating the vesting of the executive's outstanding awards upon the occurrence of a change of control. If such awards are assumed or substituted by the successor company, their vesting terms would not be accelerated.
- (6) Please see the discussion immediately preceding this table on page 49 regarding the acceleration of equity-based awards with multiple annual performance conditions under these termination scenarios.
- (7) Please see the discussion immediately preceding this table on pages 49 to 53 for the terms of the excise tax cut-back for each of the executives, with the exception of Mr. Shea who is not subject to such a cut-back.

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**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

**Review and Approval of Related Person Transactions**

Related person transactions can create actual or potential conflicts of interests and can create the appearance that certain decisions may not be in the best interest of the Company or our shareholders. Therefore, our Board has adopted a written policy with respect to related person transactions. It is our policy that, as a general matter, we should avoid related person transactions except in circumstances where the transaction is not inconsistent with our best interests, such as obtaining products or services that are not readily available from alternative sources or when the transaction meets the standards that apply to similar transactions with unrelated third parties.

For purposes of our policy, we review all of the following relationships and transactions between us and:

our directors and executive officers, including persons who have at any time since the beginning of our last fiscal year served in that role and any nominees to become a director;

any person we know to be the beneficial owner of more than 5% of any class of our voting securities; and

any immediate family member or any person (other than tenants or employees) sharing the household of any of the foregoing.

Pursuant to our policy, the Governance Committee will review any transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships in which the Company (including any of our subsidiaries) was, is or will be a participant and the amount involved exceeds \$10,000, and in which any related person had, has or will have a direct or indirect interest. The foregoing rule will not be applied to (i) the employment of an executive officer or compensation of a director if such executive officer's or director's compensation is required to be, or otherwise would be required to be, reported under the SEC's compensation disclosure requirements, (ii) any transaction with a public corporation where the related person's only relationship is as a beneficial owner of less than 1% of that corporation's publicly traded securities or (iii) any transaction where the related person's interest arises solely from the ownership of our common stock and where all shareholders received the same benefit on a *pro rata* basis (e.g. dividends).

The Governance Committee reviews any such related person transaction and determines whether to approve any such transaction. The Governance Committee will analyze the following factors, in addition to any other factors the Governance Committee deems appropriate, in determining whether to approve a related person transaction:

the benefits to us;

the impact on a director's independence, if relevant;

the availability of other sources for comparable products or services;

the terms of the transaction; and

the terms available to unrelated third parties or to employees generally.

A related person transaction will only be approved by the Governance Committee if the Governance Committee determines that the related person transaction is not inconsistent with our best interests and those of our shareholders. The Governance Committee's approval is not a directive to enter into the related person transaction, rather it is evidence that the Governance Committee does not object to the transaction based on relatedness issues. Annually, the Governance Committee will review any ongoing related person transactions to determine whether it remains

in our best interests and those of our shareholders to continue, modify or terminate the transactions.

There were no reportable transactions in 2011.

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**PROPOSAL NO. 2 NON-BINDING, ADVISORY VOTE ON EXECUTIVE COMPENSATION**

**Introduction**

The Board is committed to corporate governance best practices and recognizes the significant interest of shareholders in executive compensation matters. Pursuant to recent amendments to Section 14A of the Exchange Act (which were added by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act")), we are providing our shareholders the opportunity to vote to approve or not approve, on an advisory basis, the compensation of our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and our compensation philosophy, policies and practices, as disclosed in the section entitled "Compensation Discussion and Analysis" beginning on page 24 of this Proxy Statement and the related tabular quantifications and narratives.

Our compensation philosophy and framework have resulted in compensation for our named executive officers that is commensurate with both the Company's financial results and the other performance factors described in the "Compensation Discussion and Analysis", which begins on page 24 of this Proxy Statement. Our executive compensation programs are designed to (i) attract, motivate and retain the exceptional management talent required to achieve above-average growth and profitability, (ii) focus on rewarding the types of performance that increase shareholder value, (iii) link executive compensation to the Company's long-term strategic objectives and (iv) align executives' interests with those of our shareholders. The Company believes that its executive compensation programs, which emphasize long-term equity awards and variable compensation, satisfy these goals. A substantial portion of each executive's total compensation is intended to be variable and delivered on a pay-for-performance basis.

Our executive compensation philosophy and framework emphasize the following elements:

*Total compensation is tied to performance.* The majority of total executive compensation is variable and based on the Company's performance. In 2011, the compensation of our named executive officers as a group (excluding our 2011 Chairman and Chief Executive Officer, Paul Stebbins, and our 2011 President and Chief Operating Officer, Michael Kasbar), which was paid as a result of 2011 performance, consisted of approximately 46% variable annual cash incentive compensation and 36% performance-related equity-based awards. The 2011 compensation of Messrs. Stebbins and Kasbar, which was paid as a result of 2011 performance, consisted of approximately 41% variable annual cash incentive compensation and 50% performance-related equity-based awards.

*Long-term equity compensation aligns executives' and shareholders' interests.* Our named executive officers receive equity awards, which generally have multi-year vesting requirements. These awards seek to maximize shareholder value by aligning the long-term interests of our senior executives with those of our shareholders.

Accordingly, for the reasons discussed in the "Compensation Discussion and Analysis" section of this Proxy Statement, we are asking our shareholders to vote "FOR" the adoption of the following resolution:

"RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion above is hereby APPROVED."

While we intend to carefully consider the voting results of this proposal, the final vote is advisory in nature and therefore not binding on us, our Board or the Compensation Committee. Our Board and Compensation Committee value the opinions of all of our shareholders and will consider the outcome of this vote in evaluating our compensation policies and practices and when making future compensation decisions for our named executive officers.

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**Vote Required**

The affirmative vote of a majority of the votes cast on the proposal is required for the approval of the non-binding, advisory vote on executive compensation.

**Recommendation**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE APPROVAL OF THE COMPENSATION PAID TO THE COMPANY'S NAMED EXECUTIVE OFFICERS, AS DISCLOSED PURSUANT TO ITEM 402 OF REGULATION S-K, INCLUDING THE COMPENSATION, DISCUSSION AND ANALYSIS, COMPENSATION TABLES AND NARRATIVE DISCUSSION CONTAINED ABOVE IN THIS PROXY STATEMENT**

Table of Contents**PROPOSAL NO. 3 RATIFICATION OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM****Introduction**

In accordance with its charter, the Audit Committee has selected PricewaterhouseCoopers LLP ("PwC") to act as our independent registered certified public accounting firm for fiscal year 2012.

The Audit Committee is not required to take any action as a result of the outcome of the vote on this proposal. If the shareholders do not ratify the selection of PwC as our independent registered certified public accounting firm, other independent registered certified public accounting firms will be considered by our Audit Committee, but the Audit Committee may nonetheless choose to engage PwC. Even if the appointment is ratified, the Audit Committee, in its discretion, may select a different independent registered certified public accounting firm at any time during the year if it determines that such a change would be in the best interest of the Company and our shareholders.

Representatives of PwC are expected to be present at the annual meeting, will have an opportunity to make a statement if they desire and will be available to respond to questions.

**Fees and Services of PricewaterhouseCoopers LLP**

The following table presents aggregate fees for professional audit services rendered by our independent registered certified public accounting firm, PwC, for the audit of our consolidated financial statements for the fiscal years ended December 31, 2011 and 2010, and fees billed for other services rendered by PwC during those periods.

*Services Rendered*

|                    | 2011                | 2010                |
|--------------------|---------------------|---------------------|
| Audit Fees         | \$ 2,973,853        | \$ 2,721,303        |
| Audit-Related Fees | 48,500              | 53,500              |
| Tax Fees           | 21,088              | 7,600               |
| All Other Fees     | 5,100               | 240,771             |
| <b>Total</b>       | <b>\$ 3,048,541</b> | <b>\$ 3,023,174</b> |

*Audit Fees.* These amounts represent fees for professional services rendered for the audits of our consolidated financial statements included in our Annual Report on Form 10-K, reviews of the quarterly consolidated financial statements included in our Quarterly Reports on Form 10-Q, statutory audits, the assessment of our internal control assertions required by Section 404 of the Sarbanes-Oxley Act of 2002 and other SEC filings and accounting consultations on matters related to the annual audits or interim reviews.

*Audit-Related Fees.* These amounts primarily represent fees for professional services rendered for the audit of the financial statements of our employee benefit plans and of a potential acquisition.

*Tax Fees.* In the interest of auditor independence, the Audit Committee has elected to segregate tax services from audit services.

*All Other Fees.* These amounts represent fees for advisory and consulting services rendered for a review of certain Company policies and procedures. The Audit Committee approved all services provided by, and all fees paid to, PwC. The Audit Committee has considered the services provided by PwC as described above and has determined that such services are compatible with maintaining PwC's independence.



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**Audit Committee Pre-Approval Policy**

Effective January 1, 2010, the Audit Committee established a pre-approval policy for all audit and permitted non-audit services performed by the Company's independent auditor to assure that providing such services does not impair the auditor's independence. Pursuant to this procedure, all audit and non-audit services to be provided by the independent registered certified public accounting firm involving fees of \$10,000 or more must be pre-approved by the Audit Committee. There are two types of pre-approval under the policy, general and specific. Under the general type of pre-approval, proposed services are pre-approved on a categorical basis for up to 12 months and must be detailed as to the particular services provided and sufficiently specific and objective so that no judgments by management are required to determine whether a specific service falls within the pre-approved category. The Audit Committee reviews the general pre-approval categories on a periodic basis and approves the fee levels for each category annually. Under the specific type of pre-approval, proposed services, such as the annual audit engagement terms and fees, are approved on a case-by-case basis. Any services that have not been generally pre-approved or that exceed the approved fee levels must be specifically pre-approved. Specific pre-approval must be obtained from the Audit Committee.

The Audit Committee has delegated the authority to the Chairman of the Audit Committee to pre-approve audit and non-audit services to be provided by the independent registered certified public accounting firm so long as such services: (a) involve fees of less than \$10,000, and (b) are subsequently reported to and approved by the full Audit Committee at its next scheduled meeting.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE  
"FOR" THE RATIFICATION OF THE APPOINTMENT OF  
PRICEWATERHOUSECOOPERS LLP  
AS OUR INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM  
FOR THE 2012 FISCAL YEAR**

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**SHAREHOLDER PROPOSALS FOR THE 2013 ANNUAL MEETING**

*Proposals for Inclusion in the Proxy Statement.* The date by which shareholder proposals must be received by us for inclusion in proxy materials relating to the 2013 Annual Meeting of Shareholders is December 21, 2012. Upon receipt of any such proposal, we will determine whether or not to include such proposal in the proxy materials in accordance with SEC regulations governing the solicitation of proxies.

*Proposals not Included in the Proxy Statement and Nominations for Director.* Shareholder proposals not included in the Company's proxy statement and shareholder nominations for director may be brought before an annual meeting of shareholders in accordance with the advance notice procedures described in the Company's By-Laws. In general, notice must be received by the Corporate Secretary not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting (i.e., June 8, 2013) and must contain specified information concerning the matters to be brought before such meeting and concerning the shareholder proposing such matters. For the 2013 Annual Meeting of Shareholders, the Corporate Secretary must receive notice of the proposal on or after the close of business on February 9, 2013 and no later than the close of business on March 11, 2013. Shareholder proposals must be in proper written form and must meet the detailed disclosure requirements set forth in the Company's By-Laws, including a description of the proposal, the relationship between the proposing shareholder and the underlying beneficial owner, if any, and such parties' stock holdings and derivative positions in the Company's securities. If the date of the annual meeting is more than 30 days earlier or more than 60 days later than such anniversary date, notice must be received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made.

The Company's By-Laws also require that shareholder proposals concerning nomination of directors provide additional disclosure, including information the Company deems appropriate to ascertain the nominee's qualifications to serve on the Board, disclosure of compensation arrangements between the nominee, the nominating shareholder and the underlying beneficial owner, if any, and other information required to comply with the proxy rules and applicable law.

The specific requirements of these advance notice provisions are set forth in Article I, Sections 6 and 7 of our By-Laws, a copy of which is available upon request. Such request and any shareholder proposals or director nominations should be sent to our Corporate Secretary at our principal executive offices.

**OTHER MATTERS**

Neither the Board nor management knows of any matters other than those items set forth above that will be presented for consideration during the annual meeting. However, if other matters should properly come before the annual meeting, it is intended that the persons named in the proxies will vote on such matters in accordance with their best judgment.











